



## SINGLE PUBLIC SERVICE PENSION SCHEME

### Frequently Asked Questions

These frequently asked questions relate to the Single Public Service Pension Scheme (Single Scheme), which was introduced on 1 January 2013 under the terms of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. This document is not a legal interpretation of the relevant legislation and does not purport to deal with every query that may arise.

## Sections Contained within this Document

*Section A: Introduction to the Single Scheme*

*Section B: Frequently Asked Questions on the Single Scheme*

*Section C: Further Information on the Single Scheme*

## Terms Frequently Used in this Document

<b>Single Scheme</b>	The Single Public Service Pension Scheme introduced for all new entrants to the public service with effect from 1 January 2013. It is sometimes also referred to as the SPSPS.
<b>Referable Amount</b>	The value of the future-payable pension or retirement lump sum entitlements accrued by a scheme member. Referable Amounts accrue each pay period in a calendar year, and the accrued values are added to give an annual value to be included in the Benefit Statements.
<b>Relevant Authority</b>	A public service employer who has responsibility for administering the Single Scheme for employees.
<b>Benefit Statement</b>	A statement to be issued to each member of the Single Scheme by their employer (Relevant Authority) following the end of the calendar year. This shows the referable amounts (pension value and retirement lump sum) accrued over that year, contributions paid and the accumulated value of all the member's annual referable amounts.
<b>Vesting Period</b>	This is the period of membership to be completed before pension benefits will accrue under the Single Scheme. The required vesting period is two calendar years of employment following recruitment into the public service.

## Section A - Introduction to the Single Scheme

### 1. What is the Single Public Service Pension Scheme?

The Single Public Service Pension Scheme (“Single Scheme”) is a defined benefit pension scheme based on career-average pay. Benefit credits (pension and retirement lump sum) accrue each year based on the salary level of the member in that year. The career-average structure generates pension benefit credits at each stage of a member's career based on salary earned at that time. These credits, known as “referable amounts”, are then re-valued each year to retirement in line with applicable increases in the Consumer Price Index (CPI). Upon retirement, the total value of pension and lump sum referable amounts previously earned and adjusted for applicable CPI increases are payable to the retiring Single Scheme member.

### 2. To whom does the Single Scheme apply?

The Single Scheme applies to first-time entrants to the public service recruited to pensionable positions on or after 1 January 2013 (the commencement date of the Single Scheme). It also applies to former public servants returning to public service employment on new pensionable contracts, having previously ceased to be a public servant for more than 26 weeks.

### 3. To whom do I go if I have queries about the Single Scheme and how it applies to me?

Queries in relation to the Single Scheme and its application to you should be addressed in the first instance to your local pension unit.

### 4. What are the benefits of being in the Single Scheme?

For members, the Single Scheme provides a pension and retirement lump sum based on career-average pay. In addition, depending on circumstances, the Single Scheme includes facilities for early retirement from age 55 on a cost-neutral (actuarially reduced) basis, early retirement on medical grounds (subject to certain conditions), a death in service benefit, a preservation of retirement benefits which are payable on application at the age a member would be eligible for the State Pension (Contributory), a pension for surviving spouses or civil partners and for eligible surviving children, and pension indexation linked to CPI increases.

## Section B – Frequently Asked Questions on the Single Scheme

### **5. Do all new public servants become members of the Single Scheme?**

All new first-time public servants appointed to pensionable positions on or after 1 January 2013 become members of the Single Scheme. Former public servants returning to the public service on or after 1 January 2013 following an absence of more than 26 weeks also become members of the Single Scheme.

### **6. Do I have to be a member of the Single Scheme for a minimum period of time to realise the benefits?**

A “vesting period” of two calendar years must be completed before a Single Scheme member becomes eligible for Single Scheme retirement benefits. If a Single Scheme member’s employment ceases during the vesting period he/she can request a refund of contributions that will be adjusted for tax/other statutory deductions when issued. Any referable amounts associated with such a contributions refund may be subsequently restored if, on re-entering public service employment within 24 months of departing the previous employment, the Single Scheme member repays the contributions refund with the applicable compound interest.

### **7. If I change jobs within the public service, do the referable amounts of my pension and lump sum continue to “build up” from all of my positions of employment?**

Once a member remains a pensionable public servant, the referable amounts calculated each year will count towards the pension and lump sum values payable at retirement. A member should receive a benefit statement (or benefit statements) annually reflecting their accrued Single Scheme pension and lump sum entitlements adjusted for applicable CPI increases from the relevant employer(s).

### **8. Can I be an active member of a pre-existing public service pension scheme and the Single Scheme at the same time?**

No, a public servant cannot be an active member of a pre-existing public service pension scheme and the Single Scheme at the same time. However, if a public servant had previously been a member of a pre-existing scheme, and they return to a new pensionable public service position having previously ceased to be a pensionable public servant for more than 26 weeks, then they will become a member of the Single Scheme whilst, separately, retaining any vested benefits accrued in their pre-existing scheme.

### **9. Can a public servant who is a member of a pre-existing public service pension scheme switch to the Single Scheme?**

Currently there is no option for such a person to switch membership from a pre-existing scheme to the Single Scheme. However, if a member of a pre-existing scheme ceases to be employed in the public service, and later returns to pensionable public service employment after a break of more than 26 weeks, then he or she will become a member of the Single Scheme.

## **10. Is all remuneration considered as pensionable in the Single Scheme?**

Pensionable remuneration means basic pensionable pay, including wages/salaries and pensionable allowances, but excluding overtime and non-pensionable allowances. Generally any allowance, emolument or premium payment, or its equivalent, granted on a permanent basis is to be treated as pensionable remuneration. Referable amounts each year will reflect such payments in respect of that year.

## **11. Can I purchase additional Single Scheme pension/lump sum entitlements, and can I transfer pension entitlements from other pension schemes into the Single Scheme?**

A facility is provided in the regulations to allow Single Scheme members to purchase referable amounts and/or transfer pension entitlements accrued in certain other pension schemes to boost their Single Scheme pension entitlements, subject to certain terms and conditions.

Public servants with preserved pension and lump sum benefits in pre-existing public service pension schemes will continue to have access to those benefits on reaching the prescribed ages in those schemes. Accordingly, it is expected that these pension entitlements from pre-existing public service schemes will not be transferable into the Single Scheme.

## **12. How does inflation affect Single Scheme referable amounts?**

The Single Scheme provides for pension referable amounts and retirement lump sum referable amounts of members to be up-rated in line with increases in the Consumer Price Index (CPI). Referable amounts accrued in a calendar year qualify for up-rating at the end of the next calendar year. For example, referable amounts accrued in 2016 will qualify for CPI-based up-rating at the end of 2017. Accordingly, the annual benefit statement recording a Single Scheme member's end-2016 position statement will not feature any CPI-based up-rating of those 2016-accrued referable amounts. Any decreases in the CPI are not reflected in referable amounts.

## **13. What are the contribution rates for Single Scheme members?**

The standard member contribution rates which apply to most members are 3% of pensionable remuneration and 3.5% of net pensionable remuneration (pensionable remuneration less twice the value (at the time) of the contributory State Pension for a single adult without dependents).

Note that the calculation of Single Scheme contributions is based on pay received in the calendar year, and not on annual salary scale point. More specifically, for any periods at year-end during which pay is earned but not received in that year due to payroll timing, the contributions in respect of that period are paid in the next calendar year.

## **14. What is the accrual rate of pension benefits (referable amounts) for Single Scheme members?**

The rate at which standard pension values accrue (for most public service grades) is a combination of:

- (a) 0.58% of pensionable remuneration up to a threshold of 3.74 times the value of the contributory State Pension (this currently equates to €45,529.23 on an annual basis); and
- (b) 1.25% for any portion of pay over this threshold.

In addition, a retirement lump sum accrues at a standard rate of 3.75% of pensionable remuneration.

Note that the calculation of Single Scheme referable amounts is based on pay received in the calendar year, and not on annual salary scale point. More specifically, for any periods at year-end during which pay is earned but not received in that year, due to payroll timing, the referable amounts in respect of that period accrue in the next calendar year.

#### **15. Is there a ceiling on benefit accrual for Single Scheme members?**

For most Single Scheme members there is no ceiling on the length of service over which benefit accrual can occur (unlike the 40-year service cap in the pre-existing schemes). However, Single Scheme members can only make contributions and accrue benefits until the applicable maximum retirement age, which is 70 years for most Single Scheme members.

In addition, where a person has two or more simultaneous employments the referable amount will be calculated by reference to a limit of one full-time employment only, even if the total work pattern commitment across the multiple jobs is greater than this.

#### **16. What is the minimum pension age in the Single Scheme? What happens where a person leaves public service employment before the minimum pension age?**

For most Single Scheme members, there is a minimum pension age of 66 (rising to 67 and 68 in line with State Pension changes). If a public servant, having completed the vesting period, leaves the public service before the minimum pension age then the pension and lump sum benefits will be preserved. These preserved benefits will increase in line with CPI increases and are in general payable, on application, at the minimum pension age. The Single Scheme also has a provision that a member who has reached age 55 may retire on an actuarially reduced (or cost neutral) basis.

#### **17. If a Single Scheme member works on short-term contracts in the public service, what effect will this have on the Single Scheme vesting period?**

The member may continue to accrue Single Scheme benefits from multiple employment periods in the public service. However, a combined minimum total of two years' employment as an active Single Scheme member must be completed before becoming eligible for Single Scheme retirement benefits.

Members also have the option of requesting a refund of pension contributions where they cease employment before a period of two years has been completed and there is a break in service before any new pensionable public service employment begins. If a member receives a refund of Single Scheme contributions on ceasing employment, and does not subsequently repay this on taking up new employment, then that period of public service employment does not count towards the vesting period and will not count towards accrued Single Scheme benefits.

A Single Scheme member, who has previously received a refund of Single Scheme contributions and subsequently begins employment as a pensionable public servant within 24 months of receiving this refund, has the option of repaying these previously refunded contributions with applicable compound interest and, in doing so, shall have the corresponding lump sum and pension referable amounts restored.

## **18. What if I suffer a permanent and enduring medical condition that prevents me from continuing my role in the public service?**

In such circumstances, Single Scheme members may be eligible to retire (or be discharged) on medical grounds. The final decision on whether the Single Scheme member is granted retirement (or is discharged) on medical grounds lies with the Relevant Authority having received the recommendation of an Occupational Health Physician (OHP) or Chief Medical Officer (CMO). Vested benefits (pension and retirement lump sum) will be payable immediately after the retirement or discharge on medical grounds is approved or otherwise determined by a relevant authority.

Note that the terms for possible enhancement of retirement benefits in approved cases of retirement or discharge on medical grounds are to be introduced at a future date.

A Single Scheme member who is not vested, i.e. has served less than two calendar years in the Single Scheme, and who retires or is discharged on medical grounds shall (subject to conditions) be eligible to receive a gratuity of 8.5% of pensionable remuneration received.

## **19. Can a Single Scheme member who has previously retired or been discharged on medical grounds from the public service take up re-appointment in the public service?**

Having previously retired or discharged from the public service on medical grounds, a Single Scheme member may subsequently be re-appointed as a pensionable public servant having been deemed medically fit for such employment. In such circumstances, the Single Scheme pension shall cease to be paid in respect of any period after such re-appointment and, on the repayment by the employee of any lump sum amount previously received adjusted for applicable compound interest, the referable amounts will be restored to the values accumulated prior to the discharge/retirement.

## **20. What if a Single Scheme member dies while serving as a pensionable public servant?**

Where a Single Scheme member dies while serving as a pensionable public servant, his or her legal personal representative shall, subject to certain limits and conditions, be entitled to receive a "Death Gratuity". The Death Gratuity is equal to twice the deceased member's pensionable remuneration in the 12 months prior to the date of death, less any public service pension-related lump sum previously paid (and not otherwise repaid) or payable from the Single Scheme or from other public service pension schemes. If the aggregate amount of public service pension-related lump sums previously paid or payable is more than twice the pensionable remuneration in the 12 months prior to death, no Death Gratuity shall be awarded.

## **21. What benefits are available to surviving family members of deceased Single Scheme members?**

Where a Single Scheme member dies, as an active Single Scheme member, and a survivor's pension is granted to the surviving spouse or civil partner, that survivor's pension is calculated at the rate of half the pension that would have been awarded had the Single Scheme member retired on medical grounds on the date of death.

Where a former Single Scheme member dies with a Single Scheme preserved pension benefit or with a Single Scheme pension in payment, a survivor's pension may be awarded to a qualifying surviving spouse or civil partner. The payment rate of such a survivor's pension is

equivalent to half the rate of the deceased Single Scheme member's preserved pension or pension in payment, as the case may be.

In addition, there is provision for the payment of a child's pension to any eligible child. Where the deceased member leaves a surviving spouse or civil partner, the child's pension is calculated at the rate of one sixth ( $1/6^{\text{th}}$ ) of the member's pension per eligible surviving child up to three children; and where there are four or more eligible children, a child's pension, calculated at the rate of one half ( $1/2$ ) of the member's pension divided by the number of eligible children, is payable per child.

Where the deceased member leaves no surviving spouse or civil partner, or where the spouse or civil partner subsequently dies, the child's pension is calculated at the rate of one third ( $1/3^{\text{rd}}$ ) where there is only one eligible child, and, where there are two or more children, it is calculated at the rate of one half ( $1/2$ ) of the member's pension divided by the number of eligible children.

## **22. Is there a provision in the Single Scheme for Injury Warrants?**

No, the Single Scheme makes no provision for Injury Warrants.

## **23. If I get a public service job as a member of the Single Scheme, is there a risk that the public service pension that I receive from an earlier public service career, could be reduced (pension abatement)?**

Abatement of a pension means that the pension is reduced in part or in full. Abatement may affect the public service pension of retired public servants taking up a paid position in the public service. In these circumstances, the abatement risk applies regardless of whether the pension is paid from the Single Scheme or from a pre-existing public service scheme.

Where the combined value of the pension and the pay in the new position exceeds the salary point applicable to the public servant at the time of retirement, the pension will be reduced accordingly (to the point of full abatement if the new salary matches or exceeds the previous salary) until the person ceases public service employment at which point full pension payment will be restored.

## **24. Who is responsible for paying Single Scheme benefits?**

The Relevant Authority (the employer) at the time of retirement is considered to be responsible for lump sum and pension payment. However, a Department of Public Expenditure and Reform-led exercise aimed at establishing optimal long-term administration arrangements for the Single Scheme, with oversight from a high-level Inter-Departmental Committee, is now underway, which could lead to additional, altered or more detailed pension payment arrangements.



## Section C – Further Information on the Single Scheme

### 25. What if I need further information on the Single Scheme?

If you are a member of the Single Scheme, any requests for information should be addressed in the first instance to your local pensions unit. For further information on the Single Scheme please visit the “Pensions” section at the Department of Public Expenditure and Reform website; [www.per.gov.ie](http://www.per.gov.ie)

The Pensions section ([www.per.gov.ie/en/pensions/](http://www.per.gov.ie/en/pensions/)) contains documentation and links to the following;

- A brief overview of the Single Scheme
- An Information Booklet (General Outline of Standard Terms)
- Relevant legislation, including the Public Service Pensions (Single Scheme and Other Provisions) Act 2012, and regulations/ orders that have been made under the Act
- Related Circulars/ Letters
- The Single Scheme Baseline Report