

P/18/075/13

22 December 2014

Dear Personnel Officer

**Reform of administrative arrangements for the establishment/approval of certain superannuation schemes in non-commercial state bodies**

1. I am directed by the Minister for Public Expenditure and Reform to inform you of the introduction of revised administrative arrangements for the establishment/approval of certain superannuation schemes in non-commercial state bodies. In line with the *Public Service Reform Plan 2014 – 2016*, the revised arrangements are designed to provide for a more efficient and cost effective delivery of service in Departments and state agencies through the simplification and standardisation of superannuation administration.

2. As you are aware, the Single Public Service Pension Scheme covers all new entrants to the public service. However, there remains a need to establish/finalise a considerable number of superannuation schemes, in a wide range of non-commercial State bodies, for those not covered by the Single Scheme. The new procedures are intended to address and assist in eliminating this backlog. They will also streamline the establishment/approval of future superannuation schemes in non-commercial state bodies which must provide for those not eligible to join the Single Scheme.

3. The new procedures were noted by Government at its meeting on 8 July 2014. As part of the new arrangements, the Minister for Public Expenditure and Reform has incorporated a revised comprehensive updated set of Superannuation Rules in a Statutory Instrument, made under section 2 of the Superannuation and Pensions Act 1976 (S.I. No 582 of 2014 - RULES FOR PRE-EXISTING PUBLIC SERVICE PENSION SCHEME MEMBERS REGULATIONS 2014). A copy of this Statutory Instrument is attached at *Appendix A*.

***Background – existing approvals process***

4. The individual statutes establishing non-commercial state bodies generally require the Minister for Public Expenditure and Reform to consent to the superannuation schemes made, in a Statutory Instrument, by those bodies, following approval by the parent Departments/Ministers.

5. The practice, to date, has been for individual bodies to utilise a ‘Model Scheme’ to begin the process. This is then tailored to ‘fit’ locally, forwarded to and examined in the line Department and then submitted to the Department of Public Expenditure and Reform for final scrutiny/approval.

6. There are a substantial number of superannuation schemes awaiting completion in the public service including draft schemes which are in the Department of Public Expenditure and Reform undergoing/awaiting scrutiny, schemes under examination in line Departments and others in the course of preparation in various public service bodies.

7. The current approval process can take anything from 6 months to several years to complete. The backlog of unapproved schemes is being added to on a regular basis when new bodies are established (or restructuring/amalgamation of existing bodies occurs) and there is a requirement to provide schemes for those not eligible to join the Single Scheme.

#### ***Updated Rules (Revised ‘Model Scheme’)***

8. A comprehensive updated set of Superannuation Rules has been drawn up which:-

- incorporates all recent general legislative changes (provisions for part-time workers/various ‘caps’ on benefits/provision of partner’s benefits, etc.),
- comprises a single document i.e. incorporates the Spouses’, Civil Partners’ and Children’s Pension Scheme terms in the main scheme,
- has been restructured, where necessary, into a format that utilises modern pension terminology and parallels the Single Public Service Pension Scheme layout, *and*
- includes adjustments, where necessary, to reflect current practice/policy.

9. The revised set of Rules is set out in S.I. No. 582 of 2014 (at ***Appendix A***).

#### ***Implementation of Revised Procedures***

10. It is intended that the new updated Rules will become the ‘de facto’ superannuation scheme applying in all relevant non-commercial state body cases. The revised process will require the formal adoption of the Rules contained in S.I. No. 582 of 2014, in a Statutory Instrument, made under the statute establishing the relevant non-commercial state body (a suggested format for these S.I.’s is at ***Appendix B*** – the draft S.I. should use the actual terms in the legislation, e.g. ‘consent’, ‘concurrence’, etc.). Draft S.I.’s should be submitted to this Department in the usual way.

11. In accordance with the above, you are requested to immediately put arrangements in place to adopt the new Rules in the case of all relevant outstanding schemes in bodies under your aegis (a list of the outstanding schemes in your Department (as recently identified by you) is at *Appendix C*). **Relevant Statutory Instruments should be prepared and submitted in respect of each body listed in *Appendix C* (and any new cases arising since the list was compiled), as soon as possible, but no later than 27 March 2015.**

12. Where the Main Scheme has already been made and a Spouses', Civil Partners' and Children's Scheme, only, is outstanding, the Statutory Instrument for the Main Scheme should be revoked in a new Statutory Instrument formally adopting the new Rules (which incorporate the Spouses', Civil Partners' and Children's terms).

13. The new arrangements can also be utilised to update outdated schemes i.e. the Statutory Instrument for the relevant scheme can be revoked in a new Statutory Instrument formally adopting the new Rules.

14. The new procedures may also be applied in the case of Universities (where applicable) and other relevant state entities.

15. In any case where the superannuation terms applying are at variance with those provided in the revised Rules, such differences must be listed, individually, in the local Statutory Instrument (and an explanatory note in respect of each such point of difference furnished to this Department).

16. It should be noted that the Office of the Attorney General has advised that, except where the parent statute expressly provides for retrospection, S.I.'s made under the new arrangement should have a current commencement date. Benefits accrued/ paid prior to this date would be covered by Administrative sanction.

17. The new procedures must be followed in the case of all current and any relevant future cases arising.

### ***General***

18. It should be noted that this is an administrative reform and it is not intended that the superannuation terms of any individual public servant will be affected by the change. The administrative arrangements applying to the Single Public Service Pension Scheme are not affected by the revised arrangements.

19. Any difficulties that may arise from the application of the measures set out in this Letter should be pursued as follows:

- Public service bodies with queries should raise them with their parent Department,

- Departments/Offices with queries can raise them by email with this Department ([modelschemerules@per.gov.ie](mailto:modelschemerules@per.gov.ie)).

Yours sincerely,

David Denny  
Principal  
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