

NUI Galway

Single Public Service Pension Scheme

Our Experience

Triona Lydon

Pensions & Investments Officer



NUI Galway
OÉ Gaillimh

Overview

- NUI Galway Scheme membership
- Initial Challenges with introduction of SPS
- Addressing Challenges of SPS Administration
- Where are we now on our SPS journey?
- Other issues/changes introduced by SPS
- Outstanding SPS issues



SPS Membership as at 30 Sept 2016

<u>As at 30 Sept 2016</u>	<u>SPS Scheme</u>	<u>Pre-Existing Schemes</u>
Active SPS Members	556	1613
Deferred SPS Members	58	817
SPS Pensioners	0	631

Note: Almost 300 refunds to date (SPS)



Initial Challenges with introduction of SPS

- Recognition that calculation of retirement benefits completely different to previous Schemes that were based on accrual of Pensionable Service and Final Salary.
- Much of the administration work is now “front loaded” - money amounts (referable amounts) building towards pension and lump sum must now be calculated and accrued on ongoing basis in **each pay period**
- Requirement to **revalue accrued money** amounts annually with reference to **CPI**
- Requirement to issue Annual Statements & Deferred Statements
- Requirement to remit contributions to DPER on monthly basis
- Requirement to accommodate various conditions of employment within NUI Galway relating to pensionable remuneration
 - *Various allowances in the nature of pay (e.g., Shift Allowance)*
 - *High volume of turnover, particularly in relation to Researchers*
 - *Various payroll frequencies (e.g. Monthly and Weekly)*
 - *Part Time working patterns across grades*



Addressing Challenges of SPS Administration

Utilising Technology

- For SPS, recognition that **accurate payroll data is integral** to ongoing calculation of the money amounts (referable amounts) required under Scheme
- Business case had been made to procure the purchase of Core Pensions Module for our legacy Defined Benefit Schemes prior to the introduction of the Single Scheme. The initial primary motivation for utilising Core Pensions was that it would interface with other Core Modules such as CorePay (Core Pay used in NUI Galway since 2001)
- Jan 2013 - Core Pensions Module did not have a product for the Single Scheme owing largely to absence of policy direction from DPER regarding SPS.
- May 2014 - Core subsequently made available **Core SPS Pensions Module** to clients following issue of DPER Circular 11/2014
- June 2014- NUI Galway took delivery of Core SPS Pensions Module and implemented this after extensive testing



Initially all manual on Excel

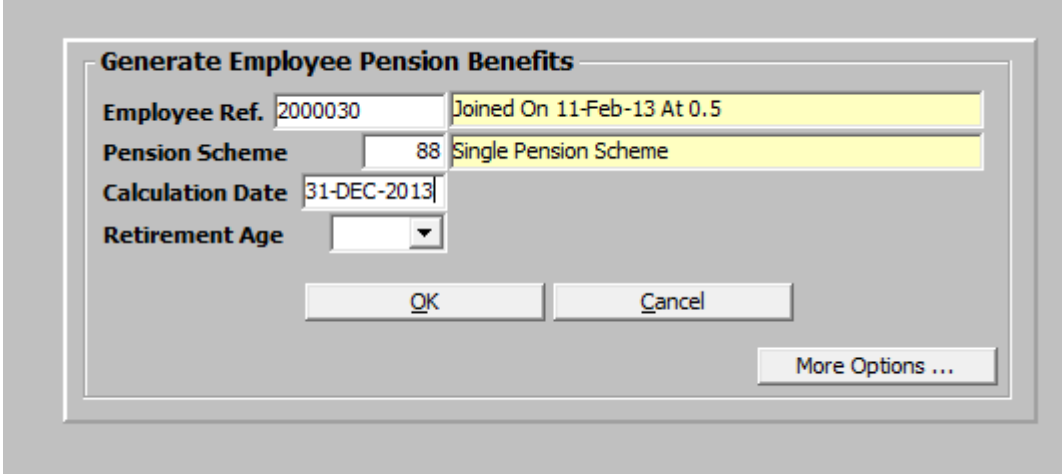
(still use this for quality checks of system output)

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	<u>DOB</u>	<u>Retirement Date</u>	<u>Age</u>	<u>Salary</u>		<u>3.74 * OAP</u>							
2	01-Apr-80	01-Apr-48	68.00	53,146.00		44,943.78		SW 1 Jan 15		12,017.05			
3								(230.30 * 52.18 * 3.74 = € 44,943.78)					
4													
5													
6	<u>Estimate (No adjustment for CPI / Change in Salary)</u>												
7			<u>Mths</u>	<u>Yrs</u>		<u>Pension</u>	<u>Pension</u>	<u>Total</u>		<u>Lump</u>			
9	01-Aug-16	31-Dec-16		0.42		0.58%	1.25%	Pension		3.75%	830.41	Agrees to Statement 31/12/16	
10													
11				10.00		2,606.74	1,025.28	3,632.02		19,929.75			
12				20.00		5,213.48	2,050.55	7,264.03		39,859.50			
13													



Sample Core SPS Pensions Module Screens

Functionality to generate benefits at specific date (member-specific or for entire Scheme)



The screenshot shows a dialog box titled "Generate Employee Pension Benefits". It contains the following fields and options:

- Employee Ref.:** 2000030
- Joined On:** 11-Feb-13 At 0.5
- Pension Scheme:** 88 Single Pension Scheme
- Calculation Date:** 31-DEC-2013
- Retirement Age:** (dropdown menu)
- Buttons:** OK, Cancel, and More Options ...



Sample Core SPS Pensions Module Screens

Functionality to generate benefits at specific date (member-specific or for entire Scheme)

Selection Criteria

Employee Ref.
Pension Scheme
Calculation Date

Employee Pension Data

Employee Ref.	Name	Pension Calculation Scheme	Date	Referable Pension	Referable Lump Sum	Message Text
2000030	Joined On 11-Feb-13 At 0.5	88	31-DEC-2013	137.50	858.13	<input type="text" value="Text..."/>
						<input type="text" value="Text..."/>
						<input type="text" value="Text..."/>
						<input type="text" value="Text..."/>
						<input type="text" value="Text..."/>
						<input type="text" value="Text..."/>
						<input type="text" value="Text..."/>
						<input type="text" value="Text..."/>
						<input type="text" value="Text..."/>

View Messages

View Options

Benefit Details
Pension Contributions



Sample Core SPS Pensions Module Screens

Pension Benefits Breakdown

Description	Values	Sub Total
Accrued at Lower Rate		
+ Accrual Factor	.0058 *	
+ Referrable Pay	41870.60 *	
+ Work Pattern (1)		
Sub Total		242.85
Accrued at Higher Rate		
+ Accrual Factor	.0125 *	
+ Referrable Pay	7534.46 *	
+ Work Pattern (1)		
Sub Total		94.18
Total		337.03

OK

Pensionable Pay

Period	Pay Code	Description	Pensionable Pay	Pay Multiplier	Pensionable Remuneration	CSP	Work Pattern Days	Period Start Date	Source
201604	100	GROSS PAY	3782.00	1.000000	3782.00	3794.10	31	01-JAN-2016	PAY290
201604	360	SHIFT ALLOWANCE @ 16.67%	630.46	1.000000	630.46				PERCENT ALLO
201608	100	GROSS PAY	3782.00	1.000000	3782.00	3929.60	29	01-FEB-2016	PAY290
201608	360	SHIFT ALLOWANCE @ 16.67%	630.46	1.000000	630.46				PERCENT ALLO
201613	100	GROSS PAY	3782.00	1.000000	3782.00	3794.10	31	01-MAR-2016	PAY290
201613	360	SHIFT ALLOWANCE @ 16.67%	630.46	1.000000	630.46				PERCENT ALLO
201617	100	GROSS PAY	3782.00	1.000000	3782.00	3794.10	30	01-APR-2016	PAY290
201617	360	SHIFT ALLOWANCE @ 16.67%	630.46	1.000000	630.46				PERCENT ALLO
201621	100	GROSS PAY	1220.00	1.000000	1220.00	1223.90	10	01-MAY-2016	PAY290
201621	100	GROSS PAY	2637.48	1.000000	2637.48	2570.20	21	11-MAY-2016	PAY290
201621	360	SHIFT ALLOWANCE @ 16.67%	643.04	1.000000	643.04				PERCENT ALLO
201626	100	GROSS PAY	3893.42	1.000000	3893.42	3794.10	30	01-JUN-2016	PAY290
201626	360	SHIFT ALLOWANCE @ 16.67%	649.03	1.000000	649.03				PERCENT ALLO
201630	100	GROSS PAY	3893.42	1.000000	3893.42	3794.10	31	01-JUL-2016	PAY290
201630	360	SHIFT ALLOWANCE @ 16.67%	649.03	1.000000	649.03				PERCENT ALLO
201634	100	GROSS PAY	3893.42	1.000000	3893.42	3794.10	31	01-AUG-2016	PAY290
			49405.06		49405.06	41870.60			

Work Pattern Grouping

Pensionable Pay	Pattern	Pensionable Remuneration	CSP Cut Off	Method
49405.06	1.000000	49405.06	41870.60	PARAGRAPH 19 (COMPLEX)
49405.06		49405.06	41870.60	

Contributory State Pension (CSP)

Annual	Pay Rate Multiplier	Cut Off
12173.59	3.740000	45529.23



Sample Core SPS Pensions Module Screens

Functionality to issue Annual Statements using Templates (Member-specific or for Scheme)

The screenshot displays the CORE SPS Pensions Module interface. The menu is open, showing options like 'View Documents', 'Letters', 'Date Calculator', 'Show Active Employees', 'Show Dormant Employees', 'Show All Employees', 'Create Reminder', 'View Reminders', and 'Change Password'. The 'Employee Pension Data' table is visible below.

Employee Ref.	Name	Pension Scheme	Calculation Date	Contributions	Referred	Retirement Lump Sum
000234	Patrick Reilly	88				
200001	John Ahern	88				
2000030	Joined On 11-Feb-13 At 0.5	88				
2000031	Joined On 1-Sep-2013 Sps	88	31-DEC-2013	23.61		152.64

Single Public Service Pension Scheme ("Single Scheme")

ANNUAL STATEMENT issued by NUI Galway

Date of Statement: 31-DEC-2015

Employment period(s): 01-AUG-2015 to 31-DEC-2015

Name of member: John Smith

Employee Ref Number:

PPSN:

Department:

Membership category: Standard accrual

In respect of your employment as a Single Scheme member at NUI Galway, this statement records, in the table below, and on a provisional basis, the pension contributions which you paid to 31-DEC-2015 and the future-payable amounts of pension and retirement lump sum, known as "referable amounts", which you accrued to 31-DEC-2015.

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

Single Scheme contributions and benefit accrued to 31-DEC-2015	
	€
1. Contributions	
Paid by you:	1090.35
2. Referable amount towards pension	
Accrued:	151.33
3. Referable amount towards retirement lump sum	
Accrued:	830.41

Notes:

- Your referable amounts as recorded above will be carried forward and added to any referable amounts you accrue after the 31-DEC-2015. 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.
- 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.
- If your contributions have been 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 if and when you become employed as a Single Scheme within 24 months of ceasing employment. Contact your new employer if you are in a position to avail of this restoration option.
- For periods of overlapping employments 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".
- You can consult your employer or go to <http://www.per.gov.ie/pensions/SingleScheme> for further information on the Single Scheme.



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Sample Core SPS Pensions Module Screens

Functionality to record Elected Member Benefit Option (e.g. Refund, Deferred, etc)

Record Pension Option

Employee Ref.	2000030	John Smith	Employee Memo
Pension Scheme	88	Single Pension Scheme	View Pension on Pay
Retirement Date	31-DEC-2013		Enhanced Pension
Chosen Pension Option	Refund of Contributions		

Employee Details

Date Of Birth	37.6466	10-MAY-1976
Date Joined Scheme		11-FEB-2013
Date Left Scheme		
Marital Status		Single
Gender		Male

Benefits

Description	Generated

Pension Contributions

Contributions To Date	.00
AVC Contributions To Date	.00
Total Contributions	.00

Deceased Details

Date Deceased	
Spouse Decimal	
	.00
	.00

Contributions Refund

	Gross Refund	Tax Deducted	Nett Refund	Date Refunded
Main Scheme Contributions	518.66	103.73	414.93	11-JAN-2014
Dependents Scheme Contributions				
Notional Service Contributions				
Pension Related Deductions (PRD)				

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Addressing Challenges of SPS Administration

Reviewing Existing Processes – Recruitment Stage

1. New Declaration Forms for New Staff / Rehires: Prior Public Sector Service reviewed and validated as appropriate. This forms basis for assignment to appropriate Pension Scheme (i.e. SPS or Model)
2. Payroll Office sets up the new employee in the appropriate Pension Scheme in Core Payroll.
3. Each new staff member is provided via email with pension (and ancillary scheme) information.



Addressing Challenges of SPS Administration

Reviewing Existing Processes – Leaver Refunds Process

1. Staff member requests a refund in writing
2. BI Report (Discoverer) run to determine if staff member is potentially eligible for a refund of pension contributions (i.e. < 24 months Vesting Period).
3. Upon receipt of completed documentation (**Pension Refund Declaration Form**) we calculate the refund amount and also check if they are entitled to a refund of Pension Related Deduction (PRD) i.e. no entitlement to a Public Sector Pension.
4. Payroll process the refund (Pension and PRD if applicable).
5. Pensions Office completes the following steps on member's record in [CORE SPS Pension Module](#):
 - Generate a Benefit Statement as at date left
 - Core SPS Pensions Adjustment Centre – input negative Pensionable Pay & CSP to reduce Referable Pension and Referable Lump Sum to **zero** (*ensures this is excluded from future calculations should they return to the same employment subsequently*)
 - Create a Cessation Statement – check that the Referable Pension and Lump sum values are now zero.
 - Leave the Scheme – choose '**Refund of Contributions**' option (Status in Core Pensions)
 - This ensures we have up-to-date information on our deferred (vested) and non-vested leavers should it be needed to assist with subsequent queries received from former employees or other Public Sector bodies.



Where are we now on our SPS journey?

Jan 2013	Single Scheme introduced – everything manual
May 2014	DPER issued Circular 11/2014: Single Public Service Pension Scheme: Benefits Calculation and Statements for Members
June 2014	Core SPS Pensions Module implemented and deployed in NUI Galway
July 2014	Utilising Core SPS Pensions Module, Annual Statements issued to all members for Scheme Year 2013
July 2015	DPER issued Circular 09/15: Single Public Service Pension Scheme: Notification of position on Consumer Price Index(CPI) uprating of Referable Amounts, and certain operational matters
July 2015	Utilising Core SPS Pensions Module, Annual Statements issued to all members for Scheme Year 2014
May 2016	DPER issued Circular 13/16: Single Public Service Pension Scheme: Notification of Consumer Price Index(CPI) Uprating of Referable Amounts and Pensions
July 2016	Utilising Core SPS Pensions Module, Annual Statements to all members for Scheme Year 2015 <i>[CPI-based increase of 0.10% applied to referable amounts accrued up to end of 2014 - reflected in these Statements]</i>



Other Issues / Changes introduced by SPS:

1. Annual Statements:

- Advises Contributions paid and Referable amounts accrued to date ONLY.....
- Staff require estimate of benefits at retirement (Also an issues at recruitment – **Excel**....)
- Statements not available through Core Portal (Employee Self-Service)– **MUST** be printed and distributed!
- Trying to put pressure on Core to ensure these requirements captured as part of future Core Pensions SPS development

2. Deferred Statements

- No guidance received on format to date, BUT using Core Pensions we currently generate a deferred statement showing **referable amounts to date left**.

3. Monthly remittance of employee contributions (nett of refunds) is additional work

4. Minimum Pension Age - This is set, initially, at 66 years. It will rise in step with statutory SPC age(i.e. increases to 67 in 2021 and 68 in 2028).

5. Re-introduction of Compulsory Upper Retirement Age: A general compulsory upper retirement age of 70 introduced.



Outstanding SPS Policy Clarifications:

- Minister for Public Expenditure & Reform to make Regulations to provide for:
 - Purchase of Additional Pension / Lump Sum Amounts
 - Scheme Transfers from Funded Schemes
 - Enhanced Benefits where retired on medical grounds
- Once made, these regulations will give rise to further complexities in overall Scheme Administration.



Any Questions?
Thank you for your attention



Contact Details:

Triona Lydon,

Pensions & Investments, NUI Galway

Email: triona.lydon@nuigalway.ie

Phone: 091 492145

