

DPE118/004/2015

10 May 2016

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

## **Circular 13/2016: Single Public Service Pension Scheme – Notification of Consumer Price Index (CPI) Uprating of Referable Amounts and Pensions**

1. This circular notifies public service employers (“Relevant Authorities”) of
  - (i) the CPI uprating to be applied to **referable amounts** accrued up to the end of 2014 by members of the Single Public Service Pension Scheme (“Single Scheme”), and
  - (ii) the CPI uprating to be applied to Single Scheme **pensions** awarded up to the end of 2015.

The circular also contains model statements to assist employers in issuing the pension benefit statements they are required to give their Single Scheme staff.

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

2. Section 40 of the [Public Service Pensions \(Single Scheme and Other Provisions\) Act 2012](#) (“2012 Act”) provides for the **pension referable amounts** and **retirement lump sum referable amounts** of Single Scheme members to be uprated in line with CPI increases. Employers are hereby notified that **a CPI-based increase of 0.1% should be applied to referable amounts accrued up to the end of 2014**. This increase is to be applied **at the end of 2015**, and should be reflected, where arising, in the annual benefit statements issuing to Scheme members in respect of their end-2015 position. For clarity, referable amounts accrued in 2015 do not qualify for this CPI-based increase.

3. This 0.1% referable amounts increase reflects the 0.1% CPI rise in the 12 months to end-2015, the reference period for CPI-based adjustment of such amounts accrued to end-2014. It is the first CPI-based increase for referable amounts. [DPER Circular 09/2015](#) last year notified that no such increase in 2013-accrued referable amounts was due at end-2014, since the relevant CPI outturn was negative (-0.3% in the 12 months to end-2014).

### **CPI Uprating of Pensions**

4. **A 0.1% CPI-based increase should be applied to Single Scheme pensions awarded up to the end of 2015**. This increase should be applied with effect from **1 January 2016**. The application of this increase has been decided on by the Minister for Public Expenditure and Reform pursuant to section 40 of the 2012 Act.

## Annual Benefit Statements

5. For Scheme members whose employment commenced in 2015, the annual benefit statement due in 2016 will reflect referable amounts accrued in just one year (2015). No CPI-based increase arises in those cases. **Appendix A** is a model annual benefit statement that may be used or adapted by Relevant Authorities in such cases.

6. For Scheme members whose employment commenced in 2013 or 2014, and who remained in employment at end-2015, the annual benefit statement due in 2016 will reflect referable amounts accrued over a multi-year period, and should incorporate, as appropriate, application of the 0.1% CPI-based increase in referable amounts notified in paragraph 2. **Appendix B**, covering employment of between one and two years (i.e. commencing 2014), and **Appendix C**, covering employment of more than two years (i.e. commencing 2013), are model annual benefit statements that may be used or adapted in such cases.

## Benefit Statements on Cessation of Employment

7. Relevant Authorities must also, under the 2012 Act, issue end-of-employment benefit statements to members whose employment ceases. Model benefit statements for this purpose are at **Appendix D** (contributions refund) and **Appendix E** (no contributions refund).

## Increase in Contributory State Pension

8. The Contributory State Pension (CSP) was increased in January 2016. **Appendix F** sets out, for information, details of how this affects Single Scheme accrual and contribution thresholds.

## Circulation and Queries

9. 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 should make it available to appropriate personnel in these areas. There is no requirement to send it to employees or pensioners.

10. 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), writing "Circular 13/2016" in the subject line.

Mise le meas,

Oonagh Buckley  
Assistant Secretary

## Appendix A – Model Annual 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 2016]  
Scheme Year: 1 January – 31 December 2015  
Employment period(s): 7 March - 31 December 2015

Name of member: Joe Bloggs  
PPSN: P87654321

Membership category: Standard accrual

In respect of your employment as a Single Scheme member during 2015 by [Relevant Authority / employer], this statement records in the table below, and on a provisional basis\*, the **pension contributions which you paid during 2015**, and the **future-payable amounts of pension and retirement lump sum, known as "referable amounts"**, which you accrued during 2015.

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

Single Scheme contributions and benefit accrual in 2015	
	€
<b>1. Contributions</b>	
Paid by you in 2015:	1,979.84
Refund (if any) to you of contributions paid in 2015:	-
<b>Net contributions paid by you in 2015:</b>	<b>1,979.84</b>
<b>2. Referable amount towards pension</b>	
Accrued during 2015:	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 2015:	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 this 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/en/single-scheme/> for further information on the Single Scheme.

**Appendix B – Model Annual Benefit Statement covering employment of between one and two years**

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

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

Date of Statement: [XX XXXX 2016]  
Scheme Year: 1 January – 31 December 2015  
Employment period(s): 7 March 2014 - 31 December 2015

Name of member: Jane Bloggs  
PPSN: P12345678

Membership category: Standard accrual

In respect of your employment as a Single Scheme member during 2015 by [Relevant Authority / employer], this statement records in Table 1 below, and on a provisional basis\*, the **pension contributions which you paid during 2015**, and the **future-payable amounts of pension and retirement lump sum, known as "referable amounts"**, which you accrued during 2015.

The total Single Scheme referable amounts accrued in your career in this employment to end-2015, on a provisional basis\*, are recorded in Table 2 below. Referable amounts accrued up to end-2014, have been increased by 0.1% with effect from end-2015, 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, based on the increase in the CPI in the twelve months to end-2015, that such increase should apply to those 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 2015</b>	
	€
<b>1. Contributions</b>	
Paid by you in 2015:	2,408.81
Refund (if any) to you of contributions paid in 2015:	-
<b>Net contributions paid by you in 2015:</b>	<b>2,408.81</b>
<b>2. Referable amount towards pension</b>	
Accrued during 2015:	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 2015:	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-2015</b>				
	<i>To end-2014</i>	<i>CPI-based uplift (0.1%)</i>	<i>2015</i>	<i>Total</i>
<b>1. Referable amount towards pension</b>	€	€	€	€
Accrued:	266.20	0.27	323.88	590.35
Offset (if any) due to contributions refund:	-		-	-
<b>Pension referable amount:</b>	<b>266.20</b>	<b>0.27</b>	<b>323.88</b>	<b>590.35</b>
<b>2. Referable amount towards retirement lump sum</b>				
Accrued:	1,541.10	1.54	1,875.00	3,417.64
Offset (if any) due to contributions refund:	-		-	-
<b>Retirement lump sum referable amount:</b>	<b>1,541.10</b>	<b>1.54</b>	<b>1,875.00</b>	<b>3,417.64</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 this 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/en/single-scheme/> for further information on the Single Scheme.

**Appendix C – Model Annual Benefit Statement covering employment of more than two years**

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

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

Date of Statement: [XX XXXX 2016]  
Scheme Year: 1 January – 31 December 2015  
Employment period(s): 7 March 2013 - 31 December 2015

Name of member: Mary Kate Bloggs  
PPSN: P56781234

Membership category: Standard accrual

In respect of your employment as a Single Scheme member during 2015 by [Relevant Authority / employer], this statement records in Table 1 below, and on a provisional basis\*, the **pension contributions which you paid during 2015**, and the **future-payable amounts of pension and retirement lump sum, known as "referable amounts"**, which you accrued during 2015.

The total Single Scheme referable amounts accrued in your career in this employment to end-2015, on a provisional basis\*, are recorded in Table 2 below. Referable amounts accrued up to end-2014, have been increased by 0.1% with effect from end-2015, 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, based on the increase in the CPI in the twelve months to end-2015, that such increase should apply to those 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 2015</b>	
	€
<b>1. Contributions</b>	
Paid by you in 2015:	2,408.81
Refund (if any) to you of contributions paid in 2015:	-
<b>Net contributions paid by you in 2015:</b>	<b>2,408.81</b>
<b>2. Referable amount towards pension</b>	
Accrued during 2015:	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 2015:	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-2015</b>				
	<i>To end-2014</i>	<i>CPI-based uplift (0.1%)</i>	<i>2015</i>	<b>Total</b>
<b>1. Referable amount towards pension</b>	€	€	€	€
Accrued:	590.08	0.59	323.88	914.55
Offset (if any) due to contributions refund:	-		-	-
<b>Pension referable amount:</b>	<b>590.08</b>	<b>0.59</b>	<b>323.88</b>	<b>914.55</b>
<b>2. Referable amount towards retirement lump sum</b>				
Accrued:	3,416.10	3.42	1,875.00	5,294.52
Offset (if any) due to contributions refund:	-		-	-
<b>Retirement lump sum referable amount:</b>	<b>3,416.10</b>	<b>3.42</b>	<b>1,875.00</b>	<b>5,294.52</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. You can consult your employer or go to <http://www.per.gov.ie/en/single-scheme/> for further information on the Single Scheme.



**Appendix D – Model Cessation of Employment Benefit Statement where a contributions refund has been paid**

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

STATEMENT ON CESSATION OF EMPLOYMENT issued by [Name & No. of Relevant Authority / employer]

Date of Statement: [XX XXXX 2016]  
Scheme Year: 1 January – 31 December 2015  
Employment period(s): 7 March - 30 November 2015

Name of member: Jim Bloggs  
PPSN: P76543218

Membership category: Standard accrual

In respect of your employment as a Single Scheme member during 2015, up to your last day of service on 30 November 2015, by [Relevant Authority / employer], this statement records in the table below, and on a provisional basis\*, the **pension contributions which you paid during 2015**, and the **future-payable amounts of pension and retirement lump sum, known as "referable amounts"**, which you accrued during 2015.

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

<b>Single Scheme contributions and benefit accrual in 2015</b>	
	€
<b>1. Contributions</b>	
Paid by you in 2015:	1,775.26
Refund (if any) to you of contributions paid in 2015:	1,775.26
<b>Net contributions paid by you in 2015:</b>	<b>0.00</b>
<b>2. Referable amount towards pension</b>	
Accrued during 2015:	238.69
Offset (if any) due to contributions refund:	238.69
<b>Pension referable amount:</b>	<b>0.00</b>
<b>3. Referable amount towards retirement lump sum</b>	
Accrued during 2015:	1,381.85
Offset (if any) due to contributions refund:	1,381.85
<b>Retirement lump sum referable amount:</b>	<b>0.00</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. As set out in the table above, your contributions as a Single Scheme member have been refunded following cessation of your employment. The refund has been possible because your period of Single Scheme membership was less than the two years required for vesting of pension benefits. **That refund having been made, 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 the refund, with applicable compound interest, if and when you subsequently become employed as a Single Scheme member **within 24 months of ceasing this employment.** Contact your new employer if you are in a position to avail of this restoration option and wish to do so.
2. You can consult your former public service employer, or alternatively you can go to <http://www.per.gov.ie/en/single-scheme/> for further information on the Single Scheme.

**Appendix E – Model Cessation of Employment Benefit Statement where a contributions refund has not been paid**

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

STATEMENT ON CESSATION OF EMPLOYMENT issued by [Name & No. of Relevant Authority / employer]

Date of Statement: [XX XXXX 2016]  
Scheme Year: 1 January – 31 December 2015  
Employment period(s): 7 March - 30 November 2015

Name of member: Kim Bloggs  
PPSN: P65432178

Membership category: Standard accrual

In respect of your employment as a Single Scheme member during 2015, up to your last day of service on 30 November 2015, by [Relevant Authority / employer], this statement records in the table below, and on a provisional basis\*, the **pension contributions which you paid during 2015**, and the **future-payable amounts of pension and retirement lump sum, known as "referable amounts"**, which you accrued during 2015.

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

<b>Single Scheme contributions and benefit accrual in 2015</b>	
	€
<b>1. Contributions</b>	
Paid by you in 2015:	1,775.26
Refund (if any) to you of contributions paid in 2015:	-
<b>Net contributions paid by you in 2015:</b>	<b>1,775.26</b>
<b>2. Referable amount towards pension</b>	
Accrued during 2015:	238.69
Offset (if any) due to contributions refund:	-
<b>Pension referable amount:</b>	<b>238.69</b>
<b>3. Referable amount towards retirement lump sum</b>	
Accrued during 2015:	1,381.85
Offset (if any) due to contributions refund:	-
<b>Retirement lump sum referable amount:</b>	<b>1,381.85</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 period of Single Scheme membership in this employment was less than the two years required for vesting of pension benefits. **Please note that referable amounts, as set out in your case in the above table, only deliver or contribute towards a pension and a retirement lump sum where the person concerned has attained the two-year vesting threshold.**

2. Because your period of Single Scheme membership in this employment was less than the two years required for vesting of pension benefits, you may be eligible for a refund of contributions. **If you decide to apply for and are paid such a refund then you will be 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 the refund, with applicable compound interest, if and when you subsequently become employed as a Single Scheme member **within 24 months of ceasing this 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 former public service employer, or alternatively you can go to <http://www.per.gov.ie/en/single-scheme/> for further information on the Single Scheme.

## Appendix F – Increase in Contributory State Pension

### Calculation of Pension Referable Amounts

As provided for in the 2012 Act, and as explained with examples in [DPER Circular 11/2014](#), calculation of pension referable amounts for a Single Scheme member means applying either one or two accrual rates. Specifically, for the main (non-fast accrual) membership category;

- members on whole-time equivalent (WTE) pay up to 3.74 times the Contributory State Pension (CSP) accrue at a rate of 0.58% on all such pay, whereas
- members on WTE pay above 3.74 times the CSP, while accruing at a rate of 0.58% up to that point (3.74 x CSP), accrue at 1.25% on the balance above that point.

This means that the CSP, as applied by way of the 3.74 multiple, effectively sets the divide point, or cut-off, between the lower and higher pension accrual rates.

The **Contributory State Pension increased by €3 per week** with effect from January 2016, rising from €230.30 to €233.30 per week. Reflecting that increase, DPER advises below, for information, revised cut-offs effective 1 January 2016, covering various payroll frequencies, up to and above which the 0.58% and 1.25% pension accrual rates respectively should apply:

- Weekly payroll: [3.74 x CSP] pension accrual cut-off = €872.54
- Fortnightly payroll: [3.74 x CSP] pension accrual cut-off = €1,745.08
- Four-weekly payroll: [3.74 x CSP] pension accrual cut-off = €3,490.17
- Monthly payroll: [3.74 x CSP] pension accrual cut-off = €3,794.10
- Quarterly payroll: [3.74 x CSP] pension accrual cut-off = €11,382.31
- Annual payroll: [3.74 x CSP] pension accrual cut-off = €45,529.23

**It is emphasised that the above revised cut-offs only apply to the calculation of referable amounts accrued on or after 1 January 2016.**

### Calculation of Member Contributions

For the main (non-fast accrual) membership category, the Single Scheme member contribution consists of two elements;

- 3% of pensionable remuneration, PLUS
- 3.5% of net pensionable remuneration,

adjusted downwards, where the member works on a non-full-time basis, by reference to the work pattern, and where

- **pensionable remuneration** = full-time pay, and
- **net pensionable remuneration** =  
[pensionable remuneration] MINUS [twice the Contributory State Pension (CSP)]

The **net pensionable remuneration** contribution element of 3.5% above has changed—in terms of the money payment by affected members—since 1 January 2016, due to the increase in the Contributory State Pension from €230.30 to €233.30 per week. Specifically, from 1 January 2016, the 3.5% rate applies to pensionable remuneration MINUS

- **€466.60** (2 x €233.30) in weekly terms, or
- **€24,347.18** (2 x €12,173.59) in annual terms.