

Leaving Employment and Annual Administration Activities Common Queries from Workshops

This document sets out those questions raised by attendees at the "*Leaving Employment and Annual Administration Activities*" workshops between March and May 2018, delivered as part of the Single Scheme Project Team's programme of training for Relevant Authorities.

The primary resource for Single Scheme administrators should be the Administrator FAQ available [here](#) and published to www.singlepensionscheme.gov.ie.

Queries that are not addressed in the Administrator FAQ or elsewhere in the Employers area of www.singlepensionscheme.gov.ie should be submitted by email to singleschemequeries@per.gov.ie.

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Annual Benefit Statements

1. What information should be shown on an Annual Benefit Statement?

Section 43 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012, requires that annual benefit statements show:

- (a) The total amount of contributions paid by the Scheme member in the previous tax year,
- (b) The total referable amounts accrued by the Scheme member in the previous tax year, and
- (c) The total referable amounts accrued by the Scheme member in previous tax years (including any periods in previous employments in respect of which he or she was a Scheme member) adjusted in line with CPI as appropriate.

Annual Benefit Statements should also show, where applicable, details relating to contributions repaid to the current Relevant Authority by a member eligible to do so and the corresponding referable amounts restored to the year when they were originally accrued. Relevant Authority Administrators must also take into account the legal requirements set out in the Pensions Act 1990 (as amended) and, in particular, regulations around disclosure of information to occupational pension scheme members.

2. If a Single Scheme member has had more than one Relevant Authority employer in a calendar year, will such a member receive more than one Annual Benefit Statement in respect of that year?

Some members of the Single Scheme will receive more than one Annual Benefit Statement if they have had two or more pensionable employments in a calendar year (i.e. 1 January to 31 December). In such cases each Relevant Authority will separately issue an Annual Benefit Statement to such members.

3. Why is date of birth required on the Annual Benefit Statement?

A member's date of birth is required in order to establish a scheme member's normal retirement age. The normal retirement age for a member of the Single Scheme depends on the member's date of birth. Capturing this information should also assist Relevant Authorities with their annual planning and budget forecasting activities.

From time-to-time the Department of Public Expenditure and Reform will also seek to determine accrued pension liabilities across all Relevant Authorities and recording member date of birth will assist Relevant Authorities in this regard.

4. How should a Relevant Authority who has not yet issued any Annual Benefit Statements best meet its legal obligations?

Where a Relevant Authority is engaged in a catch-up exercise and must retrospectively issue Annual Benefit Statements to its members, a separate statement should issue for each individual scheme year rather than a single statement covering all relevant scheme years. Relevant Authorities should provide the required information in respect of employment with that Relevant Authority only (see Question 2).

The purpose of an Annual Benefit Statement is to disclose pension benefit information to members, clearly illustrating how benefits have built up over time, and to show any upward adjustment to these benefits as a result of increases in the Consumer Price

Index (CPI).

5. Should the Pension Related Deduction (PRD) and, from 1 January 2019, the Additional Superannuation Contribution (ASC) be shown on a member's Annual Benefit Statement?

There is currently no requirement for Relevant Authorities to show the Pension Related Deduction (PRD) on a member's Annual Benefit Statement.

While there is currently no requirement to reflect the ASC on Annual Benefit Statements from 1 January 2019 it is not necessarily the case that this will be so when the ASC comes into effect. Considerations regarding the administration of the ASC from 1 January 2019 are ongoing and Relevant Authorities should be mindful that this reporting requirement may be subject to change.

6. Are Relevant Authorities obliged to use the Annual Benefit Statement template on www.singlepensionscheme.gov.ie ?

The templates provided by DPER are for guidance and to assist Relevant Authorities in compliant Single Scheme implementation. Relevant Authorities are free to devise their own Annual Benefit Statement templates should they choose to do so, provided they are compliant with the 2012 Act.

Refunds of Contributions/Restoration of Benefits

7. Which Relevant Authority is responsible for processing the repayment of contributions previously refunded to a member and the associated restoration of referable amounts?

The Relevant Authority with whom the member is currently employed is responsible for processing any repayment of contributions previously refunded to a member and the associated restoration of referable amounts accrued in the earlier period of employment. Members who received a refund of contributions in respect of an earlier period of Single Scheme employment are eligible to repay these contributions plus compound interest if re-employed in a pensionable, Single Scheme post with another Relevant Authority within two years of the date of leaving any earlier employment(s).

Where an eligible member restores benefits previously held those benefits are deemed to have been restored to the year they were originally accrued. Positive CPI recorded in subsequent years must also be applied to the restored referable amounts.

8. When an eligible member chooses to repay a refund of contributions does the member repay the gross amount or the net amount (i.e. gross amount less 20% superannuation tax)?

A member who wishes to repay a refund of contributions must repay the gross refund amount to the current Relevant Authority employer.

9. Is there a time-limit within which non-vested members can claim a refund of contributions?

There is currently no time-limit within which a non-vested member must claim a refund of contributions. An eligible member must formally apply to a Relevant Authority employer for any refund of contributions. Contributions should not be refunded automatically by Relevant Authority employers and they should ensure that members are fully aware of their "*Leaving Service Options*" (LSO) prior to ceasing pensionable

Single Scheme employment. A member may decide not to apply for a refund of contributions for a number of reasons including:

- The member has secured subsequent pensionable employment with another Relevant Authority/Single Scheme employer
- The member intends to secure pensionable employment with another Relevant Authority/Single Scheme employer at a date in the future
- The nature of the members employment may be based on a pattern of employment and re-employment with a period of unemployment in-between e.g. substitute Teacher in the Education Sector

There is currently no time-limit within which a non-vested member who leaves pensionable employment must apply for a refund.

Where a non-vested member does not receive a refund of contributions and subsequently, at any stage in the future, takes up a further pensionable public service post, the member's time towards vesting and their accrual of referable amounts will resume from the date of that subsequent employment.

A non-vested Single Scheme member who does not apply for a refund of contributions and is never subsequently employed in a pensionable capacity in the public service will retain an entitlement to that refund amount. This entitlement is known as a "*retained benefit*."

10. If a member repays part of a refund in one year and the balance in another year is the member's record credited with partial referable amounts reflecting the portion of contributions repaid?

A member is not deemed to have restored benefits until contributions previously refunded (plus compound interest) have been paid in full. A member may make a once-off payment or agree a schedule of payments, with their employer. Where a member opts to make the repayment in instalments and over a period of time, Annual Benefit Statements issued to such a member should show repaid contributions received by the Relevant Authority employer at 31 December of a scheme year. No restored referable amount details will be shown on an Annual Benefit Statement until the member has repaid the refund of contributions amount due in full. Where a member restores benefits previously held those benefits are deemed to have been restored in the year they were originally accrued. Positive CPI recorded in subsequent years must also be applied to any restored referable amounts.

11. How are restored referable amounts reflected in Leaver Statements and Annual Benefit Statements?

Restored referable amounts should be shown separately to referable amounts accrued in respect of a member's current pensionable employment. Therefore an Annual Benefit Statement (or Leaver Statement) for a member who has restored benefits should detail:

- All referable amounts accrued in current employment and,
- All referable amounts restored following the full repayment of contributions to the current Relevant Authority

Please note, restored referable amounts:

- (i) are deemed to have been restored to the year when originally accrued and;
- (ii) should be uprated by CPI, where applicable, with effect from the year when originally accrued.

12. Is CPI applied to restored amounts?

Yes. Where a member restores benefits previously held and negated as a result of a refund of contributions, those benefits are deemed to have been restored to the year they were originally accrued. Positive CPI recorded in subsequent years must also be applied to the restored referable amounts.

13. How can Relevant Authorities fund refunds of contributions?

Please see Letter to Personnel Officers, 7 November 2013 (paragraph 5) for details. This document can be accessed [here](#).

14. Can a Single Scheme member who received a refund of contributions following a period of standard accrual Single Scheme membership restore these contributions if re-employed in a pensionable capacity to a fast accrual grade?

Yes. In general, a non-vested Single Scheme member who is re-employed in a fast-accrual Single Scheme capacity within 24 months from the date of leaving standard-accrual Single Scheme employment can:

- Choose to repay contributions refunded in respect of the standard-accrual membership to the current Relevant Authority employer, and
- Restore the original referable amounts accrued as a standard accrual member as well as time towards vesting.

Higher accrual rates (*"fast accrual"*) apply to the following Single Scheme member groups: Gardaí, Permanent Defence Force personnel, prison officers, full-time firefighters, the President, TDs, Senators, ministers, judges, the Comptroller & Auditor General, other qualifying office holders and designated office holders.

15. Can a Single Scheme member apply for tax relief on compound interest on restored amounts?

This is a matter for the member and the Office of the Revenue Commissioners.

Family Law

16. Who is considered to be the "trustee" for the purposes of family law proceedings involving Single Scheme members?

The "trustee" for the purposes of Single Scheme family law proceedings is the Relevant Authority. Where a Relevant Authority, in respect of pension administration, has an arrangement with a third-party administrator (a Shared Services Centre for example), then it is acceptable that the practical handling of a Single Scheme family law case be carried out by that administrator – i.e. it is acceptable for the administrator to assume the role of the trustees.

17. What steps should Relevant Authorities take where a non-vested (active) member is going through formal divorce/separation proceedings in the Family Law Courts and requires a statement of benefits for these purposes?

Provided a non-vested Single Scheme member is in active, pensionable employment a statement of benefit can issue for Family Law purposes detailing contingent benefits (i.e. Death in Service benefits) and Normal Retirement Benefits accrued to the date of valuation (the date when the statement of benefits is requested). Any statement of

benefit that issues in respect of a non-vested Single Scheme member should contain the proviso that the member in question has not yet vested in the scheme.

Any subsequent Pension Adjustment Order submitted for Trustee approval should comprise an order relating to contingent benefits only, where a member has not yet vested. Orders made for Trustee approval relating to other Single Scheme benefits would be considered ambiguous where a member is not vested.

Administrators can also refer to Part G of the Administrator FAQs in the Employers area of the Single Scheme website for further guidance on Family Law matters and the Single Scheme. This document is available on the Single Scheme website and can be accessed [here](#).

Single Scheme Pensions

18. Who pays Single Scheme pensions?

The Pension Paying Authority is responsible for paying Single Scheme pensions. The Pension Paying Authority may be the individual Relevant Authority, a Shared Service organisation like Payroll Shared Services Centre (PSSC) or MyPay (Local Government), for example. In general, the Pension Paying Authority for Single Scheme pensioners is likely to be the same organisation that pays pre-2013 public service pensions.

19. When are CPI increases applied to pensions?

An annual circular issued by the Department of Public Expenditure and Reform will confirm whether or not an increase has been recorded in the CPI for a particular scheme year and, where appropriate, instruct from which date Single Scheme pensions are to have a positive CPI increase applied. No action should be taken in uprating Single Scheme pensions until this circular issues at the start of each year (usually January or February).

20. Who has responsibility for issuing the "Pensioner Declaration Form?"

In general, the organisation responsible for payment of pensions is responsible for the issue of the "Pensioner Declaration Form" on a yearly/every two year basis.

21. Can retired Single Scheme members in receipt of a Single Scheme pension claim a "supplementary pension?"

No. Supplementary pensions are not provided for under *the Public Service Pensions (Single Scheme and Other Provisions) Act 2012*.

22. Do increases in pay affect Single Scheme pensions in payment?

There is no link between public service pay increases and Single Scheme pensions in payment. Single Scheme pensions in payment are uprated on instruction from the Department of Public Expenditure and Reform only where an increase in CPI has been recorded (see question 18) and notified to Relevant Authorities by circular.

Remittance of Contributions

23. How should Relevant Authorities fund the payment of Single Scheme benefits to eligible members?

Administrators should refer to Question 32 in the Administrator FAQs in the Employers area of the Single Scheme website for guidance on financing the payment of Single Scheme benefits. The FAQ can be accessed [here](#).

24. Is compound interest collected on contributions repaid by members remitted on a monthly basis to DPER?

Yes. Any compound interest collected by a Relevant Authority on contributions repaid by members should be remitted along with ordinary scheme contributions in line with Letter to Personnel Officers, 7 November 2013. This document can be accessed [here](#).

Department of Employment Affairs and Social Protection Payments

25. When should Contributory State Pension (CSP) rate changes be applied?

Changes to the rate of the CSP reported by the DEASP and as a weekly amount should be applied from the effective date of the rate-change. The CSP rate is relevant to:

- (a) the calculation of Single Scheme member contributions against net pensionable remuneration and,
- (b) the accrual of referable pension amounts where the higher accrual rate of 1.25% applies to any pensionable remuneration in excess of the 3.74 x CSP threshold.

In practice, when a new CSP rate is effective from a date in the middle of a pay-period, there will be one week where the CSP is based on a number of days at the old rate and a number of days at the new, revised rate. Administrators may need to calculate a number of such interim rates where a number of pay-group categories exist (i.e. weekly, fortnightly or monthly).

26. Where the Department of Employment Affairs & Social Protection (DEASP) make a payment in respect of a Single Scheme member, is the DEASP element to be treated as pensionable?

Under the *Public Service Pensions (Single Scheme and Other Provisions) Act 2012* a member can accrue referable amounts on the basis of what the Act defines as being "pensionable remuneration." D/EASP benefits are **not** considered to be pensionable remuneration as defined in the Act.

Such DEASP benefits are those under Part 2 (which relates to social insurance) of the *Social Welfare Consolidation Act 2005* in respect of periods relating to one or more of the following:

- Incapacity for work;
- Maternity;
- Health and safety;
- Adoption;
- Occupational injuries;

What this means is:

1) If an employer pays the employee themselves while a member is on maternity leave or sick leave (for example) and recoups an amount of benefit from DEASP (as is the case for the majority of public service employers), the **employee should accrue referable amounts and pay pension contributions based on the full amount** of pensionable remuneration paid by the employer.

2) If an employer does not pay the employee while they are on maternity leave or sick leave (for example), or only part-pays the employee, with the employee receiving the PRSI related benefit directly from DEASP, the amount paid by DEASP does not meet the definition of pensionable remuneration as set out in the 2012 Act. **The member does not accrue referable amounts and does not pay pension contributions based on the DEASP element of income.** The employee accrues referable amounts and pays pension contributions only on the amount of pensionable remuneration paid by the employer.

Calculations – Contributions and Referable Amounts

27. Where any member with a fixed FTE/work-pattern receives remuneration in excess of their fixed pattern, does the FTE on the Contributions and Referable Amounts calculator need to be adjusted?

If a Scheme member receives pensionable remuneration in excess of their ordinary level of pensionable remuneration then the FTE field in the [Contributions and Referable Amounts calculator](#) must be adjusted upwards.

For example, a Single Scheme member in receipt of pensionable pay at €4,000 per month, with a normal FTE of 1.0 who receives pensionable pay in a pay-period of €5,000 (arrears due to late payroll set-up for example) would see the FTE adjusted upwards from 1.0 to 1.25 (i.e. $€5,000/€4,000 = 1.25$).

The prevailing Contributory Statement Pension (CSP) thresholds that determine net pensionable remuneration for contribution purposes and referable pension amount accrual at the higher 1.25% rate should also be pro-rated to reflect the FTE. In the example given this would see the FTE 1.0 CSP thresholds multiplied by 1.25.

28. Is payment for untaken annual leave pensionable and does it form part of "*pensionable remuneration*?"

Payment for untaken annual leave is not pensionable and should not form part of "*pensionable remuneration*" as it is an exceptional, compensatory payment approved at the appropriate level where a compelling reason exists for an employee not being facilitated in availing of their full annual leave entitlement prior to leaving employment.

In accordance with the definition of "*pensionable remuneration*" in the *Public Service Pensions (Single Scheme and Other Provisions) Act 2012*, pensionable remuneration consists of pensionable pay (point on salary scale) and any employer approved pensionable allowances and/or emoluments.

29. Is CPI applied to already previously adjusted amounts?

Yes. All referable pension and lump sum amounts are increased by CPI where there is a positive increase in the rate of inflation recorded for a given year.

30. Can contribution and referable amount calculations be performed on an annual basis?

No. Contribution and referable amount calculations must be performed in the pay-period in which the pensionable remuneration is received. The Single Scheme is a career

average defined benefit scheme and, as such, benefits accrue every time a member receives pensionable remuneration in a pay-period. It may be the case that a member's pay fluctuates from one pay-period to the next and a member may accrue referable pension amounts at the higher 1.25% within a pay-period despite a member's annual salary appearing to be less than the higher accrual rate threshold (i.e. CSP x 3.74).

Purchase of Additional Benefits

31. Can Single Scheme members purchase additional benefits?

It is intended that a facility for the purchase and transfer of additional pension benefits by Single Scheme members will be provided by way of Regulations under the Single Scheme Act. Appropriate Regulations are being drafted and these will set out the rules of the new scheme. Progress is ongoing and the expectation is that this progress will be maintained to enable the Regulations to be made this year.

32. Can Single Scheme members procure AVCs?

The *Public Service Pensions (Single Scheme and Other Provisions) Act 2012* does not impose any restrictions on Single Scheme members procuring AVCs if they so wish. AVCs are solely a matter for the member and private pension providers. Members should be advised to seek independent financial advice. Administrators should note that it is not within their remit to endorse or express a preference for one pension provider over another.

33. Can benefits accrue during Career Break?

It is currently not possible for members who avail of a Career Break or any other form of employer approved unpaid leave to accrue Single Scheme pension benefits during these periods. Single Scheme members accrue referable pension amounts every pay-period based on pensionable remuneration received. Where a member avails of a Career Break or any other form of employer approved unpaid leave, no pensionable remuneration is paid and referable amounts cannot accrue.

General

34. Where can I find information on the PRD?

More information on the PRD is available [here](#).

35. Is ASC replacing PRD?

Yes. Part 4 of the Public Service Pay and Pensions Act 2017 abolishes PRD with effect from 1 January 2019, i.e. PRD will no longer apply after 2018. It will be replaced by an "Additional Superannuation Contribution" (ASC) payable by public servants on their pensionable pay. ASC rates applicable to Single Pension Scheme members will be lower than those rates that apply to pre-2013 public service pension scheme members. The ASC rates will change further with effect from 1 January 2020. The table below shows the applicable rates of ASC:

Additional Superannuation Contribution (ASC) Rates Single Public Service Pension Scheme - from 1 January 2019	
Band	Rate
Up to €32,000	Exempt
€32,000 to €60,000	6.66%
€60,000 plus	7%

Additional Superannuation Contribution (ASC) Rates Single Public Service Pension Scheme - from 1 January 2020	
Band	Rate
Up to €34,500	Exempt
€34,500 to €60,000	3.33%
€60,000 plus	3.5%

36. Who is responsible for abatement?

It is the responsibility of the recruiting Relevant Authority to identify whether or not abatement may apply. A completed [Applicant Declaration Form](#) in the [Recruitment Toolkit](#) can help Relevant Authorities to identify recruits who may fall into this category. Where a new recruit has been identified as a former public servant in receipt of a pension, the recruiting Relevant Authority should formally notify the Pension Paying Authority that the person in question is taking up employment in the public service. It is then the responsibility of the Pension Paying Authority to determine whether or not the pension in payment is to be abated and, if so, by what amount.

37. Who is responsible for Single Scheme administration where the responsibility for the day-to-day administration is outsourced or rests with a shared service?

While many public service organisations have outsourced their HR/Pensions/Payroll activities to third parties or shared service environment the Relevant Authority employer is legally responsible for the compliant administration of the scheme.

38. Who calculates the annual fees paid to the Pensions Authority?

Fees are calculated and paid by the Department of Public Expenditure and Reform on foot of Single Scheme membership numbers reported through the annual survey of Relevant Authorities.

39. Does DPER have a role in issuing GDPR Guidelines in respect of Single Scheme administration?

No. It is not the role of DPER to provide specific guidance to Relevant Authorities on Single Scheme administration and the GDPR. If an organisation has any questions or queries in this regard they should consult with their Data Protection Officer or, if no such post exists, their line-Department.