

THE REVISED SPOUSES' AND CHILDREN'S PENSION SCHEME

September 2005 sees the introduction by the Department of Education & Science of a new Revised Spouses and Children's Pension Scheme. The Revised Scheme is similar to the Existing Scheme but unlike the Existing Scheme it includes cover for:

- spouses of members who marry after retirement
- all children whether born within a marriage or not
- children born while you are in retirement.

The main differences between the Existing Scheme and the Revised Scheme are:

The Existing Scheme

1. The contribution rate is 1.5% of salary
2. A spouse is covered only where the marriage takes place prior to retirement
3. Only children born within marriage and born before retirement are covered. This includes step-children and adopted children
4. Teachers who are single at retirement receive a refund of all their contributions to the Scheme less tax and PRSI

The Revised Scheme

1. The contribution rate is
 - 1.5% of salary for members transferring across from the Existing Scheme to the Revised Scheme
 - 1.5% of salary for those who take up service after Sept 1st '05
 - 2% of salary for those who opted out of joining the Existing Scheme in 1969/1981
2. A spouse is covered even where the marriage takes place after retirement
3. All children including those born outside of marriage and those born in retirement are covered. This includes step-children and adopted children
4. Teachers who are single at retirement do not receive a refund of their contributions to the Scheme

Note: To secure spouses' benefit, a marriage recognised by the State must have taken place - this provision still remains.

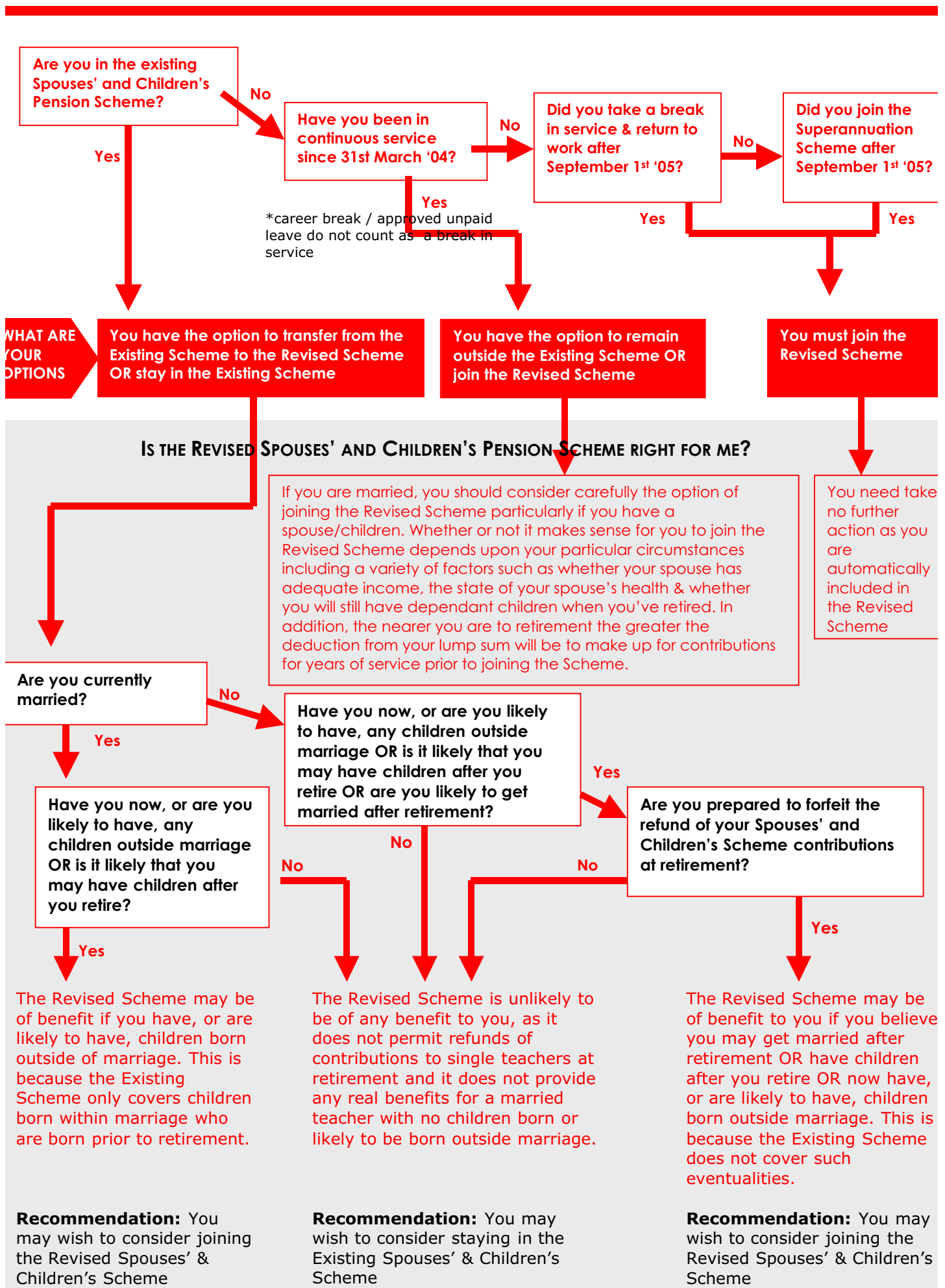
Who is eligible to join the Revised Spouses' and Children's Pension Scheme?

All members of the Superannuation Scheme are eligible to join subject to the following:

- **Teachers joining the Superannuation Scheme from September 1st 2005** must now join the Revised Spouses' and Children's Pension Scheme. They must make ongoing salary contributions at a rate of 1.5% for the remainder of their career.
- **Teachers who are not currently in the Existing Spouses' and Children's Pension Scheme**, i.e. those who opted out of the Existing Scheme in 1969/1981, now have the option to join the Revised Scheme. Should they choose to join the Revised Scheme, they must make ongoing salary contributions at a rate of 2% of salary for the remainder of their career. In addition, at the time of their retirement they will have to make up by means of a deduction from their lump sum, the contributions to the Scheme for their years' of service prior to joining. This means there may be significant costs at retirement associated with joining, particularly for teachers with many years of service at the time they join the Revised Scheme.
- **Teachers who are currently in the Existing Spouses' and Children's Pension Scheme** will also have the option (subject to conditions) to join the Revised Scheme or remain in the Existing Scheme. They will continue to make an ongoing salary contribution at a rate of 1.5% of salary to the Scheme. There is one potential drawback. The Revised Scheme does not permit refunds of contributions to single teachers at retirement whereas under the Existing Scheme, at retirement members receive a refund of their 1.5% contributions to the Scheme less tax). Members who opt to join the Revised Scheme must exercise the option to do so before March 31st '06.

Overleaf is a useful chart designed to help you assess whether it may be worthwhile for you to consider joining the Revised Spouses and Children's Pension Scheme. If you need any more information, please contact Cornmarket on 01 408 4025

This leaflet provides only a brief summary of the main issues you need to consider when deciding whether or not to join the 'Revised Spouses' and Children's Pension Scheme. For a consultancy fee of €75 you can avail of the expert advice of Cornmarket's consultants who will help you to decide which option best suits your needs based on your own particular circumstances.



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