

P18/079/10

31 December 2012

To: All Heads of Departments / Offices

Circular 19/2012: Commencement of the Single Public Service Pension Scheme

A Dhuine Uasail,

Background and Summary

1. I am directed by the Minister for Public Expenditure and Reform to announce the commencement, with effect from 1 January 2013, of the **Single Public Service Pension Scheme** (“Single Scheme”), as provided for in the [Public Service Pensions \(Single Scheme and Other Provisions\) Act 2012](#).
2. From the commencement date onward new public servants will be members of the Single Scheme, which will provide CPI-linked defined-benefit pensions based on career-average pay. The Scheme’s minimum pension age will be linked to the State Pension age (66 years initially, rising to 67 in 2021 and 68 in 2028). Retirement for most members will be compulsory on reaching age 70.
3. The 2012 Act also made changes to existing public service pension schemes, including setting a 40-year (or equivalent) accrual cap across all schemes, and extending pension abatement. Some of these changes took effect on enactment day (28 July 2012), while others have since been put in place by ministerial commencement orders. For further details see in particular letters to Personnel Officers issued by this Department on [2 August 2012](#) and [31 October 2012](#).

Commencement Order and Regulations

4. The Minister for Public Expenditure and Reform recently signed a commencement order and made regulations prescribing certain bodies as relevant authorities in connection with the Single Scheme as follows:
 - (i) An order formally commencing the Scheme with effect from 1 January 2013.
 - (ii) Regulations prescribing Government Ministers and named bodies / employers in the public service as “relevant authorities” for the purposes of the Scheme.

Single Public Service Pension Scheme

Membership

5. The Single Scheme applies to all first-time new entrants to the public service, as well as to former public servants returning to the public service after a break of more than 26 weeks. In certain circumstance, e.g. where the public servant was on secondment or approved leave or remains on the same contract of employment, the 26-week rule does not apply. The areas covered by the Scheme include the civil service, education sector, health sector, local authorities, Garda Síochána, Defence Forces, regulatory sector and non-commercial State bodies, the President, Members of the Houses of the Oireachtas and the Judiciary.
6. Under the terms of the 2012 Act, persons employed in the public service at end-2012 will stay in their “pre-existing” pension schemes, i.e. they will not become Single Scheme members. However, if the employment of such a person ceases, then any subsequent rehiring into the public service would be on a Single Scheme membership basis, unless such rehiring took place within 26 weeks of leaving the previous public service job.

Standard terms

7. The Single Scheme provides the following standard terms:
 - pension and retirement lump sum based on career-average pay; pensions will be co-ordinated with the State Pension Contributory (SPC);
 - pension age set, initially, at 66 years; this will rise in step with statutory changes in the SPC age to 67 years in 2021 and 68 years in 2028;
 - compulsory retirement age of 70;
 - contribution rates of 3.5% of net pensionable remuneration and 3% of pensionable remuneration;
 - facility for early retirement from age 55 on cost-neutral (actuarially reduced) grounds;
 - facility for early retirement on medical grounds, subject to certain conditions;
 - death in service benefit of twice annual pensionable remuneration;
 - preserved benefits paid on application at the age at which a member would be eligible to receive the State Pension Contributory (SPC);
 - pensions for spouses or civil partners and eligible children;
 - post-retirement pension increases linked to CPI.

Note: The standard terms set out above will apply to most Single Scheme members. However, as provided for in the 2012 Act, Scheme members in the following groups will have terms differing in some respects from the standard terms: Oireachtas members including the President, the Judiciary, the Comptroller and Auditor General and qualifying and designated office holders, Gardaí, Permanent Defence Force, Prison Officers and Fire Fighters. Single Scheme members in these groups will tend to have higher contribution and accrual rates, and different conditions concerning pension age and compulsory retirement age.

Information Booklet

8. An information booklet entitled “Single Public Service Pension Scheme: General Outline of Standard Terms” has been prepared and will be available on the Department of Public Expenditure and Reform website. This sets out, in greater detail, the Single Scheme standard terms, and a copy should be given to all new Scheme members on taking up appointment. Information booklets / materials specific to those groups with non-standard terms will also be made available.
9. Information booklets should be read alongside or in conjunction with the Public Service Pensions (Single Scheme and Other Provisions) Act 2012, which contains the rules of the Single Scheme.

Relevant Authorities

10. Relevant authorities for the purposes of the Single Scheme constitute the broad employer presence in the Scheme’s functioning. As such they have a key role to play in Scheme operations, including in respect of collecting and remitting contributions, reckoning accrued benefits, information acquisition / handling and communications with members. As of the Scheme commencement date (1 January 2013), the list of relevant authorities comprises the Minister for Public Expenditure and Reform and all Ministers or bodies prescribed by the Minister in the Regulations.

Collection / Remittance of Contributions

11. It is the responsibility of all relevant authorities to collect and remit Single Scheme member contributions for the benefit of the Exchequer. For this purpose a new Paymaster General Account has been established and Government Departments are required to deposit contributions on a monthly basis directly into this account (monies will be transferred subsequently into Vote 12).
12. A public bank account has been established to receive Single Scheme member contribution receipts from bodies that are not part of central Government (e.g. State Bodies, local authorities). This account will be swept monthly to the Paymaster General Account. Following reconciliation, monies will be transferred into Vote 12 except for the President, Judges, Ministers and the Comptroller and Auditor General whose contributions will be paid into the Central Fund.

13. Further detailed instructions relating to the collection / remittance of contributions will issue to all Departments.

Circulation

14. Please bring this Circular 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 all public service agencies / bodies operating under the aegis of your Department. The agencies and bodies should bring this to the attention of their staff and, in particular, to the attention of Single Scheme members appointed on or after 1 January 2013.

Queries

15. Queries about this Circular 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: 01-604-5493; henry.o'mara@per.gov.ie
 - Eamonn Robbins: 01-604-5485; eamonn.robbins@per.gov.ie
 - David Owens: 01-604-5755; david.owens@per.gov.ie

Mise le meas,

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