## Public Service Pensions (Single Scheme and Other Provisions) Act 2012 – Notification of enactment

Dear Personnel Officer.

- 1. The <u>Public Service Pensions (Single Scheme and Other Provisions) Act 2012</u> became law on 28 July 2012. The Act provides for a *Single Public Service Pension Scheme* (the "Single Scheme") for new public servants. It also makes certain other changes affecting existing public service pension arrangements.
- 2. Certain provisions of the Act, including the Single Scheme itself, will not take effect until the Minister for Public Expenditure and Reform signs a relevant commencement order, whereas other provisions take effect immediately on enactment, i.e. with effect from 28 July 2012. Section 1(2) of the Act can be referred to for full information as to which provisions are immediately effective and which require a commencement order; paragraphs 4 to 7 below outline the position in this respect for selected provisions.
- 3. This Department is working on details regarding the introduction of the Single Scheme and other provisions referred to below. Further information will be provided as soon as possible.

## Provision which came into effect on 28 July 2012

4. **40-year limit on pensionable service:** The Act imposes a 40-year limit on the total service which can be counted towards pension where a person has been a member of more than one existing public service pension scheme; such a limit already applies to service in any one scheme. **This extended 40-year limit came into effect on 28 July 2012**, though persons exceeding the limit on that date will not lose any service accrued up to that point. (See section 52, subsections (6) and (7), of the Act.)

## Provisions which will not take effect until the Minister for Public Expenditure and Reform signs a relevant commencement order

- 5. **Single Public Service Pension Scheme:** The start date ("operative date") of the Single Scheme will be set by a commencement order of the Minister for Public Expenditure and Reform. New recruits to the public service on or after that date will join the new scheme, while already-serving staff will remain in their existing schemes. (See Part 2, Chapter 2 of the Act.)
- 6. Extension of pension abatement: The Act enables the extension of pension abatement so that a retiree's public service pension is liable to abatement on re-entering public service employment, even where the new employment is in a different area of the public service. This extension of abatement will come into effect when the Minister for Public Expenditure and Reform signs a commencement order. The change will apply in those cases where a person with a public service pension in payment takes up a public service post from the date of the commencement; a person in public service employment on the date the order is made will not be affected by the change while he or she remains in that employment. (See section 52, excluding subsections (6) and (7), of the Act.)
- 7. Aggregation of pensions for imposition of the Public Service Pension Reduction (PSPR): The PSPR reduces certain public service pensions by reference to a set of money

bands and rates. It is currently imposed separately on each public service pension, but the Act provides for it to be imposed on the aggregated value of **all** public service pensions held by a person who has more than one such pension. This change will come into effect when the Minister for Public Expenditure and Reform signs a commencement order. (See sections 68 to 71 of the Act.)

- 8. Please bring this notification to the attention of all employees in your Department/Office, including those on career break, maternity leave or other forms of leave. Please also bring it to the attention of public service agencies/bodies operating under the aegis of your Department.
- 9. Queries about this notification may be pursued as follows:
  - Individual public servants with queries should raise them with their employer.
  - Public service agencies/bodies with queries should raise them with their parent Department.
  - Departments/Offices with queries can consult the following officials of the Department of Public Expenditure and Reform:

Henry O'Mara - tel: 01-6045493, email: henry.o'mara@per.gov.ie Eamonn Robbins - tel: 01-6045485, email: eamonn.robbins@per.gov.ie

John O'Connell Assistant Secretary Department of Public Expenditure and Reform 2 August 2012