

DPE118/004/2015

31 January 2017

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

Circular 02/2017: Single Public Service Pension Scheme – Notification of Position on Consumer Price Index (CPI) Uprating of Referable Amounts and Pensions

A. CPI Uprating – latest position

1. I am directed by the Minister for Public Expenditure and Reform, following release by CSO of the December 2016 CPI results, to notify public service employers (“Relevant Authorities”) in relation to

- the CPI uprating position regarding **referable amounts** accrued up to the end of 2015 by members of the Single Public Service Pension Scheme (“Single Scheme”), and
- the CPI uprating position regarding Single Scheme **pensions in payment** up to the end of 2016.

The relevant CPI change is 0.0% in the twelve months to December 2016. In summary, this means for Single Scheme purposes no increase in either referable amounts or pensions in payment.

2. Appendix 1 sets out this position in detail.

B. CPI Uprating since Commencement of Single Scheme

3. The Single Scheme rules require that referable amounts and pensions be increased by reference to CPI increases. The very low inflation conditions of recent years have meant that, in fact, there has been very little CPI-driven movement in either referable amounts or pensions to date.

4. Appendix 2 sets out, for reference and in respect of the period since the Single Scheme’s commencement on 1 January 2013, full details of:

- relevant CPI outturns;
- the correct reflection of those CPI outturns in Single Scheme referable amounts (as reported in Annual Benefit Statements); and
- the correct application of those CPI outturns to Single Scheme pensions in payment.

C: Circulation and Queries

5. 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.

6. 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, writing "Circular 02/2017" in the subject line.

Mise le meas,

Colin Menton
Assistant Secretary

Appendix 1: Details of latest Single Scheme CPI uprating position

A. Referable Amounts

1. 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. Relevant Authorities are notified that **no CPI-based adjustment of referable amounts accrued to end-2015 is due at end-2016**.

2. This advice reflects the 0.0% CPI change (consumer prices static) in the twelve months to December 2016, which is the reference period for CPI-based adjustment of all referable amounts accrued up to end-2015. That means that the appropriate CPI-based adjustment, due at end-2016, in respect of all referable amounts **accrued up to end-2015** is “no change” (0% increase, zero adjustment).

3. Under Single Scheme rules, referable amounts accrued in a given year are not affected by the CPI outturn for that year. This means that the 2016 CPI outturn, even if it had been positive (i.e. greater than the 0.0% recorded) would not have impacted on referable amounts accrued in 2016. Annual Benefit Statements issuing in respect of members’ end-2016 position therefore should report referable amounts **accrued in 2016** at their original unadjusted values (no change).

B. Pensions in Payment

4. Based on the same 0.0% CPI change in the twelve months to December 2016, Relevant Authorities and other pension-paying authorities are notified that **Single Scheme pensions awarded up to the end of 2016 do not qualify for any CPI-based increase in 2017**.

Appendix 2: CPI movement to end-2016 as affecting the Single Scheme

1. Relevant changes in CPI:

- | | |
|---------------------------------|-------|
| (a) 12 months to December 2014: | -0.3% |
| (b) 12 months to December 2015: | 0.1% |
| (c) 12 months to December 2016: | 0.0% |

2. CPI impact on Single Scheme Referable Amounts, reflected in Annual Benefit Statements

Statements of end-2013 position:

- Referable amounts accrued in 2013: no increase, since latest full year not subject to adjustment.

Statements of end-2014 position:

- Cumulative referable amounts up to end-2013: **no increase**, since Single Scheme rules leave referable amounts unchanged when CPI is negative (CPI outturn 1(a) above).
- Referable amounts accrued in 2014: no increase, since latest full year not subject to adjustment.

Statements of end-2015 position:

- Cumulative referable amounts up to end-2014: **0.1% increase** (CPI outturn 1(b) above).
- Referable amounts accrued in 2015: no increase, since latest full year not subject to adjustment.

Statements of end-2016 position:

- Cumulative referable amounts to end-2015: **no increase** (CPI outturn 1(c) above).
- Referable amounts accrued in 2016: no increase, since latest full year not subject to adjustment.

3. CPI impact on Single Scheme Pensions in Payment

Pensions in payment at end-2015:

- Increase by 0.1% on 1 January 2016 (CPI outturn 1(b) above).

Pensions in payment at end-2016:

- No change due on 1 January 2017 (CPI outturn 1(c) above).