



**An Bille um Aoisliúntas na Seirbhíse Poiblí (Aois Scoir),
2018**
**Public Service Superannuation (Age of Retirement) Bill
2018**

Meabhrán Mínitheach agus Airgeadais
Explanatory and Financial Memorandum



**AN BILLE UM AOISLIÚNTAS NA SEIRBHÍSE POIBLÍ (AOIS
SCOIR), 2018**
**PUBLIC SERVICE SUPERANNUATION (AGE OF RETIREMENT)
BILL 2018**

EXPLANATORY AND FINANCIAL MEMORANDUM

Purpose of the Bill

The purpose of the Bill is to provide for an increase in the compulsory retirement age to 70, for the majority of public servants recruited prior to 1 April 2004, most of whom currently have a compulsory retirement age of 65; to provide the Minister with the power to further increase that compulsory retirement age, by order, in the future under certain circumstances and to provide that the additional service, over the age of 65 will attract pension accrual subject to the statutory maximum of 40 years' service. The groups who will not be covered by the legislation are detailed in section 2 of the Bill and described below.

The Bill is presented as an amendment to the Public Service Superannuation (Miscellaneous Provisions) Act 2004.

Provisions of the Bill

Section 1 – Definition

The only definition in this section is that of “Principal Act” which is defined as the Public Service Superannuation (Miscellaneous Provisions) Act 2004. The definitions contained in the Principal Act apply to this Bill also, subject to the amendments detailed in section 2 of this Bill.

Section 2 – Amendment of section 1 of Principal Act

Section 2 amends section 1(1) of the Principal Act by inserting two new definitions.

“Act of 2012” is the Public Service Pensions (Single Scheme and Other Provisions) Act 2012, which established the Single Public Service Pension Scheme.

“relevant public servant”, defines the group of public servants to whom the new compulsory retirement age of 70 will apply. The definition includes the majority of public servants recruited prior to 1 April 2004, but excludes the following:

- Uniformed pension fast accrual group, i.e. Gardaí, Prison Officers, Firefighters and members of the Permanent Defence Force who, for operational reasons are required to retire early;
- Groups where no compulsory retirement age applies, e.g. President and Members of the Houses of the Oireachtas, or where a compulsory retirement age is provided for in statute elsewhere e.g. the Judiciary;

- Public servants who have already retired at the current compulsory retirement age, have been rehired and are employed in a public service body on the coming into operation of the legislation.

Section 3 – Age of Retirement for relevant public servants

Section 3 amends the Principal Act by inserting a new section 3A. This section provides for a new compulsory retirement age of 70 for relevant public servants as defined in the Bill. It also provides, at section 3A(2), that the Minister may make an order to further increase the compulsory retirement age for relevant public servants in the future, up to a maximum age of 75. Subsection 3A(3) lists the factors that the Minister must consider before making such an order. Finally, subsection 3A(4) provides that certain other Acts are amended so that the retirement age provisions contained in those Acts are consistent with the provisions of this Bill.

Section 4 – Reckoning for superannuation purposes of service by relevant public servants

Section 4 amends the Principal Act by the insertion of a new section 13A. The purpose of this new section is to provide that service between the age of 65 and the new compulsory retirement age of 70 will benefit from pension accrual, subject to the maximum accrual of 40 years' pensionable service. This section also allows for pension accrual up to any higher compulsory retirement age that the Minister may determine by order in the future under section 3A(2).

Section 5 – Application to existing retirement provisions

Section 5 amends the Principal Act by the insertion of a new section 14A. The existing section 14 of the 2004 Act provides that all public service pension schemes should be read in accordance with the provisions of the Principal Act. There are also some Statutory Instruments made under primary legislation which are not pension schemes but which set a compulsory retirement age. The new section 14A provides that any Statutory Instrument which sets a compulsory retirement age, which has been made under any enactment, shall also be read subject to the 2004 Act.

Section 6 – Amendment of Schedule 1 to Principal Act

Schedule 1 of the Principal Act contains a list of bodies to which the Principal Act does not apply. These are mostly commercial State bodies. Section 6 of the Bill amends that Schedule to include two commercial State bodies that have come into existence since 2004. For completeness and in line with equivalent Schedules in the FEMPI Acts and the Public Service Pensions (Single Scheme and Other Provisions) Act 2012, Schedule 1 is also amended to include any corporate bodies that were established before the foundation of the Irish Free State.

Section 7 – Amendment of Schedule 2 to Principal Act

Section 7 inserts a new Part 3 into Schedule 2 of the Principal Act. The new Part 3, the text of which is set out in the Schedule to this Bill, contains consequential amendments to various sectoral enactments which provide for a compulsory retirement age for an individual public servant or class of public servant. This is to align existing sectoral enactments with the key provision of this Bill which is to increase the compulsory retirement age to 70 for most public servants recruited prior to 1 April 2004.

Section 8 – Short title, collective citation and commencement

Section 8 provides for the short title of the Act, the collective citation and the commencement provisions.

Schedule – Consequential Amendments

The *Schedule* details the consequential amendments to various sectoral enactments which provide for a compulsory retirement age for a public servant or class of public servant. In each case, the amendments provide for a compulsory retirement age of 70, other than in the case of “new entrants” as defined in the 2004 Act who have no requirement to retire on age grounds. The amendments also provide for a further increase in that compulsory retirement age in the event that the Minister for Public Expenditure and Reform should provide for a higher compulsory retirement age by order under section 3A(2) of this Bill in the future.

Cost to Exchequer of Proposals in Bill

The measures proposed in this Bill are not expected to give rise to any additional costs for the Exchequer.

*An Roinn Caiteachais Phoiblí agus Athchóirithe
Iúil, 2018.*