

DPE118/004/2015

1 July 2015

To: Public Service Employers (Single Scheme “Relevant Authorities”)

### **Circular 09/2015: Single Public Service Pension Scheme: Notification of position on Consumer Price Index (CPI) uprating of Referable Amounts, and certain operational matters**

1. This circular notifies public service employers (“Relevant Authorities”) in relation to the CPI uprating of referable amounts accrued by members of the Single Public Service Pension Scheme (“Single Scheme”). It also covers certain operational points concerning the Scheme.

#### **CPI Uprating of Referable Amounts**

2. Section 40 of the [Public Service Pensions \(Single Scheme and Other Provisions\) Act 2012](#) (“2012 Act”) provides for **pension referable amounts** and **retirement lump sum referable amounts** of Single Scheme members to be uprated in line with increases in the CPI. The Minister for Public Expenditure and Reform, exercising his function in that regard under section 40, has decided, following an examination of the CPI, that **no CPI-based adjustment of 2013-accrued referable amounts is due at end-2014**.

3. The Minister’s decision reflects the -0.3% CPI change in the twelve months to end-2014, that 12-month period being considered the appropriate reference period for inflationary adjustment of 2013-accrued referable amounts. Owing to this negative (-0.3%) CPI outturn, and since referable amounts are not to fall in value owing to a CPI decrease, the appropriate CPI-based adjustment of 2013-accrued referable amounts due at end-2014 has been evaluated as being “no change” (0% increase, zero adjustment).

4. For the avoidance of any doubt, benefit statements issuing to Single Scheme members during 2015 should not include any CPI uprating.

#### **Calculation of Referable Amounts**

5. Reflecting the Single Scheme rules in the 2012 Act, [DPER Circular 11/2014](#) sets out how referable amounts are calculated. Consistent with that guidance, there is no objection, where circumstances make it feasible, to calculating referable amounts on a once-per-year basis at the end of each calendar year.

6. Such a once-per-year approach may be particularly suitable for application in the case of

- members whose work pattern is stable over the course of a calendar year, and/or
- members whose “pensionable remuneration” is consistently below the threshold dividing the 0.58% and 1.25% pension accrual rates (i.e. threshold of [3.74 \* Contributory State Pension], currently €44,943.57 in annual terms).

7. In the calculation of a person’s pension referable amount, Relevant Authorities are reminded that work pattern (100% = fulltime, or otherwise lower) and changes therein should be taken into account as appropriate.

8. In addition, please note that intra-year changes in earning levels (e.g. due to salary increases, allowances start/finish, or promotion), where encountered, are likely to mean that a person’s pensionable remuneration has changed. In such cases the pension referable amount for the calendar year should reflect an effective totalling of the referable amounts associated with **each** work phase at a particular pensionable remuneration in the year.

9. Having regard to any relevant changes in work pattern and earnings level (see paragraphs 7 and 8 above), **the calculation of referable amounts should be based on pay received in the calendar year, and not on annual salary scale point.** So 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.

### **Refund of Contributions**

10. Scheme members whose employment and Scheme membership ceases before completion of the two-year vesting period are entitled to a refund of contributions; such a refund erases the pension and retirement lump sum entitlements that had accrued. These referable amounts can be restored if, on re-entering public service employment within 24 months of departing the first job, the person repays the refund of contributions, subject to compound interest where applicable.

11. It is understood that some Relevant Authorities consider that clear efficiency gains are achievable by scheduling the processing of refunds to former non-vested Scheme members at a single point each year. There is no objection to such annual scheduling of refunds, provided that the following safeguards are observed:

- (a) If the former non-vested member requests a refund it should be paid at the earliest practical date.
- (b) If the former non-vested member indicates a preference not to receive a refund for the time being (e.g. because he or she intends to resume public service employment and Scheme membership) then, subject to administrative feasibility, the Relevant Authority should hold off on paying the refund.

## Benefit Statements

12. For Scheme members whose employment commenced in 2014, the annual benefit statement due in 2015 will reflect referable amounts accrued in one year only—2014. **Appendix A** is a model benefit statement that may be used or adapted by Relevant Authorities in such cases. Where instead a statement is to be supplied to a member hired in 2014 who has ceased to be employed before end-2014, and to whom a contributions refund has been paid, adaptation of the model statement should cover the following points:

- “ANNUAL STATEMENT” should be replaced with “STATEMENT ON CESSATION OF EMPLOYMENT” (or equivalent).
- The “Pension referable amount” and “Retirement lump sum referable amount” lines in the table should both indicate zero amounts.
- The “Notes” section should be appropriately modified; in particular Note no. 1 in the model statement is not appropriate for departure-and-refund cases.

13. For Scheme members whose employment commenced in 2013, and who remained in employment at end-2014, the annual benefit statement due to issue in 2015 will reflect referable amounts accrued in two years—2013 and 2014. **Appendix B** is a model benefit statement that may be used or adapted by Relevant Authorities in such cases.

14. Relevant Authorities must retain copies of all benefit statements issued to members. DPER may request copies of the statements, or the data they contain, from Relevant Authorities.

15. **Relevant Authorities should continue to issue benefit statements to members only in respect of employment with that Relevant Authority.** This means that the money amounts reported in each statement issued by a Relevant Authority, comprising contributions, pension referable amounts and lump sum referable amounts, should reflect only those sums arising from the member’s employment with that Relevant Authority. This represents a continuation of the guidance provided in paragraph 38 of DPER Circular 11/2014.

## Circulation

16. This circular is a public domain document and can be given to any interested parties. It is, however, primarily intended as a reference document for pensions, payroll and HR personnel in public service workplaces, and Relevant Authorities are asked to make it available to appropriate personnel in these areas. There is no requirement that it be sent to all employees.

## Queries

17. Queries about this circular may be pursued as follows:

- Individual public servants with queries should raise them with their Relevant Authority / employer.

- Relevant Authorities / employers wishing to raise queries should send them to [singleschemequeries@per.gov.ie](mailto:singleschemequeries@per.gov.ie). It would be appreciated if such queries included “Circular 09/2015” in the subject line.

**Oonagh Buckley**  
**Assistant Secretary**  
**Department of Public Expenditure and Reform**

## Appendix A – Model Benefit Statement covering first year of employment

### Single Public Service Pension Scheme (“Single Scheme”)

ANNUAL STATEMENT issued by [Name & No. of Relevant Authority / employer]

Date of Statement: [XX XXXX 2015]  
Scheme Year: 1 January – 31 December 2014  
Employment period(s): 7 March - 31 December 2014

Name of member: Joe Bloggs  
PPSN: P87654321

Membership category: Standard accrual

In respect of your employment as a Single Scheme member during 2014 by [Relevant Authority / employer], this statement records in the table below, and on a provisional basis\*, the **pension contributions which you paid during 2014**, and the **future-payable amounts of pension and retirement lump sum, known as "referable amounts"**, which you accrued during 2014.

**NB: Read the notes below the table – they are an important part of your pension statement.**

Single Scheme contributions and benefit accrual in 2014	
	€
<b>1. Contributions</b>	
Paid by you in 2014:	1,979.84
Refund (if any) to you of contributions paid in 2014:	-
<b>Net contributions paid by you in 2014:</b>	<b>1,979.84</b>
<b>2. Referable amount towards pension</b>	
Accrued during 2014:	266.20
Offset (if any) due to contributions refund:	-
<b>Pension referable amount:</b>	<b>266.20</b>
<b>3. Referable amount towards retirement lump sum</b>	
Accrued during 2014:	1,541.10
Offset (if any) due to contributions refund:	-
<b>Retirement lump sum referable amount:</b>	<b>1,541.10</b>

\* For periods of overlapping employment in two or more public service jobs, downward adjustment of referable amounts may arise on review, as set out in section 46 of the *Public Service Pensions (Single Scheme and Other Provisions) Act 2012*, which limits benefit accrual in such periods to “one full-time employment only or the aggregated equivalent of one full-time employment only”.

**Notes:**

1. Your referable amounts as recorded above will be carried forward and added to any referable amounts you accrue after the period covered by your statement. The resultant accumulating totals, increased in line with increases in the Consumer Price Index (CPI), will appear in future annual statements, and will in time become the pension and lump sum payable to you on retirement.

**2. If your contributions are refunded to you on ceasing employment and before you have worked for two years as a Single Scheme member then you are deemed to have accrued zero referable amounts for the period of employment to which the refund relates.** You can restore the referable amounts thereby lost by repaying such a refund, with applicable compound interest, if and when you subsequently become employed as a Single Scheme member **within 24 months of ceasing employment**. Contact your new employer if you are in a position to avail of this restoration option and wish to do so.

3. You can consult your employer or go to <http://www.per.gov.ie/pensions/SingleScheme> for further information on the Single Scheme.

## Appendix B – Model Benefit Statement covering more than one year of employment

### Single Public Service Pension Scheme (“Single Scheme”)

ANNUAL STATEMENT issued by [Name & No. of Relevant Authority / employer]

Date of Statement: [XX XXXX 2015]  
Scheme Year: 1 January – 31 December 2014  
Employment period(s): 7 March 2013 - 31 December 2014

Name of member: Jane Bloggs  
PPSN: P12345678

Membership category: Standard accrual

In respect of your employment as a Single Scheme member during 2014 by [Relevant Authority / employer], this statement records in Table 1 below, and on a provisional basis\*, the **pension contributions which you paid during 2014**, and the **future-payable amounts of pension and retirement lump sum, known as "referable amounts"**, which you accrued during 2014.

The total Single Scheme referable amounts accrued in your career in this employment to end-2014, on a provisional basis\*, are recorded in Table 2 below. Referable amounts accrued up to end-2013, effectively amounts accrued in 2013, are recorded at par, the Minister for Public Expenditure and Reform, in exercise of his function under section 40 of the *Public Service Pensions (Single Scheme and Other Provisions) Act 2012*, having determined that no CPI-based increase arises at end-2014 in respect of 2013-accrued referable amounts.

**NB: Read the notes below the tables – they are an important part of your pension statement.**

<b>Table 1: Single Scheme contributions and benefit accrual in 2014</b>	
	€
<b>1. Contributions</b>	
Paid by you in 2014:	2,408.81
Refund (if any) to you of contributions paid in 2014:	-
<b>Net contributions paid by you in 2014:</b>	<b>2,408.81</b>
<b>2. Referable amount towards pension</b>	
Accrued during 2014:	323.88
Offset (if any) due to contributions refund:	-
<b>Pension referable amount:</b>	<b>323.88</b>
<b>3. Referable amount towards retirement lump sum</b>	
Accrued during 2014:	1,875.00
Offset (if any) due to contributions refund:	-
<b>Retirement lump sum referable amount:</b>	<b>1,875.00</b>

<b>Table 2: Single Scheme benefit accrual to end-2014</b>				
	<i>To end-2013</i>	<i>CPI-based uplift (0%)</i>	<i>2014</i>	<i>Total</i>
<b>1. Referable amount towards pension</b>	€	€	€	€
Accrued:	266.20	0	323.88	590.08
Offset (if any) due to contributions refund:	-		-	-
<b>Pension referable amount:</b>	<b>266.20</b>	<b>0</b>	<b>323.88</b>	<b>590.08</b>
<b>2. Referable amount towards retirement lump sum</b>				
Accrued:	1,541.10	0	1,875.00	3,416.10
Offset (if any) due to contributions refund:	-		-	-
<b>Retirement lump sum referable amount:</b>	<b>1,541.10</b>	<b>0</b>	<b>1,875.00</b>	<b>3,416.10</b>

\* For periods of overlapping employment in two or more public service jobs, downward adjustment of referable amounts may arise on review, as set out in section 46 of the *Public Service Pensions (Single Scheme and Other Provisions) Act 2012*, which limits benefit accrual in such periods to “one full-time employment only or the aggregated equivalent of one full-time employment only”.

**Notes:**

1. Your referable amounts as recorded above will be carried forward and added to any referable amounts you accrue after the period covered by your statement. The resultant accumulating totals, increased in line with increases in the Consumer Price Index (CPI), will appear in future annual statements, and will in time become the pension and lump sum payable to you on retirement.

**2. If your contributions are refunded to you on ceasing employment and before you have worked for two years as a Single Scheme member then you are deemed to have accrued zero referable amounts for the period of employment to which the refund relates.** You can restore the referable amounts thereby lost by repaying such a refund, with applicable compound interest, if and when you subsequently become employed as a Single Scheme member **within 24 months of ceasing employment**. Contact your new employer if you are in a position to avail of this restoration option and wish to do so.

3. You can consult your employer or go to <http://www.per.gov.ie/pensions/SingleScheme> for further information on the Single Scheme.