

LP 9/02/2018

9 February 2018

Re: Pension Accrual for Parental Leave

Dear HR Manager

1. This letter sets out new arrangements to be used in the calculation of pension accrual for parental leave. Please note that these new arrangements will take effect on 9 February 2018.
2. The decision has been taken to alter the rules governing pension accrual for civil servants who avail of parental leave. At present, an anomaly operates whereby an individual who chooses to take their entitlement of parental leave on the last working day before, and the first working day after, a weekend loses four days of reckonable service for pension purposes as opposed to two.
3. This letter introduces a substantive change where parental leave is taken to include the Friday before, and the Monday after, a weekend. From the effective date of this letter only the two working days that the individual was scheduled to work will be deducted for pension accrual purposes. All other existing arrangements used in the calculation of pension accrual for parental leave will remain unchanged. Further detail is provided, in relation to both this amendment and existing arrangements which remain unchanged, in paragraph 5 below.
4. Paragraph 5 of the Letter to Personnel, dated 29 March 2006, sets out the rules that have operated to date governing the effect of unpaid absences (including parental leave) on pension accrual. This approach is henceforth amended with regard to parental leave.
5. In relation to the calculation of pension accrual, parental leave is hereafter to be treated as follows:

An individual day or portion of a day

- (i) **Where parental leave is taken to include individual days, a day is discounted for each day of parental leave, i.e. the day(s) discounted will not be reckonable for pension purposes.**
- (ii) **Where parental leave is taken as a portion of a full day, the equivalent amount of time is discounted. For example, where an individual takes a half day of parental leave, half a day will be discounted and will not be reckonable for pension purposes.**

A period of more than one day and less than 13 weeks

- (iii) **Where parental leave is taken for a period of more than one day, but less than 13 weeks, each day that the person was scheduled to work in the period from the start to the end of the period of parental leave, excluding Saturdays and Sundays, is discounted, i.e. the days discounted will not be reckonable for pension purposes.**

A period of 13 weeks or more

- (iv) **Where parental leave is taken for a period of 13 weeks or more, the accrual of pensionable service is stopped during this period and resumes when the person returns from the break.**

6. The effect of the change outlined in paragraph 5(iii) is that for persons who take parental leave in a block, that is less than 13 weeks and includes the last working day immediately before a weekend and the first working day immediately after that weekend, only two days of pensionable service will be discounted for pension accrual purposes, not four.
7. Please note the original arrangements set out in the 2006 Letter to Personnel in relation to pension accrual for parental leave did not apply to members of the Single Public Service Pension Scheme (the Single Scheme), who have their pension entitlements calculated by reference to pensionable remuneration rather than pensionable service. Similarly, the revised rules set out above do not impact on the pension accrual for members of the Single Scheme.
8. The Appendix to this letter sets out a number of worked examples of the impact that the introduction of the above alteration for parental leave has on pension accrual.
9. Departments are requested to bring the contents of this letter to the attention of Bodies under their aegis.

Yours Sincerely,

Hannah Gilmartin
Remuneration, Industrial Relations and Pensions Division

APPENDIX: EXAMPLES

Impact of parental leave changes on the calculation of pensionable service for certain work patterns

A. – A Civil Service Standard Week [Full Time]

Mon – Fri each week	FTE = 1
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<i>Example</i>	
<i>Unpaid Leave</i>	<i>Pension Loss</i>
Week 1 – off Mon – Fri (incl)	5 Days
Week 2 – off Mon	1 Day
Total Pension Loss = 6 Full Days	

B. - Week on/Week off

1 Week on/1 Week off	FTE = .5	
Week 1	On	Mon - Fri
Week 2	Off	Mon – Fri
Week 3	On	Mon - Fri

<i>Example</i>	
<i>Unpaid Leave</i>	<i>Pension Loss</i>
Week 1 off Mon – Fri (incl)	5 Days
Week 3 off Mon	1 Day
Total Pension Loss = 6 Full Days	

C. - Split Week

Split Week		FTE = .5
Week 1	On	Wed, Thurs, Fri
Week 2	On	Mon, Tues

<i>Example</i>	
<i>Unpaid Leave</i>	<i>Pension Loss</i>
Week 1 – off Wed, Thurs, Fri	3 Days
Week 2 – off Mon and Tues	2 Days
Total Pension Loss = 5 Full Days	

D. - Half Day on each day

Half Day On/Half Day Off	FTE = .5
Most commonly works each morning i.e. ½ day every day, but could be each afternoon.	

<i>Example</i>	
<i>Unpaid Leave</i>	<i>Pension Loss</i>
Week 1 – off Mon to Fri	5 * ½ Days = 2 ½ Days
Week 2 – off Mon to Fri	5 * ½ Days = 2 ½ Days
Total Pension Loss = 5 Full Days	

E. - 2 ½ Days on-2 ½ Days off

2 ½ Days on/2 ½ Days off	FTE = .5
Works Wed morning and Thurs and Fri (full days) each week.	

<i>Example</i>	
<i>Unpaid Leave</i>	<i>Pension Loss</i>
Week 1 – off Wed am, Thurs and Fri	2 ½ Days
Week 2 - off Wed am, Thurs and Fri	2 ½ Days
Total Pension Loss = 5 Days	

F. - 3 Days per week

3 Days per week	FTE = .6
On Mon, Thurs and Fri each week	

<i>Example</i>	
<i>Unpaid Leave</i>	<i>Pension Loss</i>
Week 1 – off Mon, Thurs, Fri	3 Full Days
Week 2 – off Mon, Thurs, Fri	3 Full Days
Total Pension Loss = 6 Days	