


Resource Toolkit	Single Scheme Administration Project (Phase 1) Ill-Health Retirement Resources
Resource Name	Process Guidelines
Resource Reference	SPS.RET.IHR.G.01 (Phase 1)
Description	Suggested procedure outlining key steps that a Relevant Authority might take where a vested or non-vested member retires on ill-health grounds.
Version	V1.0

PLEASE NOTE: Administrators may access legislation, 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

IMPORTANT: The process has been prepared for Single Scheme members in **Standard Grades**. It must be adapted for those grades that have different retirement ages, such as the Uniformed Grades (Gardaí, Defence Forces, Prison Officers, Career Firefighters, etc) and assumes that the member has an employment status of permanent or holds a Contract of Indefinite Duration.

Guidelines – Colour key

 = Yes/No Decision Point

Ref.	Step	Description of key activities / general guide
0.0	Process Map	<ul style="list-style-type: none"> The recommended Process Map may be accessed in the Administrator Toolkit for this process. It is recommended that this is consulted when processing a request for Ill-Health Retirement for a Single Scheme Member.
1.0	Notification received of Member's intention to retire on a specified date	<ul style="list-style-type: none"> A member may start this retirement process directly with the Pensions Section, through their Line Manager or through Human Resources. In most instances, Ill-Health retirement applications will be referred to a Pensions Administrator by Human Resources, noting that in many instances Ill-Health Retirement applications often follow periods of extended illness. It is important that member requesting ill-health early retirement has been medically assessed and meets the criteria explicitly stated in the Single Scheme legislation. Administrators should have particular regard to, Section 2 of DPER Guidance Note 01/2017 and the Single Scheme legislation. Organisational sign-off for Ill-Health early retirement, after full medical assessment, will ordinarily be at HR Director level, having regard to existing Sectoral protocols for such retirements. A date should be agreed with the retiree or HR and communicated to the Pensions Administrator at the time of initiating the retirement process after the medical report has been received. Obtaining this information helps to ensure that there is sufficient time for both the member and administrators to progress that necessary administrative protocols and finalise paperwork in advance of a member's retirement.
1.1	Validate the type of retirement occurring / verify that this is Ill-Health Retirement	<ul style="list-style-type: none"> Is this an Ill-Health Early Retirement? YES - Proceed to Step 1.2 below if it is verified that this is an Ill-Health Retirement NO – Proceed to Step 1.3

1.2	<i>Has Ill-Health Retirement been approved by HR?</i>	<ul style="list-style-type: none"> Has organisational sign-off for this Ill-Health Early Retirement been obtained (ordinarily at HR Director level)? YES - Proceed to Step 2.0 below if it is verified that this is an Ill-Health Retirement NO - Proceed to step 1.3
1.3	<i>Pensions Administrator raises matter with HR</i>	<ul style="list-style-type: none"> Where it is confirmed that approval to Ill-Health Retirement has not been authorised the Pension Administrator should refer the matter to HR for guidance.
1.4	<i>Member informed by HR that application not approved</i>	<ul style="list-style-type: none"> If HR makes a decision not to approve any ill-health retirement application, and has advised the member accordingly, the process ends. If HR makes a decision to approve an ill-health retirement application then proceed to Step 2.0 below.
2.0	<i>Pensions Administrator issues Retirement Options Request Form (RORF) to member</i>	<ul style="list-style-type: none"> A template Retirement Options Request Form that organisations may wish to consider adopting is included in the Administrator Toolkit for this process. It contains a Statutory Declaration that will help organisations to meet their legal obligations in ensuring that Options are accurately prepared; A Retirement Options Request Form is issued to the member for completion; It is recommended that Pension Administrators set a deadline for the return of a completed Retirement Options Request Form. This should be determined with reference to any indicated retirement date.
2.1	<i>Member returns completed Retirement Options Request Form (RORF) to Pensions Administrator</i>	<ul style="list-style-type: none"> Given the importance of the information contained on the Retirement Options Request Form, particularly the Statutory Declaration, Pensions Administrators should aim to provide one-to-one support to assist a member in fully completing their Retirement Options Request Form.

2.2	<i>Pensions Administrator reviews and validates member's returned Retirement Options Request Form (RORF)</i>	<ul style="list-style-type: none"> • A review is undertaken of the Retirement Options Request Form to ensure that it has been fully completed and signed by the member. Any accompanying documentation (e.g. originals of certificates or Retained Benefits) is reviewed prior to acknowledging receipt of paperwork to member.
3.0	<i>Does review of Retirement Options Request Form (RORF) by Pensions Administrator prompt initial queries to be raised with member or member's former employers?</i>	<ul style="list-style-type: none"> • If YES - go to step 3.1 • If NO - go to step 4.0
3.1	<i>Raise initial queries with retiree or former employer(s), as appropriate and validate response</i>	<ul style="list-style-type: none"> • Depending on the information provided in the completed Member Retirement Acknowledgement Form or related enclosures, it may be necessary for Pensions Administrators to raise an initial informal query with the member or to obtain certain clarifications before deciding on a particular course of action.
4.0	<i>Verify if member was a member of the Single Scheme in any prior public service employments from 1 January 2013 onwards?</i>	<ul style="list-style-type: none"> • This information might be obtained from information completed by the member on their Retirement Options Request Form. • It might also be obtained from a review of other documentation on their HR file, such a hire documentation (that might include an Applicant Declaration Form or CV), or an earlier pension query raised during their current employment. • If YES - go to step 4.1 • If NO - go to step 5.0
4.1	<i>Pension Administrator issues Single Scheme Benefit Verification Form(s) to member for completion by their former Single Scheme employer(s)</i>	<ul style="list-style-type: none"> • A template Single Scheme Benefit Verification Form(s) (and sample Cover Letter) that organisations may wish to consider adopting is included in the Administrator Toolkit for this process. It will help capture key information that may assist with the accurate calculation of member benefits.

		<ul style="list-style-type: none"> • Pension Administrators should ensure that member details are input on Section A of this form. Given the nature of ill-health retirement, it may be appropriate that the Pensions Administrator liaises with former employers in relation to the completion of the Form. Any administrative assistance that can be provided to a member retiring on grounds of ill-health is at the discretion of the employer. • More than one Form may need to be issued if the member has more than one prior Single Scheme employer as a separate Form must be completed in respect of each prior Single Scheme employer.
4.2	<i>Member completes Part A of Single Scheme Benefit Verification Form(s) and forwards to their former Single Scheme employer(s)</i>	
4.3	<i>Member forwards completed Single Scheme Benefit Verification Form(s) to their current employer's Pensions Administrator</i>	
4.4	<i>Member returns completed Verification of Single Scheme Benefit Form(s) to Pensions Administrator</i>	<ul style="list-style-type: none"> • Form is reviewed by the Pensions Administrator on receipt to ensure that it is fully completed and there are no outstanding queries. If there are outstanding queries, these are resolved in conjunction with the member or their former employer, as appropriate. • Proceed to step 5.0 once all queries are resolved.
4.5	<i>Retained SPS Benefits Form reviewed and validated</i>	

<p>4.6</p>	<p><i>Calculate total period of Single Scheme membership for which contributions have been retained</i></p>	<ul style="list-style-type: none"> • A Vesting Calculation Tool is available in the Administrator Toolkit for this process; • The verified period of membership of the Single Scheme with this employment for which contributions have been retained should be input to the Vesting Calculation Tool, less any periods of non-pensionable leave, up to the date of retirement; • The verified period of earlier membership of the Single Scheme for prior employments , if applicable, for which contributions have been retained should also be input to the Vesting Calculation Tool, less any periods of non-pensionable leave; • The total period of membership of the Single Scheme in all employments for which contributions have been retained, less any periods of non-pensionable leave, should then be summed together; • IMPORTANT: A day's pay (regardless of a member's % work-pattern) is counted as one day for vesting purposes.
<p>5.0</p>	<p><i>Will vesting period have been completed by retirement date?</i></p>	<ul style="list-style-type: none"> • The Vesting Period Single Scheme Ill-Health retirement annual pension and once-off lump sum benefits is 2 years cumulative service for which contributions have been retained; • As noted at Step 4.6, a day's pay (regardless of a member's % work-pattern) counts as one day towards the 2 year vesting period. • If the answer to 5.0 is less than 2.000 years, the member is not vested and they are only eligible to receive a Short-Service Gratuity – proceed to Step 5.10 • If the answer to 5.0 is equal to or greater than 2.000 years, the member is vested – proceed to Step 5.20
<p>5.10</p>	<p><i>Calculate actual pensionable remuneration for period of employment</i></p>	<ul style="list-style-type: none"> • Pensions Administrators should calculate total <u>gross</u> remuneration paid to member over entire period of non-vested pensionable employment.

5.11	Calculate Short Service Ill-Health Retirement Gratuity benefit based on remuneration received	<ul style="list-style-type: none"> • Short Service Gratuity calculated at 8.5% of actual pensionable remuneration (gross) across the period of Single Scheme employment. Guidance Note 01/2017, Part 3 sets out more details on the method to be used and should be consulted. • Go to Step 5.30
5.20	Verify Referable Amounts earned/restored, to date, in current employment	<ul style="list-style-type: none"> • A Referable Amounts Calculation Tool is available in the Administrator Toolkit for Relevant Authorities that do not operate a pension system for the Single Scheme; • Pension and Lump Sum Referable amounts earned by a member up to the current date should be carefully calculated in line with Circular 11/2014, taking care to make necessary adjustments for any changes in work patterns, pensionable remuneration or periods of unpaid leave; • Details of any referable amounts restored by the member during this employment should also be recorded; • Where a member accrued referable amounts in a previous tax year, or restored referable amounts relating to a previous tax year, these referable amounts should be adjusted in line with CPI, if applicable. Details of historical CPI adjustments applying are set out in Circular 02/2017.
5.21	Add in verified Referable Amounts from earlier SPS employments, if applicable	<ul style="list-style-type: none"> • Referable Amounts accrued in other Single Scheme employments, as verified on the Single Scheme Benefit Verification Form, should be calculated
5.22	Total Referable Amounts compiled for all employments	<ul style="list-style-type: none"> • Referable Amounts across current employment (step 5.20) and previous employments (step 5.21) should be collated to arrive at provisional total annual pension and provisional total once-off lump sum figures that will be enhanced (Guidance Note 01/2017) and payable to the retiring member.

5.23	Calculate applicable ill-health benefit enhancement in accordance with Ill-Health Retirement Guidance Note	<ul style="list-style-type: none"> • Department of Public Expenditure and Reform Guidance Note 01/2017 should be referred to for the mechanism of calculating ill-health retirement pension and once-off lump sum. Section 3 of the Guidance Note 01/2017 sets out the method in detail.
5.30	Finalise Interim Ill-Health Retirement Statement for peer review	<ul style="list-style-type: none"> • The Interim Ill-Health Retirement Benefit Statement is prepared - a sample template is available in the Administrator's Toolkit for this process.
5.40	Check for Revenue compliance /Pensions Adjustment Order(PAO) / Public Service Pension Reduction (PSPR) adjustments, etc.	<ul style="list-style-type: none"> • Prior to finalising the retirement statement, and guided in particular by the member's completed Retirement Options Request Form and supporting documentation, a comprehensive check must be undertaken by the Pensions Administrator to ensure that: <ul style="list-style-type: none"> ○ Individual does not exceed their lifetime tax free cash limit, €200K at time of publication, from all lump sums received under applicable pension arrangements; ○ Check if there is any chargeable excess tax that may arise under the Standard Fund Threshold regime (SFT), particularly for members that are high earners or hold significant amounts of retained benefits (see Circular Letter 27 June 2014); ○ The existence of any Pensions Adjustment Order granted under the Family Law Acts against the member's benefits under the Scheme; ○ The potential need to apply PSPR, or more likely PSPR aggregation where the member is already in receipt of another Public Service pension to this Single Scheme pension (see PER Circular 18 of 2015);

<p>5.50</p>	<p><i>Prepare Interim Retirement Statement and issue to member with pre-retirement pack</i></p>	<ul style="list-style-type: none"> • Once the Interim Ill-Health Retirement Benefit Statement has been prepared, it is important that, where practical, that calculations and enhancement of benefits are peer reviewed prior to issue to ensure that benefits are factually accurate and compliant with all legislation • The Interim Retirement Statement should issue as part of a Pre-Retirement Pack to the member. A sample Pre-Retirement Pack may consist of: <ul style="list-style-type: none"> ○ Interim Retirement Benefit Statement ○ Personalised Pre-Retirement Cover Letter – a sample template is available in the Administrator’s Toolkit for this process. ○ Member Retirement Acknowledgement Form – a sample template is available in the Administrator’s Toolkit for this process. <p>Note: The sample template documentation made available in the Administrator’s Toolkit for this process is a guideline only. Organisations will need to modify, as appropriate, these templates to suit individual organisational needs.</p> <ul style="list-style-type: none"> • It is important to ensure that if any Pension Adjustment Orders (PAOs) are in place, particularly where Orders are not of a nominal/“nil” value, that the designated non-member beneficiary is also separately issued with their Retirement Statement and details of how to claim their benefit, if they have not already done so.
<p>5.60</p>	<p><i>Member completes and returns Member Retirement Acknowledgement & any associated documentation (e.g. Payroll Mandate Form)</i></p>	<ul style="list-style-type: none"> • Pensions Administrator should review and validate that member has fully completed form and there is no follow-up action required with the member.
<p>6.0</p>	<p><i>Final review of paperwork & actioning of issues arising prior to notifying payroll</i></p>	<ul style="list-style-type: none"> • Relevant Leaver/Retirement protocols are followed in accordance with existing organisation exit procedures.

6.1	<i>Interim benefits payment notification</i>	<ul style="list-style-type: none"> Ahead of relevant payroll deadline, Pensions Administrator instructs payroll with interim Single Scheme benefit payment instruction – noting that a final adjustment will be due once final retirement benefits are calculated after the retiree’s final payroll has been run.
7.0	<i>Member retires</i>	
7.1	<i>Verify/Calculate final Referable Amounts and enhancements on conclusion of final employment</i>	<ul style="list-style-type: none"> On conclusion of the member’s final payroll after their retirement, Steps 5.20 to 5.21 inclusive must be repeated to ensure all referable amounts in this employment are fully captured
7.2	<i>Definitive Retirement Statement prepared and issued to Member on completion of final payroll</i>	<ul style="list-style-type: none"> The Final Retirement Benefit Statement is prepared - a sample template is available in the Administrator’s Toolkit for this process. Once the Final Retirement Statement has been prepared, it is important, where practical, that calculations are internally peer reviewed prior to issue to ensure that retirement benefits are factually accurate and compliant with all legislation. The Final Retirement Statement should issue with a cover letter to the member that might remind them of conditions attaching to their pension and who they should contact for future queries related to their Scheme pension – a sample template is available in the Administrator’s Toolkit for this process. <p>Note: The sample template documentation made available in the Administrator’s Toolkit for this process is a guideline only. Organisations will need to modify, as appropriate, these templates to suit individual organisational needs.</p>

7.3a	<i>Pensions Administrator notifies payroll of final Scheme benefit entitlements</i>	<ul style="list-style-type: none"> • Payroll should be requested to implement these benefits, retrospectively, having regard to interim benefits already paid/in payment as a result of the earlier instruction to payroll at Step 6.1
7.3b	<i>Record Member as Single Scheme pensioner</i>	<ul style="list-style-type: none"> • The Pension's Administrator should change the member's record to reflect the type of pension that they are in receipt of e.g. Pensioner – Ill-Health Retirement (Standard Accrual) • Such a designation will help identify pensions in payment that may need to be recalculated annually to reflect authorised CPI adjustments (see Annual Events process) or for Scheme management reporting.

Disclaimer: *This Recommended Scheme Procedure has been designed by the DPER Single Pension Project Team for straightforward cases that administrators might expect to encounter on a day-to-day basis. It does not purport to cover all eventualities and no liability is accepted by the Minister for Public Expenditure & Reform for any omissions or errors arising. Administrators should carefully consult the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 and associated regulations that, at all times, have precedence.*