



Circular Title: Arrangements for Occupational Supplementary Pensions (OSP)

A Dhuine Uasail,

I am directed by the Minister for Public Expenditure, NDP Delivery and Reform to convey the following arrangements to Departments / Offices with regard to the administration of Occupational Supplementary Pensions (OSP) in the Civil and Public Service

To: HR Manager / Personnel Officer in each Department and Office

Circular Number: Circular 12/2024

Purpose: This circular sets out the revised arrangements for Occupational Supplementary Pensions that shall apply in the Civil/Public Service

File Reference: P018-031-2019

Application of this Circular: This circular applies to pensioners in receipt of benefits from Pre-existing Public Service Pension Schemes as defined in Section 5 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 ('the 2012 Act').

Effective From: This circular is effective from 1st August 2024

Mise le meas,

A handwritten signature in dark ink, reading 'Jasmina Behan', is written over a horizontal line.

Jasmina Behan
Assistant Secretary
Work and Pensions Division

Introduction and Definitions

1. Definitions

The following definitions apply in this Circular:-

“Causes outside of their control” should be guided by examples given in Section 5;

“Class H Contributor” for the purpose of this circular is a member of the Permanent Defence Force (PDF) who pays Class H PRSI and who is a new entrant in accordance with Section 2 of the Public Service Superannuation (Miscellaneous Provisions) Act, 2004¹ but is not a member of the Single Public Service Pension Scheme;

“DSP” is the Department of Social Protection;

“Full-Time Employee” has the meaning given in Section 7 of the Protection of Employees (Part-Time Work) Act, 2001²

“Full-Time Employment” (FTE) for the purpose of this circular refers to the normal hours of working required of a Full-Time Employee;

“Fully Insured” for the purpose of this circular means a Pensionable Public Servant who pays Class A PRSI, or who is a Class H Contributor, as defined above;

“Maximum State Pension (Contributory)” (Max SPC) is the maximum rate of State Pension (Contributory) payable to a person who has no adult dependant or child dependant, on reaching State Pension Age;

“Minimum Pension Age” is the minimum pension age at which superannuation benefits may be paid to a particular individual on retirement, or on discharge from the PDF, as provided in the relevant Pre-existing Public Service Pension Scheme rules;

“Net Pensionable Remuneration” (NPR) has the same meaning as given in Article 4 of the Schedule to SI 582 of 2014;

“Occupational Pension” is the pension payable at retirement, or on discharge from the PDF or having reached Preserved Pension Age in accordance with the Pre-existing Public Service Pension Scheme rules; as set out in Section 8 below;

“Occupational Supplementary Pension” (OSP) refers to a balancing provision as provided for in the rules of Pre-existing Public Service Pension Schemes. It is paid by the Pension Paying Authority;

“Part-Time Employee” has the meaning given in Section 7 of the Protection of Employees (Part-Time Work) Act, 2001³;

“Part-Time Employment” (PTE) for the purpose of this circular refers to the normal hours of working required of a Part-Time Employee;

¹ <https://www.irishstatutebook.ie/eli/2004/act/7/enacted/en/html>

² <https://www.irishstatutebook.ie/eli/2001/act/45/enacted/en/html>

³ Ibid

“Pension Paying Authority” (PPA) is the organisation with responsibility for the calculation and payment of a public service Occupational Pension and an OSP;

“Pensionable Public Servant” for the purpose of this circular, refers only to those pensionable public servants who are members of a Pre-existing Public Service Pension Scheme as defined below;

“Pensionable Remuneration” (PR) has the same meaning as given in Article 9(4) of the Schedule to SI 582 of 2014⁴;

“Pensioner” for the purpose of this circular, is a former member of a Pre-existing Public Service Pension Scheme and whose pension benefits from that Scheme are integrated with the social insurance system;

“Pre-existing Public Service Pension Scheme” is as defined in Section 5 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 (‘the 2012 Act’). The Single Scheme is not a Pre-existing Public Service Pension Scheme and is therefore not encompassed by that definition;

“Preserved Pension Age” is the preserved pension age as provided in the relevant Pre-existing Public Service Pension Scheme rules;

“Pro-rata” for the purpose of this circular refers to the PTE hours/days expressed as a proportion of the FTE hours/days;

“Relevant Benefit” is any personal social insurance benefits payable from the social insurance fund and taken into account in the calculation of the OSP which is payable from time to time to the pensioner. A current list of Relevant Benefits can be found at Appendix 1;

“Relevant Period” for the purpose of this circular is the period used by the Pension Paying Authority to assess an Occupational Supplementary Pension for the purpose of calculating a pro-rata Occupational Supplementary Pension;

“State Pension Age” is the same as the definition of Pensionable Age, as defined in Section 2 of the Social Welfare Consolidation Act 2005⁵, currently age 66;

“State Pension (Contributory)” (SPC) – means the State Pension Contributory payable under the Social Welfare Acts payable to a person who has no adult dependant or child dependant, on reaching State Pension Age.

2. Introduction

Public service employees who are fully insured may be entitled to a range of social insurance related payments from DSP by virtue of their social insurance (PRSI) contributions. One such payment is the State Pension (Contributory) (‘SPC’).

Many Occupational Pension schemes – including Pre-existing Public Service Pension Schemes – take account of these social insurance entitlements when providing a pension under the relevant Occupational Pension scheme. This is known as ‘integration’, and is sometimes referred to as ‘co-ordination’.

⁴ S.I. No. 582/2014 - Rules for Pre-existing Public Service Pension Scheme Members Regulations, 2014.
<https://www.irishstatutebook.ie/eli/2014/si/582/made/en/print>

⁵ <https://www.irishstatutebook.ie/eli/2005/act/26/enacted/en/print>

In Pre-existing Public Service Pension Schemes (non-Single Scheme), integration takes account of the Relevant Benefits payable under the social insurance system to calculate:

- the amount of pension payable from a pension scheme, so that the combined pension from both sources (SPC and Occupational Pension) is at the level intended under the scheme's design; and
- the level of contributions payable by the employee towards the cost of their Occupational Pension, so that these contributions reflect the offset of the SPC against their scheme benefits.

In general, in cases where an individual does not qualify for the SPC on retirement, or on discharge from the PDF; or where the individual qualifies for the SPC, or another social insurance benefit, at less than the full rate of SPC, Pre-existing Public Service Pension Schemes make provision for an award of an 'Occupational Supplementary Pension' (OSP), subject to meeting the relevant eligibility criteria⁶.

This ensures that a Fully Insured member of the scheme receives an overall pension package (including Occupational Pension, Relevant Benefits, and OSP) equivalent to the pension which would have been payable if the Occupational Pension had not been integrated.

Integrated pensions have existed in the public service for many years. However, until 1995, the number of fully insured public service employees was relatively low. With effect from 6 April 1995⁷, all newly appointed employees pay Class A or Class H PRSI.

In general, for public service employees who are fully insured and who are not members of the Single Public Service Pension Scheme, their pension payment generally consists of three components:

- (i) A Public Service Occupational Pension payable by the public service employer from public funds, the calculation of which takes account of social insurance benefits that may be payable to the individual;
- (ii) A Relevant Benefit payable, subject to eligibility, by the Department of Social Protection (DSP) from the Social Insurance Fund; and
- (iii) Where the SPC or Relevant Benefit is not payable or is payable at less than the Max SPC, an OSP may be payable by the public service employer.

The principal purpose of this circular is to set out the revised process for applying for and administering an OSP under (iii) above with effect from 1st August 2024.

Occupational Supplementary Pension Policy

3. Previous eligibility criteria for an OSP

Under the previous process, the eligibility criteria for an OSP included, inter alia, that the individual must not have qualified for a Relevant Benefit, or failed to qualify for a Relevant Benefit at the maximum rate of the SPC and the overall pension package (Occupational Pension and Relevant Benefits in payment) must have been less

⁶ For enlisted members of the PDF who were appointed prior to 1 April 2004 different integration arrangements apply under which the pension scheme provides an "additional increment" which is payable until the pensioner reaches State Pension Age. An Occupational Supplementary Pension as described herein is not payable – For further information in respect of pre-2004 enlisted personnel, please consult your PPA.

⁷ In accordance with S.I. No. 312/1996 - Social Welfare (Consolidated Contributions and Insurability) Regulations, 1996 - <https://www.irishstatutebook.ie/eli/1996/si/312/made/en/print>

than the Occupational Pension which would have been payable, had the Occupational Pension not been integrated.

In addition, in order to be eligible for an OSP, the pensioner had been required to engage with DSP; to have exhausted all social insurance entitlements including inter alia their entitlement to Job-seekers benefit; and to obtain a letter stating that 1) they hold no entitlement to any Relevant Benefits, or 2) they hold an entitlement to such Relevant Benefits but qualify for a rate that is less than the maximum personal rate of the SPC.

4. Eligibility criteria for an OSP, as revised

The following are the revised eligibility criteria and conditions which must be met in order to qualify for payment of an OSP:

- (i) The individual must be retired and have reached Minimum Pension Age, or retired on grounds of ill-health,
- (ii) The individual must have been a member of a Pre-existing Public Service Pension Scheme, the pension benefits payable in respect of such membership must have been integrated with the social insurance system and the pension scheme must provide for payment of an OSP,
- (iii) The individual must not be engaged in full-time paid employment, and the individual must not be self-employed,
- (iv) The individual must be in receipt of an overall pension package (Occupational Pension and Relevant Benefit, where appropriate) that is less than the Occupational Pension which would have been payable, had the Occupational Pension not been integrated,
- (v) Where the individual is:
 - a. Below the State Pension Age, they must
 - i. not have claimed any Relevant Benefit or
 - ii. where a Relevant Benefit has been claimed, have not qualified for such a Relevant Benefit or have qualified for a Relevant Benefit at a rate that is less than the Max SPC, as defined in Section 1 above
 - b. At or above the State Pension Age, they must not qualify for any Relevant Benefit, or fail to qualify for any Relevant Benefit at the maximum rate of the SPC
- (vi) The individual's failure to qualify for a Relevant Benefit, as set out at (v) above, must be due to causes outside of their control.

5. Causes outside of/within the individual's control

Below are some examples of how "causes outside of/within their control" for the purposes of eligibility for OSP may be assessed:

5.1 Causes outside of the pensioner's control

- (i) In the revised procedures, a pensioner is not required to maintain their social insurance contributions after they have retired from the public service in order to be considered eligible for the payment of an OSP. Where a pensioner does not engage with DSP after retirement from their public service employment, or on discharge from the PDF, and this results in an SPC payable below the Max SPC, this is deemed to be outside of their control.
- (ii) Where a pensioner moves abroad and is not entitled to Job-seekers benefit or other Relevant Benefit because they have moved abroad, this is deemed to be outside of their control.

- (iii) Where a pensioner takes up full-time or part-time education, which may preclude them from a social insurance benefit, this is deemed to be outside of their control.

5.2 Causes within the pensioner's control

- (i) Where a pensioner chooses to defer the payment of their SPC (Section 15 below refers) this is deemed within the pensioner's control.
- (ii) Where a pensioner takes up paid employment, whether in Ireland or outside of Ireland, this is deemed within the pensioner's control.
- (iii) Where a pensioner becomes self-employed, this is deemed to be full-time employment and is deemed within the pensioner's control.
- (iv) Where a pensioner transfers their Social Insurance contributions/credits to another country⁸ resulting in nil or reduced social insurance benefit payable under the Irish Social Insurance system this is deemed within pensioner's control.

The above lists are not exhaustive and the PPA should consult with this Department for further guidance, if required.

6. Revised procedures in respect of 4(v)(a) above (engagement with DSP)

In order to streamline the process for awarding an OSP to persons deemed eligible in accordance with Section 4 above, with effect from 1st August 2024, the following revised procedures will now apply:

6.1 Prior to reaching State Pension Age

Pensioners wishing to claim an OSP will be required, annually, to submit to their PPA, a signed declaration (Appendix 2), for every year they intend to apply for the OSP, as follows:

Either

- (i) Stating that the pensioner has not applied for, and is not in receipt of, any Relevant Benefit, in which case the OSP will be calculated in accordance with Section 9 below.

or

- (ii) Stating that the pensioner is in receipt of a Relevant Benefit, and stating the type of Relevant Benefit(s) and the amount received. Where the amount of the Relevant Benefit(s), when combined with the Occupational Pension is less than the equivalent non-integrated pension, an OSP will be calculated in accordance with Section 9 below. In addition to signing the declaration, the pensioner will be required to provide a statement from DSP in relation to the Relevant Benefit(s) being received.

Transitional Arrangements

Where, at the time of issuing this circular, a pensioner is currently in receipt of a Relevant Benefit, they may continue to receive the Relevant Benefit. When the Relevant Benefit is exhausted, they may then apply for an OSP in accordance with the revised procedures set out herein.

Alternatively they may apply to DSP to have payment of the Relevant Benefit ceased, in which case option (i) above may apply from a current date, however, the pensioner will be required to provide proof, from

⁸ <https://www.citizensinformation.ie/en/social-welfare/irish-social-welfare-system/claiming-a-social-welfare-payment/social-insurance-contributions-from-abroad/>

DSP, of cessation of that Relevant Benefit. In the case of an individual in receipt of a Relevant Benefit who chooses to cease that benefit, an OSP will be payable from a date that is no earlier than the date of the OSP application and the date on which the Relevant Benefit has ceased subject to proof that all Relevant Benefit(s) have ceased.

6.2 On or after reaching State Pension Age

In the case of an OSP put into payment prior to State Pension Age, the payment of the OSP will cease when the pensioner reaches State Pension Age. The pensioner will be required to draw down their SPC and re-apply for the OSP, if appropriate, and will be subject to the eligibility criteria outlined above.

With effect from 1st August 2024, pensioners wishing to claim an OSP, on or after reaching State Pension Age, will be required to submit a signed declaration to their PPA, at the time of making the application and thereafter, if requested by the PPA (Appendix 2). The declaration shall be as follows:

- (i) A declaration that the pensioner is in receipt of a Relevant Benefit, stating the type of Relevant Benefit(s) and the amount received, in which case the OSP will be calculated in accordance with Section 9 below.

In addition to signing the declaration, the pensioner will be required to provide a statement from DSP in relation to the Relevant Benefit(s) being received.

Applications for the payment of an OSP on or after State Pension Age will be assessed on the basis of Section 9. It should be noted, as per Section 15 below, where a pensioner chooses to defer payment of their SPC, no OSP will be considered or put into payment until such time as the deferred SPC goes into payment.

6.3 Requirement for declaration under Sections 6.1 and 6.2

Appendix 2 contains a template declaration form required, in accordance with Section 5 of the Appropriation Act, 1962⁹, as part of the application process for the payment of an OSP. The application for an OSP, in all cases, must be accompanied by a completed declaration form. In respect of Section 6.1 above, a declaration will be required on initial application and thereafter on an annual basis to verify continued eligibility for the payment of the OSP. In respect of Section 6.2 above, a declaration will be required on initial application and may be requested by a PPA from time to time thereafter.

6.4 Flowchart

Appendix 3 contains flowcharts to assist with determining how the revised procedures shall apply.

7. Application of a Pro-Rata approach to employment

The payment of an OSP should not cease, or be refused completely, where a pensioner takes up part-time employment. It is appropriate to calculate the amount of OSP payable on a pro-rata basis in such cases. The specific process (including frequency and Relevant Period) for applying pro-rata adjustments shall be determined by the relevant PPA, taking into account the operational requirements and administrative constraints to which that PPA is bound.

Example:

An individual works one (1) day a week in a normal five (5) day working week. They will be deemed to be working 20% of the normal working week and would have the OSP payable reduced by 20%.

⁹ Appropriation Act, 1962 - <https://www.irishstatutebook.ie/eli/1962/act/19/enacted/en/html>

8. Calculation of the Occupational Pension

In most public service pension schemes, the Occupational Pension is calculated as follows:

8.1 Non-Integrated Pension

In most Pre-existing Public Service Pension Schemes, the method of calculating an Occupational Pension that is not subject to integration is as follows:

- $1/80^{\text{th}}$ of Pensionable Remuneration multiplied by the number of years of reckonable service

8.2 Integrated Pension

In most Pre-existing Public Service Pension Schemes, the method of calculating an Occupational Pension that is subject to integration is as follows:

- (i) For that part of the member's Pensionable Remuneration which is less than or equal to 3 and $1/3^{10}$ times the current rate of SPC:
 - $1/200^{\text{th}}$ of Pensionable Remuneration multiplied by the number of years of reckonable service
- (ii) For that part of the member's Pensionable Remuneration which exceeds 3 and $1/3$ times the current rate of SPC:
 - $1/80^{\text{th}}$ of Pensionable Remuneration multiplied by the number of years of reckonable service

For pensions under Pre-existing Public Service Pension Schemes which are not calculated on the above basis (e.g. Occupational Pensions for those Members of the Defence Forces who were appointed before 1 April 2004) please consult the relevant PPA for examples of how the non-integrated pension and integrated pension are calculated.

9. Calculation of an OSP

Where the integrated Occupational Pension payable to an individual, combined with the SPC or other Relevant Benefits payable, is less than the equivalent non-integrated Occupational Pension notionally calculated, an OSP may be payable subject to meeting the relevant criteria (see Section 4 above).

The OSP is calculated as the difference between:

- a) the total of the combined integrated Occupational Pension and the SPC (or other Relevant Benefits) actually payable to the pensioner, and
- b) the equivalent non-integrated Occupational Pension notionally calculated (i.e. the Occupational Pension the pensioner would have received on retirement if it had not been integrated with the social insurance system).

¹⁰ A multiplier of 3.333333 (i.e. to 6 decimal places) is used to calculate 3 and $1/3$ times the current rate of SPC

The amount of OSP payable is arrived at by the following formula:

OSP = A – (B + C) where

- A is the amount of Occupational Pension which would have been payable if the Occupational Pension had not been integrated (as per Section 8.1);
- B is the amount of Occupational Pension actually payable (as per Section 8.2) to the former member, and
- C is the amount of the Relevant Benefits (s) in payment, where appropriate, to the former member, subject to the OSP rate payable not exceeding the Max SPC.

Note, in the case of PDF:

For Enlisted Personnel who were appointed before 1 April 2004, a different method of integration applies under which the pension scheme provides an “additional increment” which is payable until the pensioner reaches State Pension Age.

For Officers who are fully insured, who were appointed on or after 6 April 1995, and are not members of the Single Public Service Pension Scheme, the pension scheme provides for an OSP calculated as above.

Members of the PDF should consult their relevant PPA for examples of how the non-integrated pension and integrated pension are calculated.

Note: The OSP does not seek to make up the difference between the actual social insurance benefits in payment or payable and the value of the Max SPC.

10. Pension increase policy

Under current public service pension increase policy, Occupational Pensions are increased in line with pay increases. With effect from the 1st August 2024 and having regard to pension increase policy, the OSP should also be increased in line with increases to the Occupational Pension of the individual, where applicable. In practice, the OSP should increase by the same percentage rate as the Occupational Pension however, the OSP (after application of the pension increases) should not exceed the value of the Max SPC.

The maximum rate of OSP payable at any time shall, in no case, exceed the Max SPC, as defined above, payable at the time the pension increase applies.

New Administrative Process

11. Revised process

As stated, the purpose of this circular is to clarify the circumstances in which an OSP may be paid to pensioners and to establish revised procedures in relation to engagement with DSP.

The payment of the OSP is conditional on the following:

1. The pensioner must make an application for payment of an OSP. An OSP will not be paid automatically.
2. The pensioner must, on initial application, sign a declaration (Appendix 2) confirming both their social insurance benefit(s) status and their employment status.

3. For those pensioners who are below the State Pension Age, they must submit an annual declaration (Appendix 2).
4. For those pensioners who are at or above the State Pension Age they must submit a declaration (Appendix 2) when requested by their PPA.

It should be noted, however that the above rules are subject to review and may be varied from time to time and this circular may be revised accordingly.

The revised procedures shall apply from the 1st August 2024.

12. Recoupment of overpayments

Public financial procedures require that all outstanding liabilities owed by a public service pensioner must be repaid to the Exchequer. Overpayments arising from the payment of an OSP shall be recouped in line with the normal procedures for recoupment of overpayment in accordance with the terms and conditions of the relevant pension scheme, and the sectoral/organisational rules on the recovery of overpayments of pension. Circumstances in which overpayments may arise include, **but are not limited**, to the following:

- (i) Where a false declaration is made which gives rise to an overpayment, the full amount of the overpayment will be recouped along with compound interest¹¹ where applicable.
- (ii) Where there is a change in the personal circumstances of the pensioner which reduces the value of the OSP payable, and the pensioner fails to inform their PPA, the full amount of any overpayment arising will be recouped along with any applicable compound interest.
- (iii) Where a pensioner knowingly applies for an OSP when they are not eligible for such a pension, the full amount of any overpayment arising will be recouped along with any applicable compound interest.
- (iv) Where an annual declaration, or a requested declaration, has not been returned which results in an overpayment of the OSP, the full amount of any overpayment arising will be recouped along with any applicable compound interest.

Roles and Responsibilities

13. Role and responsibilities of the pensioner

- (i) In the case of a pensioner who has not yet reached State Pension Age, the pensioner is required to submit an annual declaration to their PPA indicating their continued eligibility for the payment of an OSP.
- (ii) In the case of a pensioner who has reached State Pension Age, the pensioner is required to submit a declaration to their PPA on initial application and thereafter, as requested by their PPA indicating their eligibility for the payment of an OSP.
- (iii) A pensioner who is in receipt of an OSP is obliged to inform the PPA within two (2) weeks if there are any changes to their circumstances which would affect their eligibility for an OSP, or which would impact on the amount of an OSP for which they are eligible.
- (iv) Where a pensioner, before State Pension Age, has indicated that they do not intend to draw down any Relevant Benefits (under Section 6.1 above), and subsequently decides to claim a Relevant Benefit, they are obliged to advise their PPA within two (2) weeks.

¹¹ As set out in DPER Circular 15/2014: Revised rate of compound interest for use in the calculation of refunds to the Exchequer available at <https://assets.gov.ie/15918/f0de74e5d9db459d8f3c249a558670bc.pdf>

- (v) The pensioner shall be required to repay any overpayments including those which may arise as a result of double benefits i.e. where the pensioner indicates they do not intend to claim Relevant Benefits and subsequently claims such a Relevant Benefit without informing their PPA.
- (vi) Non-engagement with DSP post-retirement, or on discharge from the PDF will not impact on the pensioner's eligibility for an OSP. **However, individuals should be aware that non-engagement with DSP may impact on an individual's social insurance entitlements when they reach State Pension Age.**
- (vii) Note: It is a matter for an individual to determine the option which is more favourable to them personally before deciding whether to claim social insurance entitlements or to forego those social insurance entitlements in lieu of the OSP and/or before deciding whether to continue their engagement with DSP post retirement, or on discharge from the PDF. A retired public service employee may have an entitlement to a number of social insurance benefits including inter alia, Job-seekers benefit (JSB), illness benefit, invalidity pension etc. based on their PRSI history and subject to meeting relevant criteria as set out in Social Welfare legislation. Many social insurance benefits also make provision for increases or additional benefits in respect of dependents. In such circumstances, it may be more beneficial for an individual to claim their social insurance entitlements rather than an OSP.
- (viii) The PPA is not in a position to advise individuals on their options regarding their potential entitlements. Individuals should seek independent financial advice in this regard, if required.

14. Role and responsibilities of the PPA

- (i) The decision to award an OSP rests with the PPA. That decision is exercised on the basis of a set of criteria as outlined at Section 4 above.
- (ii) The PPA will assess each declaration to ensure eligibility/continued eligibility for the OSP.
- (iii) The PPA will recoup any overpayments arising from the payment of an OSP.
- (iv) The PPA has overall responsibility for ensuring that they have controls and audit procedures in place to ensure OSPs are paid in line with this circular.

Miscellaneous Provisions

15. Deferred SPC

The SPC may be paid to eligible persons from State Pension Age, subject to the individual having the requisite PRSI contributions and in accordance with the relevant Social Welfare legislation. For those reaching State Pension Age on or after 1 January 2024, an individual may choose to start claiming their SPC anytime between the ages of 66 and 70. Where an individual draws down their SPC at an age which is after the State Pension Age, this is called 'deferring' one's pension¹².

Where a public service pensioner decides to defer payment of their SPC they will **not** be eligible for an OSP until their SPC comes into payment. The OSP may be paid once the SPC goes into payment, subject to the eligibility criteria at Section 4. The OSP will be paid on a current basis i.e. the OSP will not be back-dated to the date the public service pensioner reached State Pension Age.

¹² Further details in relation to deferral of the SPC may be obtained from DSP and/or the Citizens Information Board

16. Ill-Health Retirement or on Ill-Health Discharge from the PDF

Ill-Health Retirement or Ill-Health Discharge from PDF, where approved, allows public service employees to retire or to be discharged from the PDF respectively, prior to their Minimum Pension Age and receive immediate payment of their pension benefits without actuarial reduction and, subject to eligibility criteria, may include an award of ill-health notional added years.

A decision to grant Ill-Health Retirement or Ill-Health Discharge from PDF rests with the relevant employer, and is subject to an approval process which includes an appropriate medical assessment having been carried out by the relevant medical professional.

Ill-Health pensioners may qualify for payment of an OSP provided they fulfil the other criteria outlined in Section 4 above.

17. Early Retirement in other circumstances

Cost-Neutral Early Retirement (CNER)

An OSP is not payable to individuals who retire or seek to be discharged from the PDF on CNER prior to their Preserved Pension Age. A person who retires or seeks to be discharged from the PDF on CNER may apply for an OSP on reaching their Preserved Pension Age subject to meeting other eligibility criteria.

CNER is a mechanism which allows public service employees to apply to receive early payment of their pension benefits, subject to eligibility criteria, where they retire or seek to be discharged prior to their Preserved Pension Age. Benefits paid under CNER are subject to actuarial reduction to take account of the early payment of the lump sum and the longer period over which pension will be paid. The CNER scheme is designed to be cost neutral to the Exchequer.

Benefits paid on foot of CNER are taken in lieu of preserved benefits. The actuarially reduced rate of pension is paid for the lifetime of the pensioner, there is no option to subsequently switch to payment of a preserved pension from Preserved Pension Age.

The calculation of the OSP for such persons will take account of the actuarial reduction in the Occupational Pension. The amount of OSP is determined by reference to level of actuarially reduced non-integrated pension, as uprated at date of payment.

Other early retirement schemes

An OSP is not payable to a pensioner who retires or opts to be discharged (or has retired or has been discharged from the PDF) on Incentivised Scheme for Early Retirement (ISER) or any other Voluntary Early Retirement (VER) Scheme until such time as the pensioner reaches the Preserved Pension Age as provided in the relevant Scheme rules.

18. Abatement of the OSP

An OSP is considered to be part of the Occupational Pension package payable to a pensioner. Therefore in calculating abatement, the pension in payment includes both the Occupational Pension and any OSP in payment, and that combined pension amount shall be subject to abatement in accordance with Section 52 of Public Service Pensions (Single Scheme and Other Provisions) Act 2012 (the Single Scheme Act).

19. Purchase of notional service

It is a core principle of the Purchase of Notional Service scheme that it is cost neutral to the State. Purchased service is excluded when calculating an OSP as no additional notional service has been paid for in respect of the OSP.

This is because the purchase rates for fully insured public service employees are based on the assumption that the person will receive the SPC, and are split into two parts to account for this. A net contribution is levied on Net Pensionable Remuneration (pay adjusted for the SPC offset) and a lower gross contribution that is levied on gross pensionable remuneration.

In contrast, the purchase rates for individuals whose pensions are not integrated with the social insurance system are levied on total gross pensionable remuneration and are therefore higher than the purchase rates for individuals paying Class A PRSI.

Accordingly, as no additional notional service has been purchased in respect of an OSP, purchased service is excluded when calculating any OSP. In the civil service, this exclusion is explicitly provided for in Department of Finance Letter to Personnel Officers of 31/07/1997¹³.

Other Matters

20. Queries

Individual queries in relation to the application of this circular should be raised in the first instance with the relevant PPA, Relevant Shared Services Provider (e.g. NSSO, MyPay, etc.) or, where applicable, with local Human Resource Units.

Departments who experience difficulties that arise in the application of this circular should raise the matter with this Department by contacting pensions@per.gov.ie and shall have the following in the subject line "Occupational Supplementary Pension".

21. Circulation

This Circular is a public domain document which can be accessed from <https://www.gov.ie/en/circulars/>

HR managers in Government Departments/Offices receiving this Circular are asked to circulate it in the normal way to all public service bodies operating under the aegis of their Department/Office.

¹³ <https://www.gov.ie/en/collection/117765-department-of-finance-letters-from-1990-to-1999/#1997>

Appendix 1 - List of Relevant Benefits

The following is a list of benefits taken into account when calculating one's entitlement to an OSP*:

- a) Benefit Payment for 65 Year-Olds
- b) Illness Benefit
- c) Invalidity Pension
- d) Jobseekers Benefit
- e) Jobseekers Benefit (Self-Employed)
- f) State Pension (Contributory)

** Please note this list is kept under review and is subject to revision as necessary*

Appendix 2 – Declaration Form Templates

Declaration Form for those under State Pension Age



An Roinn Caiteachais Phoiblí
Sheachadadh PFN agus Athchóirithe
Department of Public Expenditure
NDP Delivery and Reform

[please insert relevant logo above]

Application for payment of an Occupational Supplementary Pension (OSP) where an individual is under the State Pension Age (currently age 66) (OSP 1)

- Before completing this form, please read carefully, the “Arrangements for Occupational Supplementary Pensions Circular” (Circular 12/2024), available on the Public Service Pensions website at: www.publicservicepensions.gov.ie/en/topic/supplementary-pensions/
- Complete this form if you wish to apply for an OSP
- **It is a condition of this OSP that the individual completes an annual declaration**

Complete this form using BLOCK CAPITALS

A. APPLICATION TYPE

- (i) I am not in receipt of OSP: This is my initial OSP application ☐
- or
- (ii) I am in receipt of OSP: This is my annual declaration ☐

B. PERSONAL DETAILS

Surname:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Forenames:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Your PPS Number:

--	--	--	--	--	--	--	--	--	--

Your Pension Number:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

C. ACCEPTANCE OF TERMS

1. I wish to make an application for an OSP ☐
2. I have read the Arrangements for Occupational Supplementary Pensions Circular – Circular 12/2024). ☐
3. I accept the Terms and Conditions (as set out in paragraph 13 of the Arrangements for Occupational Supplementary Pensions Circular – Circular 12/2024) on which this payment is authorised. ☐



[please insert relevant logo above]

D. ELIGIBILITY

1. Employment Status - Answer (a) or (b)

(a) Not in employment or self-employed?

I declare that I am currently not employed and I am not self-employed.

☐

(b) Employed on a part-time basis (other than self-employment)?

i. I am currently working

[INSERT RELEVANT WORK PATTERN E.G. DAYS PER WEEK]

or

I work irregular hours, as specified below:

ii. My work commenced on _____

iii. I declare that I have correctly stated my current working arrangements and

☐

iv. I agree that I will notify my Pension Payment Authority (PPA) within two weeks,
should there be a change in my current working arrangements.

☐

2. Social Welfare Engagement - Answer (a) or (b)

(a) I declare that I have not claimed or do not qualify for, any Social Insurance Benefits as defined in the Arrangements for Occupational Supplementary Pensions Circular (Circular 12/2024) and I am not in receipt of any such Social Insurance Benefits.

☐

(b) I declare that I have submitted a claim for Social Insurance Benefits as defined in the Arrangements for Occupational Supplementary Pensions Circular (Circular 12/2024) and I am in receipt of the following Social Insurance Benefit, as detailed hereunder:

☐

i. Please state the nature of benefit and the amount of said benefit:

Benefit: _____ *Weekly Amount:* _____

ii. A copy of a statement of the Social Insurance Benefit in payment and amount of benefit must be included with this application.

iii. I agree that I will notify my PPA within two weeks should the value of the social insurance benefits paid to me change.

☐

3. I undertake to notify my Pension Paying Authority (PPA) by email within two weeks of changes in any circumstances which may materially affect my eligibility for the OSP, for example, if I apply for a Social Insurance Benefit or there is a change to the personal social insurance rate¹ paid to me.

☐

4. I acknowledge that I may be required to submit information from the Department of Social Protection if requested by my PPA.

☐

¹ I note that I am not required to notify my PPA if there is a general increase in a Social Insurance Benefit (e.g. a change as a result of the annual budget)



[please insert relevant logo above]

E. LIABILITIES IN RESPECT OF OVERPAYMENTS

I understand that if I am paid an OSP for a period during which I am not entitled to receive it, I am liable to refund this money to my PPA and, in the event of my death, my PPA shall recover any outstanding amount from my estate. ☐

F. DECLARATIONS BY APPLICANT

1. I know that it is an offence to provide false information or to withhold information which materially affects my eligibility for an occupational supplementary pension. I understand that if any of the information I provide is untrue or misleading or if I fail to disclose any relevant information that I will be required to repay any payment I receive from the [INSERT RELEVANT DEPARTMENT/OFFICE] and that I may be prosecuted. ☐
2. I declare that the particulars in this application are correct and that the accompanying statements, where relevant, relate to me. ☐
3. I have read paragraph 13(vii) of the Arrangements for Occupational Supplementary Pensions Circular (Circular 12/2024) relating to the potential benefits of engaging with the Department of Social Protection; and I understand that it is my responsibility to decide whether to apply for these potential benefits. ☐
4. I have read and I understand the Data Protection Privacy Statement as published hereunder. ☐

Signature: _____

Date: _____



[please insert relevant logo above]

Data Protection Privacy Statement [Update for relevant PPA]

The main purpose for which the XXX requires the personal data provided by you is to assess the eligibility for and process the payment of an Occupational Supplementary pension, and for the accounting and auditing of public monies.

It will be used to establish or reconfirm whether or not you have sought and/or are being awarded a payment from the Department of Social Protection which will have an impact on your eligibility for the payment of an Occupational Supplementary pension from this employment, and to verify or reconfirm your employment details.

In order to process your benefits correctly, the personal data provided by you may be exchanged with the Department of Social Protection, the Office of the Revenue Commissioners, or by law, or where you have had previous public sector service with any Government Department/Public Service body, if necessary, with their relevant Pension Scheme Administrator.

The privacy notice outlining further information in relation to this form can be found at:
<https://www.gov.ie/en/collection/general-data-protection-regulation-gdpr-privacy-notice/>

Full details of the Department's data protection policy setting out how we will use your personal data or your child's data as well as information regarding your rights as a data subject are available at:
<https://www.gov.ie/en/organisation-information/data-protection/>

Details of this policy and privacy notice are also available in hard copy from the address below upon request.

DPU Office Ref. Number XXXX

Completed forms should be returned to:
[Insert PPA details here]

Pension Unit, Department of XXX
Address, Address, Address
Email: pensions@XXX.gov.ie; Website: www.gov.ie/XXX
Telephone: XXX

CHECKLIST

Please check that:

☐

All sections of the form have been completed.

☐

You have given your full Name, PPS Number, Your pension number

☐

You have provided a statement of your social welfare benefits, where relevant

☐

You have read paragraph 13(vii) of the Arrangements for Occupational Supplementary Pensions Circular (Circular 12/2024), and understand that it is my responsibility to decide whether to claim my social insurance entitlements or forego them in favour of the OSP.

Last updated July 2024

➤ Before completing this form, please read carefully, the “Arrangements for Occupational Supplementary Pensions Circular” (Circular 12/2024), available on the Public Service Pensions website at: www.publicservicepensions.gov.ie/en/topic/supplementary-pensions/

➤ Complete this form if you wish to apply for an QSP



[Insert relevant Logo as above]

D. ELIGIBILITY

1. Employment Status - Answer (a) or (b)

(a) Not in employment or self-employed?

I declare that I am currently not employed and I am not self-employed.

☐

(b) Employed on a part-time basis?

i. I am currently working

[INSERT RELEVANT WORK PATTERN E.G. DAYS PER WEEK]

or

I work irregular hours, as specified below:

ii. My work commenced on _____

iii. I declare that I have correctly stated my current working arrangements and

☐

iv. I agree that I will notify my Pension Payment Authority (PPA) within two weeks,
should there be a change in my current working arrangements.

☐

2. Social Welfare Engagement -

I declare that I have submitted a claim for Social Insurance Benefits as defined in the Arrangements for Occupational Supplementary Pensions Circular (Circular 12/2024) and I am in receipt of the following Social Insurance Benefit, as detailed hereunder:

☐

i. Please state the nature of benefit and the amount of said benefit:

Benefit: _____ *Weekly Amount:* _____

ii. A copy of a statement of the Social Insurance Benefit in payment and amount of benefit must be included with this application.

iii. I agree that I will notify my PPA within two weeks should the value of the social insurance benefits paid to me change¹.

☐

3. I undertake to notify my Pension Paying Authority (PPA) by email within two weeks of changes in any circumstances which may materially affect my eligibility for the Occupational Supplementary Pension, for example, if I apply for a Social Insurance Benefit or there is a change to the social insurance rate paid to me

☐

4. I acknowledge that I may be required to submit additional information from the Department of Social Protection if requested by my PPA.

☐

¹ I note that I am not required to notify my PPA if there is a general increase in a Social Insurance Benefit (e.g. a change as a result of the annual budget)



[Insert relevant Logo as above]

E. LIABILITIES IN RESPECT OF OVERPAYMENTS

I understand that if I am paid an Occupational Supplementary Pension for a period during which I am not entitled to receive it, I am liable to refund this money to my PPA and, in the event of my death, my PPA shall recover any outstanding amount from my estate.

☐

F. DECLARATIONS BY APPLICANT

1. I know that it is an offence to provide false information or to withhold information which materially affects my eligibility for an occupational supplementary pension. I understand that if any of the information I provide is untrue or misleading or if I fail to disclose any relevant information that I will be required to repay any payment I receive from the [INSERT RELEVANT DEPARTMENT/OFFICE] and that I may be prosecuted. ☐
2. I declare that the particulars in this application are correct and that the accompanying statements, where relevant, relate to me. ☐
3. I have read and I understand the Data Protection Privacy Statement as published hereunder. ☐

Signature: _____

Date: _____



[Insert relevant Logo as above]

Data Protection Privacy Statement [Update for relevant PPA]

The main purpose for which the **XXX** requires the personal data provided by you is to assess the eligibility for and process the payment of an Occupational Supplementary pension, and for the accounting and auditing of public monies.

It will be used to establish or reconfirm whether or not you have sought and/or are being awarded a payment from the Department of Social Protection which will have an impact on your eligibility for the payment of an Occupational Supplementary pension from this employment, and to verify or reconfirm your employment details.

In order to process your benefits correctly, the personal data provided by you may be exchanged with the Department of Social Protection, the Office of the Revenue Commissioners, or by law, or where you have had previous public sector service with any Government Department/Public Service body, if necessary, with their relevant Pension Scheme Administrator.

The privacy notice outlining further information in relation to this form can be found at:
<https://www.gov.ie/en/collection/general-data-protection-regulation-gdpr-privacy-notice/>

Full details of the Department's data protection policy setting out how we will use your personal data or your child's data as well as information regarding your rights as a data subject are available at:
<https://www.gov.ie/en/organisation-information/data-protection/>

Details of this policy and privacy notice are also available in hard copy from the address below upon request.

DPU Office Ref. Number **XXXX**

Completed forms should be returned to:

[Insert PPA details here]

Pension Unit, Department of **XXX**

Address, Address, Address

Email: pensions@XXX.gov.ie; Website: www.gov.ie/XXX

Telephone: **XXX**

CHECKLIST

Please check that:

☐

All sections of the form have been completed.

☐

You have given your full Name, PPS Number, Your pension number.

☐

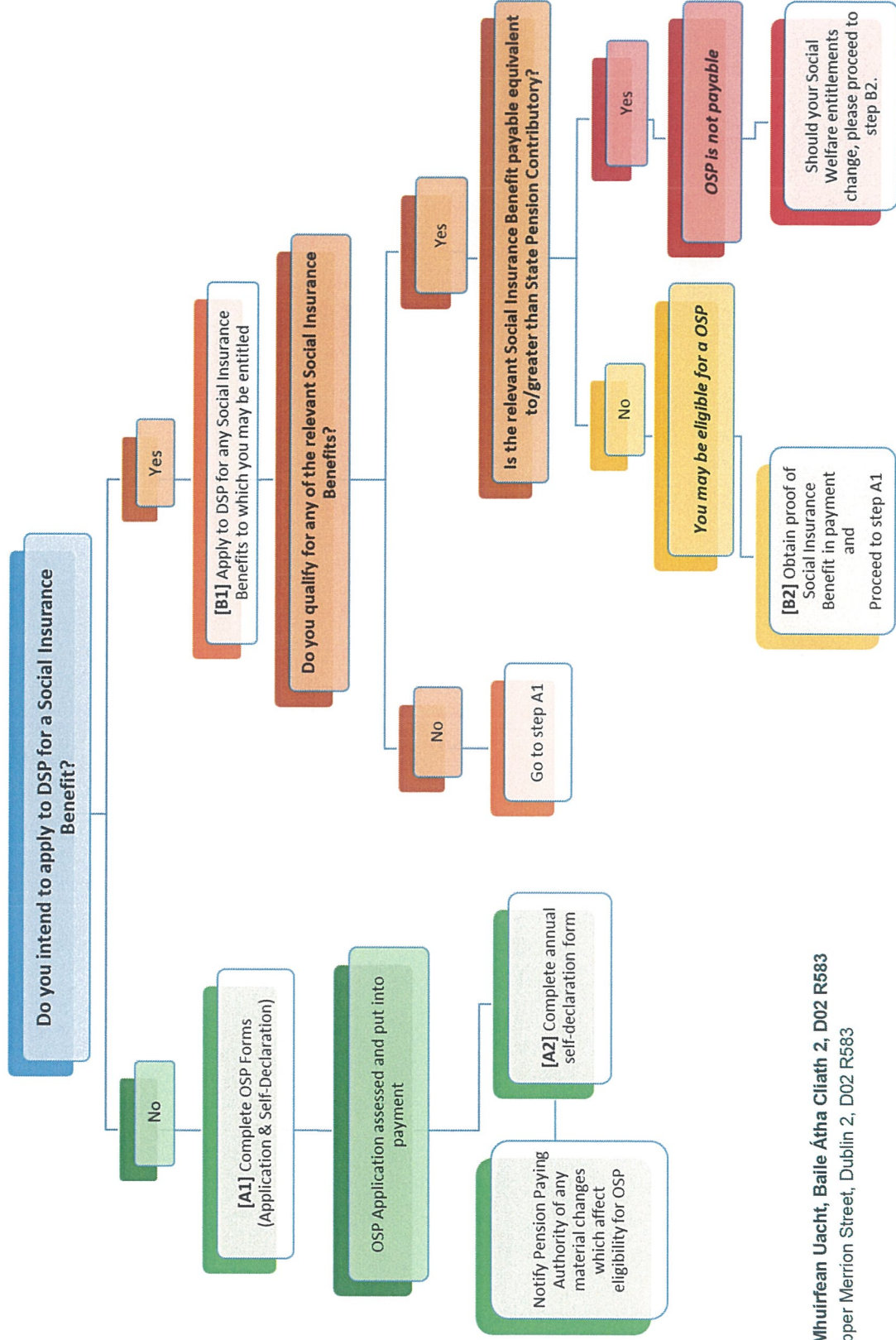
You have provided a statement of your social welfare benefits.

Last updated July 2024



Appendix 3 - Flowcharts

Flowchart (A) for Applying for Occupational Supplementary Pension (OSP) – Prior to Reaching State Pension Age
 Confirming Social Welfare Status and Eligibility



Flowchart (B) for Applying for Occupational Supplementary Pension (OSP) – On or After Reaching State Pension Age
Confirming Social Welfare Status and Eligibility

