



DPE118-004-2019

29 May 2019

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

## **Circular 12/2019: Guidance on the Vesting Period in the Single Public Service Pension Scheme (“Single Scheme”)**

### **Purpose**

1. The purpose of this Circular is to provide Single Scheme administrators with clarification on the measurement and operation of the vesting period in the Single Scheme. In particular, this Circular clarifies the treatment of paid / unpaid leave, atypical employments and simultaneous employments in the context of measuring a Single Scheme member’s progress towards completing the vesting period.
2. This Circular applies to the Single Scheme only and does not change the vesting procedures (or any other aspect) of ‘pre-existing’ public service pension schemes.

### **Background**

3. Section 5 of the [Public Service Pensions \(Single Scheme and Other Provisions\) Act 2012](#), which established the Single Scheme, defines the vesting period as “24 months’ service as a Scheme member”.
4. It has recently come to light that the application of different practices across the public service sectors for measuring progress towards completing the vesting period has led to inconsistencies for Single Scheme members. In particular, differing treatments of certain unpaid leave types between and within sectors, as well as certain atypical contract types have led to variations in the measurement of time towards completing the vesting period. This Circular sets out the policy to be followed by all Relevant Authorities in measuring a Single Scheme member’s progress towards completing the vesting period.

### **Vesting Period**

5. The vesting period is a time length of 24 months as a Scheme member which must pass before a member attains vested status. The period of 24 months of Scheme membership may be non-consecutive and can accrue across different public service bodies.
6. Any periods in respect of which a refund of member contributions has been received will not count towards completing the vesting period unless the refunded contributions are subsequently repaid by the Scheme member (with applicable compound interest in accordance with section 17 of the 2012 Act).

7. A member's particular work pattern (50%, 80%, 100%, etc.) is not relevant when measuring time towards completing the vesting period. For permanent and fixed-term staff, this means that progress towards vested status is measured by the elapse of time.

8. The minimum period required for a Scheme member to achieve vested status is a total of 24 months as a Scheme member.

9. Having attained vested status, a Scheme member becomes eligible to receive a Single Scheme pension and lump sum at retirement. Subject to the specific criteria, vested Scheme members may also be eligible for additional Scheme benefits (e.g. cost neutral early retirement, enhancement of Scheme benefits in cases of retirement on medical grounds).

### **Atypical / Casual Employments**

10. Some areas of the public service hire "casual" staff, often engaging such employees informally, on atypical work patterns, and / or on a short-duration basis (weeks, days or hours). For "casual" public service employees in pensionable positions, progress towards completing the vesting period should be measured by crediting one day towards vesting for each day on which the employee is a Scheme member (i.e. days on which there is a **pensionable employment relationship** between the person and a public service employer / Relevant Authority). One day should be credited towards vesting for every day where there is a pensionable employment relationship, regardless of the number of hours worked.

### **Paid / Unpaid Leave**

11. Where a Single Scheme member takes a period of leave, their status as a 'serving Scheme member' does not change. This is the case for both paid and unpaid leave. Accordingly, such periods count towards completing the vesting period.

12. All types of leave where there is a pensionable employment relationship will count towards completing the vesting period. Some common types of leave include annual leave, study leave, shorter working year, Force Majeure leave, parental leave, maternity leave (paid and unpaid), adoptive leave, carer's leave, sick leave (paid and unpaid) and career breaks. This is not an exhaustive list of the various types of leave that exist across the public service.

13. For clarity, during periods of unpaid leave, Scheme members are not receiving pensionable remuneration and so pension and lump referable amounts **are not accrued during these periods**. This is in line with the practice for pre-existing public service pension schemes where, in general, periods of unpaid leave were not included as "reckonable service" for the purposes of calculating pension benefits.

14. Additionally, any previously determined status of particular leave types for the purposes of seniority, increment progression or other employment rights are not impacted by this Circular. This Circular only applies in relation to the Single Scheme vesting period.

### **Simultaneous employments**

15. In cases where Scheme members are engaged in simultaneous pensionable public service employments (e.g. two separate contracts of employment in respect of two pensionable positions either with the same public service body or with two separate public service bodies), each calendar day that the person has an employment relationship as a Single Scheme member, contributes one day

only towards completing the vesting period, regardless of the number of pensionable posts held on a particular day.

### **Effective Date**

16. The effective date of this Circular is deemed to be 29 May 2019.

### **Circulation**

17. This Circular is being issued to all Relevant Authorities with responsibility for the Single Public Service Pension Scheme. The Circular is also available at <http://circulars.gov.ie> and [www.singlepensionscheme.gov.ie](http://www.singlepensionscheme.gov.ie).

### **Queries**

18. Queries about this Circular may be pursued as follows:

- Individual public servants with queries should raise them with their Relevant Authority / employer / or to their Shared HR/Pensions/Payroll Centre, where applicable.
- Relevant Authorities / employers wishing to raise queries should send them to [singleschemequeries@per.gov.ie](mailto:singleschemequeries@per.gov.ie), writing “Circular 12/2019” in the subject line.

Mise le meas,

Colin Menton  
Assistant Secretary  
Department of Public Expenditure and Reform

## **Appendix 1 – Examples of the measurement of completing the vesting period in the Single Scheme**

### ***Example 1: Contract for specific duration/purpose, followed by permanent employment***

- Zoey is employed as a Temporary Clerical Officer (TCO) on a contract between 3 October 2016 and 3 April 2017, providing maternity cover for six months. At the end of this contracted period of pensionable employment, she has built up six months towards completing the vesting period.
- Zoey did not request a refund of Scheme member contributions when ceasing this employment.
- Zoey was subsequently successful in obtaining a permanent position in a Local Authority commencing on 8 May 2017. After a further 18 months in this position, Zoey's total period of Scheme membership reaches 24 months and she has completed the vesting period.

### ***Example 2: Unpaid Leave***

John commenced pensionable employment in the Civil Service on 2 February 2015.

- On 2 June 2016, after 16 months in the Civil Service, John goes on sick leave at full pay for three months.
- John subsequently goes on sick leave at half pay for a further three months and, having exhausted his paid sick leave entitlements, he then goes off-pay for two months.
- On 1 March 2017, John applies to retire on medical grounds.
- Having been a Single Scheme member for more than 24 months, John has completed the vesting period. Should the retirement on medical grounds application be approved, John is entitled to receive an enhanced Single Scheme pension and retirement lump sum.

### ***Example 3: Casual employment***

James is employed on a casual basis as a substitute teacher. He works as required and when available.

- On 23 January 2017, James was hired to cover classes for two hours. His contracted period of pensionable employment was for two hours only. This employment contributes one day towards completing the vesting period.
- James secured employment from 4 February 2017 to 7 February 2017, covering a period of sick leave for another teacher. James was in pensionable employment for four consecutive days. Having completed this temporary employment, James has accrued five days (over both employments) towards completing the vesting period.

- James continued to work on a casual basis over a two year period. Over those two years, James's total time as a Scheme member accumulated to five months. He has not yet completed the vesting period in the Single Scheme.

***Example 4: Simultaneous Employments / Multiple employments in one day***

Anna is employed as a staff nurse on a permanent contract with an 80% work pattern. Anna also works as a home help on a casual basis.

- On Thursdays, Anna works four hours as a staff nurse in a voluntary hospital. On occasional Thursdays, Anna also works for two hours as a home help.
- Anna is credited with one day towards vesting for each day she is a Scheme member. It is not permissible that her second employment would contribute additionally towards the vesting requirement.
- After completing 24 months as a Scheme member, Anna has completed the vesting period in the Single Scheme.