

If you retired between 2012 and 2020 you need to read this.

I maintain that the deductions from our lump sum gratuity payments that were made during the period when the pension levy deductions were active were not applied in an equitable fashion across all members as mandated in the legislation..

These deductions were only made from approx. 530 of the 1729 members.

I think we should demand that these deductions be returned to us.

They amount to 2.4% of your Tax Free Lump Sum Gratuity.

If you are interested in pursuing this case with me please email me at

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Background

In 2011 the government introduced the Pension Levy.

In 2012 the trustees of the RTESA pension fund decided to recoup the loss due to the levy from the members benefits, as they were permitted to do in the legislation, by reducing pension benefits in two distinct and separate reductions.

1: Pension Levy Pension Reduction: a **permanent** continuous reduction in benefits in payment.

2: Pension Levy Gratuity Reduction: a once off deduction of the accrued tax-free lump sum gratuity at the dates the levy amounts were paid to the government, **to be collected on retirement.**

Since the RTESA Pension Fund closed to new entrants in 1989, at the time of the Pension Fund levy introduction every member had at least 22 years service.

The deduction scheme was an ad-hoc scheme designed and implemented by the trustees and the administrators after consulting experts. There were no rules or regulations or other outside imperative to make deductions from the accrued lump sums. It was not necessary to do so. Revenue had no role in this system design.

The legislation did include a clause with stipulations on the fair treatment of members as follows:

“Should the option of reducing scheme benefits be taken, it must essentially be applied in an equitable fashion across the different classes of scheme members that could include active, preserved and retired members.”

(Minister for Finance in reply to a Dail question from deputy Brian Stanley 20/05/2020)

In 2011 there were 1729 members as follows

Pensioners : 1,060

Preserved : 209

Active : 460

At the end of the four years of the levy deductions by Revenue from the fund all preserved and active members accrued lump sum benefit had been reduced by 2.4%.

Of the 1729 members in 2011, the 1060 Pensioners had 0% Of their lump sum deducted as their lump sum gratuity had already been paid..

The trustees annual report for the year ending 31st December 2020 shows the membership to have 98 Active and 39 Preserved members, i.e. 137 members yet to retire and pay their Pension Levy Gratuity Reduction.

It is worth re-stating that all 137 of these active and preserved members in 2020 had the appropriate deductions from their Pension Levy Gratuity **accrued benefits** applied at the Levy deduction dates in 2011,2012,2013 and 2014 to be collected at their retirement.

These 137 Active and Preserved members had 0% Of their lump sum deducted.

For this to happen the deductions from the accrued benefits made in 2011-2014 had to be restored to them.

The 530 members who retired between 2011 and June 2020 had 02.4% Of their lump sum deducted. These deductions were a significant loss for any pensioner to bear.

Since the fund administrators were able to restore the deductions made from the accrued lump sum gratuities of the 137 active and preserved pensioners who would retire after 2020 there is no reason that they cannot do the same for the 530 members who retired while the deductions from our pensions were in place.

We were not treated fairly. We should get our money back.