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| **Resource Toolkit** | Single Scheme Administration Project (Phase 1)  **Annual Administration Resources** |
| **Resource Name** | Draft Annual Administration Activities Guidance Note |
| **Resource Reference** | SPS.ANN.G.01 (Phase 1) |
| **Description** | These guidelines may assist administrators with the planning and execution of their core administration activities under the Single Public Service Pension Scheme. |
| **Version** | V1.06 |
| **Version comments** | Template updated to reflect new scheme year 2023. |

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| **PLEASE NOTE:** Administratorsmay accesslegislation, Circulars or Letters to Personnel Officers noted in this Procedure by accessing the Circulars & Legislation Section of the Single Scheme Website at [www.singlepensionscheme.gov.ie/circulars](http://www.singlepensionscheme.gov.ie/circulars)  **IMPORTANT:** These are *suggested guidelines* that administrators are free to adapt to suit their needs, being mindful that there are key legislative deadlines for the completion of certain core administration activities throughout the year. |

**Overview**

In addition to undertaking day-to-day administration of the Single Scheme for their organisation’s members ([recruitment](https://singlepensionscheme.gov.ie/for-employers/administrator-tools/standard-forms-and-checklists/recruitment/), processing [leavers](https://singlepensionscheme.gov.ie/for-employers/administrator-tools/standard-forms-and-checklists/leavers/) and [retirements](https://singlepensionscheme.gov.ie/for-employers/administrator-tools/standard-forms-and-checklists/retirement/), deducting and [remitting pension contributions](http://www.singlepensionscheme.gov.ie/circulars/letter-to-personnel-officers-7-november-2013/), etc.), pension administrators must also undertake a number of **annual core administration activities** that are critical from a statutory compliance perspective and to ensure overall membership records are up-to-date.

**Sample Scheme Administration Calendar for annual core administration activities**

The table below provides a high-level *suggested* Scheme Administration Calendar that administrators may consider adopting for their planning of annual core administration activities associated with the Single Scheme:

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|  | | **Calendar Month** | | | | | | | | | | | |
| **Core Single Scheme Administration Activity** | | **J** | **F** | **M** | **A** | **M** | **J** | **J** | **A** | **S** | **O** | **N** | **D** |
| **A** | DPER Scheme Membership Survey (for Pensions Authority Fees) |  |  |  |  |  |  |  |  |  |  |  |  | |
| **B** | Pensioners’ Payroll Adjustments  (w.e.f. 1 Jan) |  |  |  |  |  |  |  |  |  |  |  |  | |
| **C** | Update/Revaluation of Deferred Member Benefits for CPI |  |  |  |  |  |  |  |  |  |  |  |  | |
| **D** | Apply CPI for active members (@ 31 December last) and prepare and issue Annual Benefit Statements |  |  |  |  |  |  |  |  |  |  |  |  | |
| **E** | Pensioner Declaration Exercise |  |  |  |  |  |  |  |  |  |  |  |  | |

This list of annual activities included in the Administration Calendar above is not intended to be exhaustive and may differ depending on organisation size and complexity. Administrators may wish to consider adding other activities, such as financial planning, audit review or pension presentations for current or retiring staff into this calendar.

The remainder of this guide focusses on summarising the tasks associated with completing each core administration activity for the Single Scheme and highlights resources that may be of assistance to administrators.

1. **Annual Scheme Membership Survey**

* Annual fees are payable to the Pensions Authority for the Single Scheme. The fee is based on the total active membership of the Single Scheme at 1 January annually.
* The Department of Public Expenditure & Reform has undertaken, on behalf of all Single Scheme employers across the Public Service, to calculate and remit the annual fees due to the Pensions Authority in respect of the Single Scheme.
* It is suggested that administrators prepare for this survey in early January each year by preparing a report of active and deferred members (headcount) on the last day of the previous year.
* To assist it with the calculation of Pensions Authority fees the Department of Public Expenditure & Reforms sends a brief questionnaire to all Single Scheme employers at the start of January for completion and return by a specified date in January to ensure the timely payment of fees to the Pensions Authority.

1. **Single Scheme Pensioners’ Payroll Adjustments**

* A key feature of the Single Scheme is that increases to pensions in payment under the Scheme are **linked to inflation (CPI)**. Changes in inflation are communicated annually by official DPER Circular and have effect from **1 January** of that year to Single Scheme pensions in payment at the end of the previous year**.** This differs from how referable amounts earned are increased for active scheme members (see bottom of Page 4 of this document).
* As such, **pensions in payment on 31 December annually** under the Single Scheme are reviewed and adjusted for inflation (CPI) when sanctioned by the Minister for Public Expenditure & Reform. This includes Single Scheme Survivor’s Pensions and Children’s Pensions.
* While preparations for this review may be undertaken upon completion of the preceding December payroll (e.g. running reports with details of any Single Scheme pensioners), the exercise cannot be progressed until the relevant sanctioned CPI rate has been notified by the Department of Public Expenditure & Reform.
* Administrators may access a Single Scheme [Pensioner in Payment CPI Uprating Tool](https://singlepensionscheme.gov.ie/for-employers/administrator-tools/referable-amounts-calculation-template/pensioners-cpi/) in the Employer’s Toolkits section of the Single Scheme website. As the Calculation Tool Guidelines explain, by inserting the existing rates of pensions in payment and inputting the CPI rate to be applied, the Calculation Tool will calculate the revised rate of pension payable.
* Copies of the current and historical official Circulars related to any annual adjustments to Single Scheme pensions in payment are available in the [Circulars and Legislation](http://www.singlepensionscheme.gov.ie/circulars/) section of the Single Scheme website. [Circular 01 of 2023](https://singlepensionscheme.gov.ie/for-employers/circulars-legislation-2/circular-1-of-2023/) provides a useful overview of how CPI has been applied to pensioners in payment since the Single Scheme’s inception.

1. **Updating/CPI Increases to Deferred Members’ Benefits**

* It is recommended that administrators undertake a comprehensive review of all deferred Single Scheme members’ benefits to establish if their deferred benefits need to be increased for CPI (as per active members).
* In doing so this will help to ensure that administrators are well-placed to:
  + Promptly respond to pension queries from deferred members
  + Promptly calculate deferred member benefits at the time of their retirement (or death prior to retirement);
  + Efficiently respond to queries from other public service employers about a former/deferred member’s pension position;
  + Readily collate information required centrally as part of an actuarial assessment, for example, or to facilitate the migration of accurate data across to a new pension system;
  + Provide up-to-date information on Single Scheme membership when requested by the Minister for Public Expenditure & Reform.

1. **Preparation and Issue of Annual Benefit Statements**

* Changes in inflation (CPI) are communicated annually by official DPER Circular early in the New Year. Once this notification issues each Relevant Authority is responsible for issuing Annual Benefit Statements to **all active members** of the Single Scheme that were in pensionable employment on 31 December.
* Annual Statements are required to have issued by Relevant Authorities to each active member by **30 June annually** and outline certain key information as at the end of the preceding year**.**
* The accurate preparation of an Annual Benefit Statement for each member requires:
  1. Collating members’ **Personal Details** (e.g. date of birth, date of retirement, Pensions Adjustment Order information, personal address etc.);
  2. Summary calculation of members’ **total contributions paid** in the scheme year for which the Statement is being prepared;
  3. Summary calculation of members’ **total referable amounts** (pension & lump sum) in the scheme year for which the Statement is being prepared;
* If the member was in the Single Scheme with the same employer in a year prior to the current statement year, the **referable amounts must be reviewed and increased** for these earlier years if there has been positive inflation. The rate to be applied to these referable amounts built up in earlier years is communicated annually by official DPER Circular.

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| **IMPORTANT:** Unlike the application of CPI to pensioners, there is effectively a 12 month “freeze” before any increase is applied to referable amounts earned in the most recent full year for active members. An Annual Benefit Statement being prepared at 31 December 2022 for a member who has been in the Scheme for several years would be handled in the following way:   * + Referable amounts earned before 2022 would be increased by the notified CPI rate at 31 December 2022.   + Referable amounts earned in 2022 would not be increased by CPI until 31 December 2023 (and would be the subject of a DPER Circular in early 2024, assuming an increase was recorded for that year).   + The most recent circular notifying increases or otherwise in the applicable rates of CPI provide a good overview of how CPI is to be applied to the most recent year’s referable amounts and, if applicable, earlier years’ referable amounts. This circular/notification can be accessed [here](http://www.singlepensionscheme.gov.ie/circulars). |

* Administrators may access a Single Scheme [Contributions and Referable Amounts Calculation Tool](https://singlepensionscheme.gov.ie/for-employers/administrator-tools/referable-amounts-calculation-template/referable-amounts/) in the Employer Toolkit section of the Single Scheme website. As the Calculation Tool Guidelines explain, by inputting details of the member’s pensionable earnings and employment FTE for each pay period, the Calculation Tool will calculate the member’s contributions and referable amounts for each year, including increases for any earlier year’s referable amounts, if applicable, to take account of sanctioned CPI changes. The calculation tool will display a dashboard summary up to 31 December 2022 that can be exported to a 2022 Annual Benefit Statement. **The current calculation tool should only be used for calculations performed up to 31 December 2023**.
* A suggested template for a 2022 Annual Benefit Statement for the year ending 31 December 2022 may be accessed in the [Annual Administrator Activities Toolkit](https://singlepensionscheme.gov.ie/for-employers/administrator-tools/standard-forms-and-checklists/annual-events/).
* Further information on the calculation of contributions and referable amounts by pay period is available in [Circular 11/2014](http://www.singlepensionscheme.gov.ie/circulars/circular-11-of-2014/).

1. **Pensioner Declaration Exercise**

* Administrators should ensure that those in receipt of a pension under the Single Public Service Pension Scheme are included in their organisation’s regular pensioner declaration exercise. The standard declaration template currently in use by employers can also be used for Single Scheme pensioners.
* The Pensioner Declaration exercise is an audit requirement and in line with best practice guidelines for pension schemes set out by The Pensions Authority.
* Typically this exercise is carried out in late quarter 3/early quarter 4 though organisations themselves are best placed to determine when to issue the annual declarations to pensioners.
* Administrators should ensure that in the case of payment of Children’s Pensions, where the child is over 16 years of age and is not permanently incapacitated, appropriate supporting evidence is obtained to ensure that the child beneficiary is still entitled to receive the benefit i.e. they are aged under 22 years and are receiving full-time educational/vocational instruction, or undergoing full-time instruction or training by any person for any vocation, profession or trade.

**Further information on the Single Scheme:**

**Homepage:**  [www.singlepensionscheme.gov.ie](http://www.singlepensionscheme.gov.ie)

**Circulars & Legislation:** [www.singlepensionscheme.gov.ie/circulars](https://singlepensionscheme.gov.ie/circulars)