

Policy name: Retirement Policy

Approved by RIAM Governing Body: 08/04/2021

Revision 1 approved: 08/04/2021

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1. Purpose

To set out details of procedures for pensionable and non-pensionable staff retiring from the Royal Irish Academy of Music (RIAM).

2. Scope

This policy covers all employees of the RIAM, members of the Defined Benefit Scheme, members of the Defined Contribution (Group PRSA) Scheme and those who have not opted into a pension scheme.

3. Procedure

3.1 Normal retirement

The normal contractual retirement date for most RIAM staff is their 65th birthday, or the completion of the Academic year in the year they turn 65. All employees have the right to retire at age 65.

Employees who are due to retire will be contacted by the Secretary 6 months prior to their normal date of retirement to discuss their pension and/or employment intentions after age 65.

For the purposes of preparing a Retirement Benefits Statement, the Secretary may request additional information from the employee such as birth/marriage certificates or additional retained pension benefits prior to retirement.

3.2 Retirement Age

With the enactment of the Public Service Superannuation (Age of Retirement) Act 2018 in December 2018, an upper compulsory retirement age of 70 applies to all employees and all employees will have the right to work beyond the age of 65 to age 70 if they so choose.

The following rules will be applied to those employees who elect to remain on in employment past their contractual retirement age of 65.

Written notice of 4 months must be given to the Secretary outlining the employee's intention to remain in employment after their 65th Birthday.

3.2.1 Members of RIAM Defined Benefit Pension Scheme

- Lump sum is paid and pension payments commence on reaching contractual retirement age.
- Pension abatement rules will apply (Appendix A).
- Salary is paid at the relevant point on the scale that applies on reaching contractual retirement age.
- Class A PRSI will apply.
- Employee will be engaged on the same work pattern and the same hours that applied up to age 65.
- Any additional service past contractual retirement age will not be pensionable.
- Employee will no longer be insured for Income Protection or Death in Service Benefit.

3.2.2 Members of the RIAM Defined Contribution Scheme (PRSA)

- Employee makes contact with Irish Life PRSA providers to discuss retirement benefit options 6/8 weeks prior to their 65th birthday. All correspondence will be between the employee and Irish Life.
- Salary is paid at the relevant point on the scale that applies on reaching the employee's 65th birthday or the end of the relevant academic year, whichever is later.
- Class A PRSI will apply.
- Employee will be engaged on the same work pattern and the same hours that applied up to age 65.
- Employee may continue to pay into the PRSA scheme and this will be facilitated by RIAM payroll.
- Employee will no longer be insured for Income Protection but will be insured for Death in Service Benefit, subject to medical assessment criteria imposed by the insurers.

Employees are strongly advised to obtain independent advice prior to deciding on which course to follow.

7. Responsibility

- 7.1 The RIAM Secretary is responsible for overseeing this policy and its operational procedures.

8. Legislation and Regulation

- 8.1 The Workplace Relations Code of Practice on Longer Working (S.I. No. 600 of 2017)
- 8.2 Employment Equality Acts (Miscellaneous Provisions) Acts 1998 to 2015
- 8.3 Public Service Superannuation (Age of Retirement) Act 2018
- 8.4 National Framework of Qualifications (NFQ).

9. Related Documents

- 9.1 Pensions Authority Website <https://www.pensionsauthority.ie/en/>

- 9.2 Department of Public Expenditure and Reform Circulars <https://www.gov.ie/en/policy-information/a97614-public-service-pensions/?referrer=http://www.per.gov.ie/en/public-service-pensions-circulars-and-letters/>
- 9.3 Information on State Pension <https://www.gov.ie/en/service/e6f908-state-pension-contributory/?referrer=https://www.welfare.ie/en/Pages/State-Pension-Contributory.aspx>
- 9.4 Pension Ombudsman <https://www.fspo.ie/>

10. Document Control

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Appendix A

The following applies to the Defined Benefit Scheme

What is Pension Abatement?

Abatement is a mechanism by which pay is reduced where the recipient, following retirement from their existing RIAM employment, is subsequently engaged in continued employment in the RIAM.

Under the principle of abatement the person's combined earnings – (pension plus pay in the new role) is assessed to establish whether it exceeds the pay on which the pension benefits were calculated. In broad terms your new RIAM Salary could be (i) un-affected, or (ii) paid at a reduced level. The following outlines the different impacts in such cases.

(i) Where the combined income (pension plus pay in the new employment) is less than the pay on which the pension is based, then no adjustment to pay in the new employment will occur.

(ii) Where the pay in the new employment is **equal to or greater than** the pay on which the pension is based in its entirety, pay in the new employment will be reduced for the duration of the new employment or where the pay in the new employment is **less than** the pay on which the pension is based, but the new pay when combined with the pension is greater than the pay on which the pension is based, then pay is reduced accordingly.

Illustrative examples:

(i)	Pay pension was based on	€65,000
	Annual pension	€32,000
	New pay in current role	€30,000
	Total of pension + new pay	€62,000

New pay plus pension is less than €65,000 therefore no abatement required

(ii)	Pay pension was based on	€65,000
	Annual pension	€32,000
	New pay in current role	€46,000
	Total of pension + new pay	€78,000

New pay abated by €13,000 as total of pension plus new pay cannot be greater than €65,000