

**Briefing for the Secretary General's Appearance before the Public Accounts
Committee on 6th July, 2017**

**2015 Appropriation Account
Vote 12 Superannuation and Retired Allowances**

Superannuation and Retired Allowances Vote 12

The Vote for Superannuation and Retired Allowances covers pensions, superannuation, occupational injuries, and additional and other allowances and gratuities under the Superannuation Acts 1834 to 2004 and sundry other statutes; extra-statutory pensions, allowances and gratuities awarded by the Minister for Public Expenditure and Reform, fees to medical referees and occasional fees to doctors; compensation and other payments in respect of personal injuries; fees to Pensions Board; miscellaneous payments, etc.

2015 - SUMMARY

		Original Estimate	Estimate incl. Supplementary	Outturn
		€000	€000	€000
A.1	Superannuation Main Scheme –Established	342,000	356,000	353,859
A.2	Spouses & Children’s Established	40,500	42,200	42,005
A.3	Ex-Gratia pensions Spouses & Children	800	740	725
A.4	Additional Allowances Established	66,000	88,669	80,267
A.5	Un-established	23,190	22,700	21,687
A.6	Injury Grants etc.	400	440	380
A.7	Pensions related fees etc.	55	96	96
A.8	Consolidated Tax Acts	1,000	100	101
A.9	Pension Liabilities – Former P.S. Bodies	55	55	55
Gross Total		474,000	511,000	499,175
less A-in-A's		104,000	124,230	136,404
Net Total		370,000	386,770	362,771

2015 Estimate:

The 2015 Gross Estimate for Vote 12 was €474 million. This was increased by a supplementary estimate of €37 million to €511 million, and the final outturn was €499.2 million.

The key drivers of total gross expenditure in any one year are A1 (pension payroll for established scheme) and A4 (lump sums paid under established scheme), and these are determined by the number of established pensioners who join (and leave) the scheme each year. For 2015, the basis of the original estimate (gross provision of €474m) was c. 950 retirements at average lump sum of €69,000 and average pension of €23,000 – offset by deaths of 300. The actual experience was 1,173 retirees joining the **established** scheme, offset by 378 leavers. The higher than forecast number of retirees resulted in an out turn on A4 lumps sums that was €14.3 million higher than forecast.

Other drivers of expenditure are:

- the number of pay periods in the year - 27 in 2015, but 26 in most years.
- changes to the pension rate of pay (for example changes to the PSPR under FEMPI legislation).
- the number of established civil servants who will be compelled to retire at age 65 and who will opt to voluntarily retire between the ages of 60-64 (or 50-54 in the case of Prison Officers).
- the number of deaths (including the number of existing retirees whose deaths may result in a spouses' pension becoming payable)
- the average lump sum/pension payable to each new cohort of retirees (determined by the grading and years of reckonable service of such retirees)
- While there is payroll cost in A2, the cost remains reasonably stable from year to year. A2 is pensions to widows and children, and becomes payable on the death of the established pensioner. Entrants and exits to the scheme each year tend to cancel out.
- A5 is pensions and lump sums to unestablished officers. Pensions are integrated with the State pension, and generally lower value. In addition, the total number of unestablished civil servants is low (roughly 10% of the workforce). However the total lump sum amount varies from year to year.

Variation in numbers - and/or the demographics in terms of the remuneration levels of the persons retiring/their levels of reckonable service - can have a large impact (plus or minus) on expenditure from the Vote from one year to the next.

At end December 2015 there were 21,872 pensions in payment.

VOTE 12 Superannuation and Retired Allowances

Year	Net Estimate			Gross Estimate		
	Estimate €000	Outturn €000	Variation %	Estimate €000	Outturn €000	Variation %
2007	253,000	241,670	-4.7%	315,000	314,513	0%
2008	265,159	251,114	-5.6%	334,159	333,647	0%
2009 ¹	333,735	319,006	-4.6%	411,985	408,932	-0.7%
2010	396,753	354,480	-11%	477,003	437,635	-8%
2011	367,775	345,245	-6.5%	450,025	432,560	-4%
2012 ²	443,275	432,510	-2%	525,375	520,454	-1%
2013	384,600	338,480	-12%	466,600	427,704	-8%
2014 ³	384,800	368,739	-4%	477,800	473,868	-0.8%
2015 ⁴	386,770	362,771	-6.2%	511,000	499,175	-2.3%

¹Supplementary estimate of **€65m** required in 2009 owing mainly to ISER and higher number of retirements due to expectation that lump sums may have been taxed.

²Supplementary Estimate of **€25m** in 2012 owing to high level of retirements between 1/1/2012 and 29/2/2012 to avail of extended “grace period” where persons delayed their voluntary retirement dates from 2011 to Jan/Feb 2012.

³Supplementary estimate of **€22.25m** required in 2014 owing mainly to higher number of retirements than anticipated.

⁴Supplementary estimate of **€16.77m** required in 2015 owing mainly to higher number of retirements than anticipated.

NOTES ON SUBHEADS

Subhead A.1: Superannuation Allowances, Compensation Allowances, Pensions and certain Children's Allowances.

2014 Outturn €000	2015 Estimate €000		2015 Outturn €000
323,985	<i>Original</i>	342,000	353,859
	<i>Supplementary</i>	14,000	
	Total Estimate	356,000	

This subhead covers the pensions of retired established civil servants and prison officers, including ill-health pensions, children's allowances in respect of children of officers who were receiving such allowances at the time of retirement and compensation payments (e.g. arising from abolition of office under Superannuation and Pensions Act 1963).

Established civil servants recruited prior to April 2004 may retire with immediate payment of pension at 60 years of age or at any stage thereafter prior to reaching compulsory retirement age (currently generally 65 years). They may also opt for **Cost Neutral Early Retirement** between the ages of 50 – 60.

Prison Officers recruited prior to April 2004, may retire with immediate payment of pension at **55** years of age (from age 50, if they have a minimum of 30 years' service) or at any stage thereafter prior to reaching compulsory retirement age (currently generally 60 years). They may also opt for **Cost Neutral Early Retirement** at any time up to 10 years before their minimum retirement age, but never before age 50.

In assessing the changes in expenditure from year to year on this subhead it should be noted that A1 is mostly made up of payments to the stock of established pensioners – payments to new retirees are a relatively small proportion of the total, and accrue over the course of the year. This exerts a smoothing effect on the impact on the payroll of new entrants.

It is also important to be aware that those years in which there is an extra payroll period (e.g. 2015) will exert a distortive effect on the trend. There were 27 payrolls in 2015, compared to 26 in 2014 and indeed most years.

The overall average pension paid to established pensioners has been declining over the recent past, as a consequence of measures taken under the FEMPI legislation, combined with the effect of integration, as increasing numbers of retirees are part of the post '95 cohort whose pensions are integrated with the social welfare pension.

	2011	2012	2013	2014	2015
Average pension paid to established pensioners	€26,000	€25,600	€25,000	€24,400	€24,100

Subhead A.1 - Expenditure Trends 2007-2015

Year	Estimate €000	Outturn €000	Saving/Excess €000
2007	199,000	196,562	2,438 (S)
2008	209,550	216,749	7,199 (E)
2009	242,000	238,915	3,085 (S)
2010	297,900	281,135	16,765 (S)
2011	280,300	284,194	3,894 (E)
2012	315,000	313,435	1,565 (S)
2013	319,130	319,010	120 (S)
2014	325,316	323,985	1,331 (S)
2015	356,000	353,859	2,141 (S)

Subhead A.1- Additional Statistics

Established Civil Servants / Prison Officers		
Year	Pensions in Payment at 31 st Dec	No of Deaths during year
2007	6,290	242
2008	6,948	227
2009	8,806	267
2010	9,920	270
2011	10,765	275
2012	12,391	266
2013	12,806	227
2014	13,633	276
2015	14,428	378

The significant increase in pensions in payment in (i) 2009 over 2008 and (ii) 2012 over 2011 reflects (i) ISER (2009) (applicants had to leave before the 30th of November 2009) and (ii) extension of grace period from 31st December 2011 to 29th February 2012.

Subhead A.2:

Payments under the Civil Service Spouses' and Children's Contributory Pension Scheme

2014 Outturn €000	2015 Estimate €000		2015 Outturn €000
40,832	<i>Original</i>	40,500	42,005
	<i>Supplementary</i>	1,700	
	Total Estimate	42,200	

This subhead covers the pensions of spouses and children of:

- established civil servants and prison officers who were members of the Contributory Spouses' and Children's Pensions Scheme;
- members of the Contributory Spouses' and Children's Scheme for the Judiciary and Court Officers.

Note: This Subhead DOES NOT cover payments to the Spouses and Children of Unestablished Civil Servants which are provided for under Subhead A5.

Expenditure on this subhead is determined by (a) the number of persons serving/retired whose death results in the payment of a survivor's pension benefit and (b) the deaths of persons already in receipt of a spouses' pension in a particular year.

Subhead A.2 - Expenditure Trends 2007-2015

Year	Estimate €000	Outturn €000	Saving/Excess €000
2007	38,000	36,539	1,461 (S)
2008	40,063	41,126	1,063 (E)
2009	43,000	42,231	769 (S)
2010	44,000	42,438	1,562 (S)
2011	40,600	41,670	1070 (E)
2012	42,800	41,570	1230 (E)
2013	42,500	40,990	1,510 (S)
2014	40,808	40,832	24 (E)
2015	42,200	42,005	195 (S)

Subhead A.2- Additional Statistics

Spouses' and Children's – Contributory (Civil Service Established, Prison Officers, Judiciary; Courts Officers)		
Year	Pensions in Payment at 31st Dec	No of Deaths during year
2007	2,088	157
2008	2,230	149
2009	2,371	147
2010	2,538	166
2011	2,638	164
2012	2,797	166
2013	2,756	176
2014	2,781	176
2015	2,783	178

*To be eligible for benefit a child must be under 16 years of age, or under 22 years of age and in full-time education/training. However, in cases of permanent physical or mental incapacity, a child's pension may (if the incapacity occurred when the child was under 16, or under 22 while in full-time education/training) be continued for life.

Subhead A.3:

Ex-gratia Pensions for Widows and Children of Civil Servants

2014 Outturn €000	2015 Estimate €000		2015 Outturn €000
772	<i>Original</i>	800	725
	<i>Supplementary</i>	(60)	
	Total Estimate	740	

This subhead provides for ex-gratia pensions for widows and children of established civil servants/prison officers and members of the Judiciary/Court Officers who had retired or died before the introduction of the Contributory Scheme in 1969. Of its nature, payments from this Subhead will decrease over time.

Subhead A.3 - Expenditure Trends 2007-2015

Year	Estimate €000	Outturn €000	Saving/Excess €000
2007	1,582	1,866	284 (E)
2008	1,682	1,547	135 (S)
2009	1,500	1,397	103 (S)
2010	1,600	1,253	347(S)
2011	1,200	1,092	108 (S)
2012	1,000	967	33 (S)
2013	1,000	911	89 (S)
2014	850	772	78 (S)
2015	740	725	15 (S)

Subhead A.3 – Additional Statistics

Spouses and Children - Ex Gratia		
Year	Pensions in Payment at 31st December	No of Deaths during year
2011	73	10
2012	67	5
2013	61	8
2014	52*	8
2015	44	6

*The appropriation account discloses 37 pensioners at year end for ex-gratia spouses and children's pensions, but this seems to be a typo. The correct number is 52.

Subhead A.4:

Additional Allowances and Gratuities in respect of Established Officers and Prison Officers

2014 Outturn €000	2015 Estimate €000		2015 Outturn €000
83,328	<i>Original</i>	66,000	80,267
	<i>Supplementary</i>	22,669	
	Total Estimate	88,669	

This subhead provides for the payment of:

- (i) retirement lump sums
- (ii) death in service gratuities.
- (iii) payments in respect of transferred service to other public sector organisations

A4 is subject to significant variability in any one year. It is sensitive to grade mix and the numbers who choose to retire. For all established staff who joined the civil service before 2004 there is a window of five years (between ages 60 and 65) within which they may choose to retire and receive a pension without actuarial reduction. In addition staff can leave on a reduced pension before the age of 60, either through cost neutral early retirement (CNER) or ill health.

Lump sums are up to 3 times the pension amount, and there is no smoothing effect due to timing as **the full lump sum amount is (usually) paid in full on retirement**. Accordingly, a relatively small variation (+/-) in numbers deciding to retire (particularly at higher levels) can have a material effect on the outturn for the year.

There can be a significant variation in any one year on the average lump sum amount. Based on trends of recent years, an average of €69,000 was used for forecasting purposes in 2015. In 2015 the number of lump sums paid out was 1,273, amounting to €77 million. Of these 100 were balancing payments made to individuals who had received an interim lump sum payment on their retirement date at an earlier date than 2015*. Adjusting for this, 1,173 individuals received a lump sum payment in 2015.

	2011	2012	2013	2014	2015
Average lump sum paid to established pensioners	€78,800	€74,700	€52,500	€59,700	€60,400

*People who retired under the ISER scheme in 2009 are entitled to receive 90% of their lump sum in the year that they reach minimum retirement age. There were 100 such individuals in 2015.

Subhead A.4 - Expenditure Trends 2007-2015

Year	Estimate €000	Outturn €000	Saving/Excess €000
2007	55,000	60,738	5,738 (E)
2008	60,131	54,314	5,817 (S)
2009	102,000	103,895	1,895 (E)
2010	108,850	91,304	17,546 (S)
2011	107,250	83,423	23,827 (S)
2012*	141,000	140,625	375 (S)
2013	82,250	46,380	35,870 (S)
2014	87,383	83,328	4,055 (S)
2015	88,669	80,267	8,402 (S)

**Reflecting the higher than anticipated levels of retirement in 2012 - due primarily to numbers retiring in January/February 2012 to avail of the “grace period”.*

Subhead A.4 – Additional Statistics

Retirements (including Prison Officers):

Category	2009	2010	2011	2012	2013	2014	2015
Age	1,029	673	639	843	530	875	924
ISER 2009	1,001						
CNER	72	62	129	632	77	135	78
Ill health/preserved	140	96	112	117	69	100	171
Totals:	2,242	831	880	1,592	676	1,110	1,173

Death gratuities:

When a civil servant dies in service, a death gratuity is payable. The cost of death gratuities for established civil servants for the past years is as follows:

Year	Cost
2005	2.4 million
2006	2.0 million
2007	3.4 million
2008	2.8 million
2009	3.2 million
2011	2.6 million
2012	3.7 million
2013	2.2 million
2014	3.45 million
2015	3.17 million

See Annex 1 for further analysis of payments made under subhead A.4.

Subhead A.5:

Pensions, Allowances and Gratuities in respect of Unestablished Officers, their spouses and children, and other pensions and payments in respect of transferred service.

2014 Outturn €000	2015 Estimate €000		2015 Outturn €000
24,506	<i>Original</i>	23,190	21,687
	<i>Supplementary</i>	(490)	
	Total Estimate	22,700	

This subhead covers pensions, retirement lump-sums, death in service gratuities and spouses' and children's benefits for non-established employees of Government departments, including industrial employees.

	2015 Outturn €000
Unestablished Pensions	14,249
Unestablished lump sums	4,026
Contributory widows (unestablished)	2,550
Ex-gratia widows (unestablished)	768
Unestablished Transfer of Service	94
Total A5	21,687

The average lump sum and average pension of an Unestablished Civil Servant in 2015 was €25,000 lump sum and €4,000 pension, respectively. Their pension is integrated with the state pension.

Subhead A.5 - Expenditure Trends 2007-2015

Year	Estimate €000	Outturn €000	Saving/Excess €000
2007	21,000	18,620	2,380 (S)
2008	22,293	19,522	2,771 (S)
2009	23,000	22,121	879 (S)
2010	24,000	20,946	3,054 (S)
2011	20,000	21,721	1,721 (E)
2012	24,900	23,419	1,481 (S)
2013	21,050	19,954	1,096 (S)
2014	22,929	24,506	1,577 (E)
2015	22,700	21,687	1,013 (S)

Subhead A.5 – Additional Statistics

	Unestablished Pensioners		Spouses & Children - Unestablished	
			Contributory and Ex-gratia	
Year	Pensions in payment at year end	No. Of Leavers During Year	Pensions in payment at year end	No. Of Leavers During Year
2007	2,430	185	1,191	80
2008	2,550	163	1,250	84
2009	2,748	196	1,303	101
2010	2,903	171	1,359	87
2011	3,082	186	1,414	100
2012	3,247	186	1,459	94
2013	3,273	157	1,184	109
2014	3,278	176	1,396	83
2015	3,275	156	1,339	94

Subhead A.6:

Injury Grants and Medical Fees

2014 Outturn €000	2015 Estimate €000		2015 Outturn €000
339	<i>Original</i>	400	380
	<i>Supplementary</i>	40	
	Total Estimate	440	

The **Injury Warrants** are a series of statutory instruments, made under the Superannuation Act 1887, which provide benefits to or in respect of officers who, through no fault of their own, are killed or injured while performing their duties.

These benefits comprise (a) annual allowances, (b) gratuities, (c) loss of earnings allowances and (d) refunds of certain expenses.

This subhead provides for payments of such benefits. In addition the subhead provides for fees for medical examinations in respect of retirement (in certain cases) on ill health grounds. The amount charged to Vote 12 - Superannuation and Retired Allowances in 2015 in respect of Injury warrants was €297,000.

While the award of injury warrants under the Superannuation Acts is ultimately decided by the Minister for Public Expenditure and Reform and the cost is a charge on the Superannuation Vote, the process is always initiated in the officer's parent Department and that Department's personnel section would have the relevant details. However, it is understood that the last injury warrant approved in the civil service was in 1995.

There were 79 persons in receipt of payment in 2015

Subhead A.6 - Expenditure Trends 2007-2015

Year	Estimate €000	Outturn €000	Saving/Excess €000
2007	263	285	22 (E)
2008	315	316	1 (E)
2009	360	300	60 (S)
2010	378	420	42 (E)
2011	400	349	51 (S)
2012	550	329	221 (S)
2013	550	350	200 (S)
2014	405	339	66 (S)
2015	440	380	60 (S)

Subhead A.7:

Fees to Pensions Authority

2014 Outturn €000	2015 Estimate €000		2015 Outturn €000
54	<i>Original</i>	55	96
	<i>Supplementary</i>	41	
	Total Estimate	96	

This provision in this subhead covers the payment of fees to the Pensions Authority as provided for under section 25 of the Pensions Act 1990 and the Occupational Pension Schemes (Fees) Regulations, 1991, and the payment of other pension related expenses as appropriate. This subhead was first introduced in 1992.

Pension Authority fees are based on the numbers of established and unestablished officers Civil Servants serving at the beginning of each year (i.e. the number of people in the workforce who will be eligible to receive a pension when they retire). The fee (which is set by the Pensions Authority) has been €1.60 per capita since 2012.

	2012	2013	2014	2015
Fee	57,647	55,138	53,669	95,595

The steep increase in 2015 is attributable to the payment of fees for 25,000 single scheme members of €40,000.

The Pensions Authority is a statutory body set up under the Pensions Act, 1990. The Authority regulates occupational pension schemes, trust RACs and Personal Retirement Savings Accounts (PRSAs) in Ireland.

Subhead A.8:

Payments in respect of liability under Chapter 2C of the Taxes Consolidation Act 1997

2014 Outturn €000	2015 Estimate €000		2015 Outturn €000
-	<i>Original</i>	1,000	101
	<i>Supplementary</i>	(900)	
	Total Estimate	100	

No payment was incurred in 2012, 2013 & 2014

Subhead A.8 of Vote 12 was introduced to meet the potential liability under Chapter 2C of the Taxes Consolidation Act 1997. The provisions of the Taxes Consolidation Act 1997 place a joint liability for tax due on the trustees of pension schemes – whether private or public - where pension benefits (from all sources) exceed a specified threshold known as the Standard Fund Threshold (SFT). The SFT refers to the maximum allowable capital value of all tax relieved/tax subsidised pension benefit. The legislation was most recently amended by Section 18 of the Finance (No 2) Act 2013 (to implement changes announced on Budget Day 2014) whereby, inter alia, **the SFT was reduced from €2.3 million to €2 million with effect from 1st January 2014.**

In the context of reductions to the SFT, persons may also request from Revenue what is termed a Personal Fund Threshold (PFT). A PFT allows an individual, where the value of his/her retirement benefits exceeds the SFT either on the date it was introduced or subsequently reduced, to protect the benefits at that value on that date, subject to conditions. Where the relevant Standard Fund Threshold (SFT) or Personal Fund Threshold (PFT) is exceeded when a Benefit Crystallization Event (BCE) takes place – i.e. a pension benefit is taken - an up-front income tax charge on the “chargeable excess” arises. **Under current legislation, the pension administrator of the relevant pension scheme and the individual are jointly and severally liable for the tax (at a rate of 40%) charge.**

It is, therefore, essential that the pension administrator is aware of, and accounts to the Collector General of Revenue for any tax due from the individual. Such tax is due at the time by which the return is due to be made to the Collector General, i.e. within three months of the end of the month in which the BCE occurs. The pension administrator is the person normally tasked with administration of the scheme and, in the case of Civil Service schemes, will be the trustee of the scheme.

However due to the changes in the Finance (No 2) Act 2013, **the legislation introduced an option whereby individuals who became liable for “chargeable excess” income tax could repay any chargeable excess over a post retirement period of up to 20 years but**

the full amount owing must be paid by the pension administrator to the Collector General within 3 months of the person's retirement.

Note

The original 2015 estimate of €1 million was based on 8 (5 anticipated + 3 contingency) higher paid civil servants having chargeable excesses of €150,000 approx. and those individuals, in each case, opting to repay the relevant amount over the full 20 year period.

The actual experience in 2015 is that 3 retirees had chargeable excesses, totaling €166,017. Two opted to pay their excess immediately, and one opted to defer an amount of €101,175, which has been paid out of Voted monies and will be reimbursed over a 20 year period.

Subhead A.9:

Payments in respect of Pension Liabilities to Former Public Service Bodies Payable under Statute.

2014 Outturn €000	2015 Estimate €000	2015 Outturn €000
52	55	55

This subhead provides for Pension liabilities, payable under statute, of former Public Service bodies that are defunct.

Currently only the pensions of 3 retired employees of the National Council on Ageing and Older People (NCAOP) are paid from this subhead as, on its dissolution, a small number of pensioners from that body were former public servants.

The NCAOP was dissolved under the Health (Miscellaneous Provisions) Act 2009. Prior to the dissolution of the NCAOP, the Department of Health & Children made provision in their Vote for relevant pension payments.

Section 12(5) of the 2009 Act provides that the pension payments and other superannuation liabilities of the NCAOP in respect of its former employees become the liabilities of the Minister for Finance on its dissolution. This function now lies with the Minister for Public Expenditure and Reform and that all liabilities in this regard are now met from Vote 12.

PMG Pensions took over the payment of 3 existing retired NCAOP employees in 2010, 2011 and 2012 with no new additional pensioners.

Subhead A.9 - Expenditure Trends 2010-2015

Year	Estimate €000	Outturn €000	Saving/Excess €000
2010*	150	71	79 (S)
2011	150	53	97 (S)
2012	60	52	8 (S)
2013	55	54	1 (S)
2014	55	52	3 (S)
2015	55	55	-

**2010: Of the €71,000 paid €54,000 related to 2010 and €17,000 related to 2009. The breakdown of the €54,000 to the 3 retired employees is €34,000, €18,000 and €2,000 respectively.*

Subhead B
Appropriations-in-Aid (A-in-A)

2014 Outturn €000	2015 Estimate €000		2015 Outturn €000
105,129	<i>Original</i>	104,000	136,404
	<i>Supplementary</i>	20,230	
	Total Estimate	124,230	

Payments are made into this subhead in respect of –

1. Receipt from the Social Insurance Fund

Receipts under Section 5(3) of the Social Welfare Consolidation Act 2005, in respect of the cost of providing superannuation benefits for staff engaged in administering Social Insurance Fund Schemes.

2. Receipts in respect of pension liability of staff on loan.

This subhead covers receipt of pension contributions of civil servants who are on loan from their parent department.

3. Contributions from serving staff to the Spouses' and Children's Pension Schemes.

These contributions are made by civil servants who were appointed prior to 6th April 1995 and are members of the established scheme. The numbers in this cohort will decrease each year as retirements occur. All new entrants to the civil service after 1st January 2013 are in the single scheme.

4. Receipts in respect of the Contributory Scheme introduced for Established Civil Servants who were appointed on or after 6 April 1995.

These contributions are made by civil servants appointed on or after 6th April 1995 and before 1st January 2013 who are members of the established scheme. The numbers in this cohort will decrease as retirements occur.

5. Repayment of gratuities.

An officer who receives a gratuity (e.g. marriage gratuity) who is subsequently reappointed in an established capacity may refund the gratuity, in which case all prior service will be aggregated with subsequent service for superannuation purposes. This subhead covers those receipts.

6. Purchase of notional service by civil servants.

This subhead covers receipts from civil servants who wish to purchase notional service to increase their pension entitlement. Service may be purchased by a lump-sum contribution or by periodic deductions from salary. This option is not currently available to members of the Single Public Service Pension Scheme.

7. Contributions to the Single Public Service Pension Scheme

This subhead covers receipt of pension contributions for members of the Single Public Service Pension Scheme (i.e. all new entrants to the public service from 1 January 2013).

8. Miscellaneous receipts

The increase in 2015 over 2014 is largely attributable to an increase in single scheme contributions in subhead B.7, which is detailed overleaf (see pages 22 and 23).

Appropriations in Aid – breakdown per subhead

		2014 Outturn €000	2015 Estimate		2015 Outturn €000	Variance
			Original €000	Incl. Sup- plementary €000		
B.1	Receipt under the Social Welfare Consolidation Act 1993	28,000	28,000	28,000	28,000	-
B.2	Receipt In Respect Of Pension Liability Of Staff On Loan	2,498	2,000	1,700	2,149	-449
B.3	Contributions To Spouses' And Children's Pension Scheme	20,021	18,000	17,900	19,739	-1,839
B.4	Contributions for post 95 Established Civil Servants	28,455	25,000	26,000	29,872	-3,872
B.5	Repayment Of Gratuities, Etc.	1,312	1,300	680	852	-171
B.6	Purchase Of Notional Service	5,484	4,600	4,350	4,816	-466
B.7	Single Scheme Contribution	17,958	25,000	45,500	50,874	-5,374
B.8	Miscellaneous	1,401	100	100	103	-3
Gross Total		105,129	104,000	124,230	136,405	-12,175

Explanation of Variances

B.3. Contributions will vary according to staff changes across the service and are therefore difficult to predict. This was compounded by the timing of cash receipts – a larger proportion of receipts was received in the final month than was the case in previous years.

B.4. Contributions will vary according to staff changes across the service and are therefore difficult to predict. Timing issues also apply with respect to this subhead – a larger proportion of receipts was received in the final month than was the case in previous years.

B.6. Purchase of notional service is at the discretion of officers, and therefore it is difficult to accurately forecast receipts on this subhead.

B.7 Receipts from the Single Public Service Pension Scheme

With respect to appropriations-in-aid the big variable is receipts with respect to the Single Public Service Pension Scheme (included in Miscellaneous Receipts in 2014). This scheme was introduced for all new entrants to the public service from 1 January 2013. All contributions remitted to the exchequer with respect to the single scheme are reported as appropriations in aid for Vote 12. While there is central oversight of total public service employee numbers, the number of new entrants, the timing of their engagement and the grade and pay level at which they are engaged in individual sectors in any year is managed in those sectors and is subject to wide variation, as evidenced by the fact that the original estimate of €25 million was surpassed by an amount of €26 million.

Within this overall context, a Feasibility Study was initiated in January 2016 to evaluate options for the long term administration of the Single Public Service Pension Scheme (“Single Scheme”). The report was finalised and recommendations brought to Government for decision in April 2017. Work is now underway to initiate the next phases of the project, which will include the design of a Shared Administration Service for operation in the long-term, while all Public Service Bodies undertake work in the short-term to fully meet their legal obligations under the Single Scheme. Until completion of this project, estimates will be subject to an unavoidably wide margin of error.

The estimate for 2016 which provided for receipts of €55m for the year, was exceeded by a final outturn of €76m. There were over 4,000 civil service members of the Single Public Service Pension Scheme at end 2016.

Trend in Single Scheme Receipts since its inception

	2013	2014	2015	2016
January	-	19,414	1,902,402	4,938,862
February	49	1,166,870	2,185,978	4,642,209
March	947	1,768,853	3,930,186	5,201,046
April	6,510	76,241	3,210,998	7,100,728
May	9,730	917,340	3,803,821	5,841,953
June	16,761	1,809,070	3,576,812	5,560,403
July	147,761	136,577	3,082,572	7,332,587
August	45,563	4,060,880	3,518,368	5,492,173
September	43,418	1,554,928	2,837,055	4,838,119
October	30,600	1,506,715	11,347,960	7,779,794
November	26,864	149,426	4,808,215	7,585,634
December	1,887,576	4,787,787	6,669,809	9,634,611
Total	2,215,780	17,954,100	50,874,175	75,948,118

Annex 1: Established Lump Sums Paid under A4 in 2015

	Retirements		ISER		Total	
	Number	Amount	Number	Amount	Number	Amount
0 to <10,000	169	898,362	2	1,424	171	899,786
10,000 to <20000	153	2,222,357	5	62,070	158	2,284,427
20,000 to <30000	117	2,885,744	3	80,948	120	2,966,692
30,000 to <40000	76	2,638,336	6	213,054	82	2,851,390
40,000 to <50000	66	2,925,876	10	446,333	76	3,372,209
50,000 to <60000	68	3,721,746	16	898,381	84	4,620,127
60,000 to <70000	74	4,842,095	14	927,560	88	5,769,655
70,000 to <80000	71	5,327,797	11	812,518	82	6,140,316
80,000 to <90000	83	7,043,856	9	755,099	92	7,798,955
90,000 to <100000	65	6,138,820	4	380,009	69	6,518,829
100,000 to <110000	38	3,976,448	9	934,100	47	4,910,548
110,000 to <120000	46	5,279,675	7	796,167	53	6,075,842
120,000 to <130000	43	5,397,141	1	127,194	44	5,524,335
130,000 to <140000	20	2,710,303	-	-	20	2,710,303
140,000 to < 150000	26	3,801,648	3	435,152	29	4,236,800
150,000 to < 160000	35	5,459,517	-	-	35	5,459,517
160,000 to < 200000	10	1,673,590	-	-	10	1,673,590
> 200,000	13	2,908,897	-	-	13	2,908,897
Total	1,173	69,852,208	100	6,870,009	1,273	76,722,217

Lump Sum Payments and Retirements 2015

	Number of cases
Age	924
Cost Neutral (Established)	78
Ill Health (Established) / Preserved	171
<i>Total retirements</i>	<i>1,173</i>
ISER lump sums	100
Total	1,273