

## **Additional Superannuation Contribution (ASC)**

### **Guidance for Payroll Operators**

***Issue 3 – 22 November 2018***

**PLEASE NOTE THAT ISSUE 3 SUPERSEDES ALL PREVIOUS ADVICES**

**1. ASC is operative from 1 January 2019**

ASC will be introduced with effect from 1 January 2019 and replaces the current Pension Related Deduction (PRD). It is provided for under Part 4 of the Public Service Pay and Pensions Act 2017 (“the Act”). Whereas PRD was a temporary emergency measure, ASC is a permanent contribution in respect of pension.

**2. Effective Date**

While the effective date is 1 January 2019, similar to PRD the operative date is the first payroll date in 2019. In this regard PRD will run up to the last payroll date in 2018 (and/or last remuneration payments made in 2018).

**3. ASC will only apply to individuals who are accruing pensionable benefits in respect of their current employment**

Unlike PRD, ASC will only apply to a person who is a member of a public service pension scheme, receives a payment-in-lieu of pension or is entitled to a retirement gratuity on retirement. Thus, for example, those who are retained in a non-pensionable position under Department of Public Expenditure and Reform Circular 21/2017 etc. will not be liable for ASC when it is introduced.

Note: A person who is engaged on a “contract for services” i.e. a fee-paid basis is not subject to ASC unless there is a pension element to the fee set. Employers should be able to identify any and all such individuals.

**4. ASC will only apply to gross pensionable remuneration**

- a. Unlike PRD, ASC will only apply to pensionable remuneration, so non-pensionable allowances and non-pensionable overtime will not be subject to ASC (whereas they are subject to PRD).
- b. PRD was chargeable where remuneration was taxable. Unlike PRD, ASC will apply to all pensionable remuneration whether taxable or otherwise.

**5. ASC will apply to all gross pensionable allowances and emoluments as and when paid.**

Similar to the treatment of pensionable allowances and emoluments for individuals who pay main scheme and S & C contributions on pensionable allowances and emoluments as and when paid (e.g. post 1995 Civil Servants) – **ALL individuals** (both pre and post 1995 etc.) will pay ASC on pensionable remuneration as and when paid.

6. **ASC is applied via multiple tables (thresholds, bands, rates)**

Unlike PRD, ASC is charged at different rates with different threshold bands depending on the pension scheme a person is a member of and the pension terms applying to such membership. Therefore, it is very important that **an individual is correctly identified on payroll systems in respect of the relevant pension scheme membership and terms applying.**

There are transitional threshold bands for 2019 with a permanent set of threshold bands being introduced in 2020. (Furthermore, there are different threshold bands applying depending on whether a group or class of employee is defined as a “covered public servant” or a “non-covered public servant”).

(A) Covered Public Servants – Rates/Thresholds in 2019

- a. Member of a standard accrual pension scheme:
  - i. €0 - €32,000 – 0%
  - ii. > €32,000 – €60,000 – 10%
  - iii. > €60,000 – 10.5%
- b. Member of a fast accrual pension scheme:
  - i. €0 - €28,750 – 0%
  - ii. > €28,750 – €60,000 – 10%
  - iii. > €60,000 – 10.5%
- c. Member of the Single Scheme
  - i. €0 - €32,000 – 0%
  - ii. > €32,000 – €60,000 – 6.66%
  - iii. > €60,000 – 7%

(B) Covered Public Servants – Rates/Thresholds in 2020 and future years

- a. Member of a standard accrual pension scheme:
  - i. €0 - €34,500 – 0%
  - ii. > €34,500 – €60,000 – 10%
  - iii. > €60,000 – 10.5%
- b. Member of a fast accrual pension scheme:
  - i. €0 - €28,750 – 0%
  - ii. > €28,750 – €60,000 – 10%
  - iii. > €60,000 – 10.5%
- c. Member of the Single Scheme
  - i. €0 - €34,500 – 0%
  - ii. > €34,500 – €60,000 – 3.33%
  - iv. > €60,000 – 3.5%

(C) Non-Covered Public Servants – Rates/Thresholds in 2019 & 2020

- a. Member of a standard accrual pension scheme:
  - i. €0 - €28,750 – 0%
  - ii. > €28,750 – €60,000 – 10%
  - iii. > €60,000 – 10.5%
- b. Member of a fast accrual pension scheme:
  - i. €0 - €24,869 – 0%
  - ii. > €24,869 – €60,000 – 10%
  - iii. > €60,000 – 10.5%
- c. Member of the Single Scheme
  - i. €0 - €28,750 – 0%
  - ii. > €28,750 – €60,000 – 6.66%
  - iii. > €60,000 – 7%

(D) Non-Covered Public Servants – Rates/Thresholds in 2021 and future years

- a. Member of a standard accrual pension scheme:
  - i. €0 - €34,500 – 0%
  - ii. > €34,500 – €60,000 – 10%
  - iii. > €60,000 – 10.5%
- b. Member of a fast accrual pension scheme:
  - i. €0 - €28,750 – 0%
  - ii. > €28,750 – €60,000 – 10%
  - iii. > €60,000 – 10.5%
- c. Member of the Single Scheme
  - i. €0 - €34,500 – 0%
  - ii. > €34,500 – €60,000 – 3.33%
  - iii. > €60,000 – 3.5%

**7. Multiple Employments**

ASC is chargeable on all pensionable remuneration across multiple PS employers and based on the combined pensionable remuneration in such employments. The same procedure for calculating main and subsidiary employments will apply in respect of ASC as applied in respect of PRD.

**8. Accounting procedures**

There are no changes to the accounting procedures. The accounting procedures in place for ASC are the same as those that currently apply to PRD. In this regard it should be noted that various forms will be renamed to ASC60, ASC10 etc.

9. **Circular to staff**

It is intended to issue a circular to staff shortly.

10. **Queries**

Any queries from payroll providers in respect of ASC and/or PRD should be addressed to [pensions@per.gov.ie](mailto:pensions@per.gov.ie) with the subject heading "ASC Query". Queries from individuals should be addressed in the first instance to HR/Payroll provider. Where the HR/Payroll provider cannot resolve the query then the HR/Payroll provider should contact us at the above email address.

**Appendix 1 – Clarifications to queries received** (note previous queries have been incorporated)

<b>Clarifications re application of ASC – August 2018</b>		
1.	Will ASC be treated in the same manner as any other pension contribution?	<p>ASC is not a Retirement Annuity Contract (RAC).</p> <p>ASC like PRD will be treated as an <b>expense</b> for the purpose of PRSI and Income Tax.</p> <ul style="list-style-type: none"> <li>i. There will be Employer PRSI relief in respect of ASC.</li> <li>ii. ASC will not qualify for USC relief</li> <li>iii. ASC will not qualify for employee PRSI relief.</li> <li>iv. ASC will qualify for tax relief only</li> <li>v. ASC will not be included for the purpose of calculating Age-related tax relief thresholds.</li> <li>vi. ASC contributions will have no impact on the calculation of referable amounts under the Single Scheme</li> </ul>
2.	Requirement to produce the ASC on the individual's Single Scheme record? And for other schemes	ASC is separate to contributions payable under pension scheme rules and consequently should not be recorded as a pension contribution.
3.	<p>Point 2 of Issue 2 of the clarification document stated, <b><i>ASC is separate to contributions payable under pension scheme rules and consequently should not be recorded as a pension contribution,</i></b></p> <p>Does this mean that it does not reduce the taxable pay for P60/P35/PAYE Modernisation returns? Or is intention it should still reduce taxable pay but just not consider a pension contribution?</p>	<p>Similar to PRD, ASC is treated <b>as an expense</b> and therefore shall attract tax relief accordingly.</p> <p>ASC confers no additional pension benefits and therefore should not be included in the benefit statement required by the Single Scheme.</p>

4.	Is Salary Sacrifice liable for ASC	It is intended that Salary Sacrifice will not be subject to ASC.
5.	Requirement to show ASC on the payslip	ASC should be shown separately to other deductions on the payslip
6.	What is the difference between “covered” and “non-covered” public servants	<p>The legislation provides for “non-covered” public servants.</p> <p><i>A “non-covered” public servant is defined in Section 3 of the Public Service Pay and Pensions Act 2017 as follows:</i></p> <p><i>3.(1) A public servant shall, unless he or she is by virtue of subsection (2) a non-covered public servant, be a “covered public servant” for the purposes of this Act.</i></p> <p><i>(2) Where subsection (4) or (5) applies to a public servant and the trade union or staff association referred to in subsection (4) or (5) has not notified to the Workplace Relations Commission, in writing, its assent to be bound by the terms of the Public Service Stability Agreement, then that public servant shall be a “non-covered public servant” for the purposes of this Act.</i></p> <p><i>Simply put, where an employee/group of employees decide to step outside the terms of the PSSA then they shall be deemed to be a “non-covered public servant” for the purposes of the Act.</i></p> <p><i>Currently there are no non-covered public servants.</i></p>

7.	Who are “non-covered” public servants	<p>As mentioned above - there are currently no “non-covered” public servants.</p> <p>Should circumstances arise where there are “non-covered” public servants separate instruction will issue to the relevant body.</p> <p>However, while in principle it is envisage that there will no “non-covered” public servants it cannot be guaranteed that this will be the case on 1 January 2019 or indeed subsequent to the introduction of ASC</p> <p>In this regard, Payroll operators should</p> <ul style="list-style-type: none"> <li>i. Provide for maintaining a “covered/non-covered” flag on the system in order to identify such individuals which, in the current circumstances shall be set to “covered”.</li> <li>ii. Provide for separate threshold tables for “non-covered” groups</li> </ul>
8.	Will D/PER identify those groups of Non-covered.	<p>The relevant body is responsible for identifying “non-covered” groups in consultation with their parent Department. Where a parent Department has any doubt they make seek advice from D/PER.</p>
9.	Application of “non-covered” rates in the event	<p>The thresholds will have to be pro-rataed in accordance with the date from which that individual no longer complies with the PSSA (similar to pro-rata’ing the change in rates in 2009).</p> <p>This Department will work with payroll operators to ensure the smooth transition of any such groups of people to non-covered rates in respect of any “end-year” balancing mechanism which may be required.</p> <p>In the first instance – a week 1 basis shall be used for applying the new set of thresholds.</p> <p>In addition, it is noted that there will be a time lag between an instruction issuing and implementing such a change.</p>

10.	<p>What is a standard Accrual pension v the Single Scheme? Is the former someone who joined pre 2013 and the latter who joined 2013</p>	<p>For the purpose of ASC there are 3 types of pension schemes as follows:</p> <ul style="list-style-type: none"> <li>i. Single Pension Scheme is as defined in Section 9 of the Public Service Superannuation (Single Scheme and Other Provisions) Act 2012. In general the Single scheme applies to persons appointed on or after 1 January 2013 who have never worked in the Public Service or who, having previously worked in a “non-Single Scheme” pensionable position, have had 26 week break in service since their previous PS employment.</li> <li>ii. A Standard Accrual Pension scheme is as defined in Section 28 of the Public Service Pay and Pensions Act 2017. In general standard accrual pension schemes apply to persons appointed before 1 January 2013 and who accrue pensionable service on a model scheme basis i.e. 1 years’ pensionable service per year of full-time service.</li> <li>iii. A Fast Accrual Pension scheme is as defined in Section 28 of the Public Service Pay and Pensions Act 2017. In general fast accrual pension schemes apply to persons who accrue pensionable service at a faster rate than 1 years’ pensionable service per year of full-time service and who can acquire maximum pension benefits (40 years) in a shorter period of time. Examples of such schemes are the Garda Superannuation Scheme and pension schemes for Judges and Ministers.</li> </ul>
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11.	Will D/PER determine who is a standard accrual, fast accrual or Single Scheme?	<p>Members of the Single Scheme should be easily identifiable. Fast accrual grades consist of (but are not limited to) members of An Garda Síochána, Prison Officers, PDF, Firemen, members of the judiciary.</p> <p>Again, a Department, Body or Agency should be familiar with the pension schemes in their own organisation and whether such schemes are fast accrual.</p> <p>Where there is doubt the parent Department shall seek advice from D/PER</p>
12.	What is a fast accrual scheme – Need to ascertain from D/PER are the Prison Officers and Military pension schemes considered a Fast Accrual Pension?	<p>Section 28 of the Public Service Pay and Pensions Act 2017 defines a “fast accrual pension scheme” as follows:</p> <p>“fast accrual pension scheme” means a pre-existing public service pension scheme or certified pension scheme in accordance with the terms of which a member qualifies for the maximum pension benefit to which the member is entitled under the scheme on completion by that member of less than 40 years of service;</p> <p>Members of the IPS and PDF accrue maximum pension on completion of less than 40 years and therefore would be deemed to be members of a “fast accrual pension scheme”.</p>

<p>13.</p>	<p>If an employee is subject to PRD in 2018, can we map them to an ASC in 2019?</p> <p>For example if an employee has a PRD status = cumulative in 2018, can this employee be mapped to an ASC cumulative status in 2019?</p>	<p>In general most employees can be mapped on to ASC.</p> <p>However, there is a cohort of people who currently pay PRD and who will not be liable for ASC from 2019. These would be people who are non-pensionable in their <b>current</b> role but have a PS pension entitlement in a previous employment.</p> <p>The numbers of people who come under this category would be relatively small in number. Such individuals are not liable for ASC. An example of such may include Interview Board members who are employed for a short length of time to sit on interviews and who are not in a pension scheme during that employment.</p> <p>Note: those who cease to accrue pension by virtue of acquiring 40 years <b>remain liable</b> for ASC, bearing in mind that, while they cease to accrue additional pensionable service, they continue to accrue a pension benefit as their final pensionable remuneration is determined at date of retirement/when preserved benefit comes into payment. Similarly they continue to pay main scheme contributions (where applicable) for the duration of their career.</p> <p>Note: the term “non-pensionable” does not include those people who received a gratuity at time of retirement or who receive a payment-in-lieu of pension while employed. Such people are liable for ASC.</p>
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14.	<p>Can we set a default scheme for the employee in 2019? Standard Accrual Group, Fast Accrual Group or Single Scheme Group?</p> <p>If not, shall we leave this blank and instruct the payroll operator to set this up before processing payroll? If so where would they receive this information from?</p>	<p>It would not be appropriate to set a default scheme for an employee. Setting the Single Scheme as a default would result in an underpayment, as would setting the standard accrual group in a “fast accrual payroll”. Most payroll operators should be familiar with the types of schemes applying in their payroll – e.g. Gardaí, IPS, Judges, Ministers etc. are fast accrual</p>
15.	<p>What type of scheme does a Pre 2004 entrant fall into and what type of scheme does a Post 2004 Active Model member fall into?</p>	<p>Whether an individual is pre 2004/post 2004 or pre 1995/post 1995 is not relevant. The key factors in determining what ASC rate/threshold applies to an individual is:</p> <ul style="list-style-type: none"> <li>a. Whether they are covered or non-covered</li> <li>b. Whether they are Single Scheme or a pre-existing scheme</li> <li>c. Whether they are fast accrual or standard accrual</li> </ul>
16.	<p>What threshold applies to employees who are a member of a defined contribution scheme?</p>	<p>An employee who is a member of a <b>Public Service</b> pension scheme which is a “defined contribution scheme” is not subject to ASC. A “defined contribution scheme” has the same meaning as it has in the Pensions Act 1990 i.e.</p> <p><i>“a scheme which, under its rules, provides long service benefit, the rate or amount of which is in total directly determined by the amount of the contributions paid by or in respect of the member and includes a scheme the contributions under which are used, directly or indirectly, to provide –</i></p> <ul style="list-style-type: none"> <li><i>(a) Benefits, other than long service benefit, and</i></li> <li><i>(b) Long service benefit the rate or amount of which is in total directly determined by the part of the contributions aforesaid that is used for the provision of the long service benefit;”</i></li> </ul> <p>Note: this is different to an employee who receives a payment-in-lieu of pension and uses that payment-in-lieu of pension amount to purchase a defined contribution pension benefit with a private provider. ASC applies to such payments-in-lieu.</p>

17.	Does ASC apply to employees who are not members of a PS pension scheme but who receive a payment-in-lieu of such membership	<p>ASC is applicable to any pension arrangement that is certified by the Minister as being such a scheme or arrangement. A payment-in-lieu would be encompassed by this definition.</p> <p>Such individuals are liable for ASC at the <b>standard accrual threshold</b> – either covered or non-covered as appropriate.</p>
18.	Does ASC apply to employees who are not members of a PS pension scheme but who receive a gratuity at retirement?	<p>An employee who is entitled to receive a gratuity by way of a once-off lump sum at retirement or by way of on-going gratuity payments following retirement is liable for ASC at the <b>standard accrual threshold</b> – either covered or non-covered as appropriate.</p> <p>Examples of such persons include (but are not limited to) Retained Fire Fighters, Cleaners in the HSE who opted out of a pension scheme but are entitled to a gratuity at retirement and Local County Councillors who receive a gratuity in-lieu of pension.</p>
19.	<p>Membership of multiple schemes:</p> <p>If an employee transfers from one scheme to another mid-year, and the schemes are different in respect of the applicable thresholds for each scheme – are the applicable thresholds pro-rated and used accordingly or does the whole year get recalculated using the new scheme’s rates and thresholds?</p>	<p>In accordance with section 36 of the Act, a relevant person is entitled to the more favourable applicable threshold i.e.</p> <p>i. Where a person is a member of the Single Scheme they are deemed to be a member of the Single Scheme to the exclusion of membership of all other schemes and the relevant thresholds applicable to the Single Scheme will apply – either covered or non-covered as appropriate.</p> <p>ii. Where a person is a member of a Standard Accrual pension scheme and is not a member of the Single Scheme they are deemed to be a member of a standard accrual scheme to the exclusion of any other Scheme(s) and the relevant thresholds applicable to the Standard Accrual Scheme will apply – either covered or non-covered as appropriate.</p> <p>iii. Where a person is not a member of the Single Scheme or is not a member of Standard Accrual Scheme but is a member of a Fast Accrual Scheme they are deemed to be a member of a Fast Accrual Scheme to the exclusion of any other Scheme(s) and the relevant thresholds applicable to the Fast Accrual Scheme will apply – either covered or non-covered as appropriate.</p>

19. Cont'd	Membership of multiple schemes cont'd.	
	<p>If an employee is member of two or more schemes concurrently with differing applicable thresholds – which thresholds apply?</p>	<p>As above, in accordance with section 36 of the Act, a relevant person is entitled to the more favourable applicable threshold i.e.</p> <ul style="list-style-type: none"> <li>i. Where a person is a member of the Single Scheme they are deemed to be a member of the Single Scheme to the exclusion of membership of all other schemes and the relevant thresholds applicable to the Single Scheme will apply – either covered or non-covered as appropriate.</li> <li>ii. Where a person is a member of a Standard Accrual pension scheme and is not a member of the Single Scheme they are deemed to be a member of a standard accrual scheme to the exclusion of any other Scheme(s) and the relevant thresholds applicable to the Standard Accrual Scheme will apply – either covered or non-covered as appropriate.</li> <li>iii. Where a person is not a member of the Single Scheme and is not a member of Standard Accrual Scheme but is a member of a Fast Accrual Scheme they are deemed to be a member of a Fast Accrual Scheme to the exclusion of any other Scheme(s) and the relevant thresholds applicable to the Fast Accrual Scheme will apply – either covered or non-covered as appropriate.</li> </ul> <p>Note: In such circumstances the individual is required to nominate a “main employment” in accordance with the ASC10.</p>

20.	Will D/PER identify employees who are deemed exempt from ASC	<p>It is for the employer to identify those that are exempt from ASC.</p> <p>It is not envisaged that there will be many employees who will be exempt. ASC applies to those who are members of a public service pension scheme, receive a payment-in-lieu of pension or are entitled to a retirement gratuity (annual or lump sum) on retirement.</p> <p>A public service pension scheme is defined in Section 28 of the legislation as follows:</p> <p>A “public service pension scheme” means –</p> <ul style="list-style-type: none"> <li>(a) A pre-existing public service pension scheme,</li> <li>(b) The Single Public Service Pension Scheme, or</li> <li>(c) Any other pension scheme or arrangement certified by the Minister as being such a scheme;</li> </ul> <p>The following are liable for ASC:</p> <ul style="list-style-type: none"> <li>(a) An employee who is a member of a PS pension scheme, either pre-existing or Single Scheme</li> <li>(b) An employee who has any other pension scheme or arrangement certified by the Minister as being such a scheme – this includes: <ul style="list-style-type: none"> <li>i. An employee who receives a payment-in-lieu of pension</li> <li>ii. An employee who has entitlement to a gratuity on retirement in lieu of an annual pension</li> </ul> </li> </ul> <p>Note: an employee who has accrued maximum benefits but continues to work <b><u>remains liable for ASC.</u></b></p>
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21.	Is an employee who has reached maximum benefits (e.g. has already accrued 40 years' service) liable for ASC	<p>An employee who has accrued maximum benefits by virtue of having accrued, for example, 40 years' service (or equivalent) or is subject to the "40 year limit" on service in a pre-existing Public Service pension scheme remains a member of such a scheme while continuing to work and continues to be <b>liable for ASC</b>.</p> <p>This includes members of fast accrual schemes who reach maximum pension benefit at less than 40 years.</p>
22.	Could you clarify the Weekly/Fortnightly etc. threshold figures for the section below (ASC – 2019 – Covered tab)	<p>Please note there was an error in respect of the table for the 2019 Covered Single Scheme Group.</p> <p>Please see attached amendments.</p>
23.	Will ASC operate on a cumulative basis	<p>For the most part, ASC will operate on a cumulative basis unless an individual has a significant underpayment of ASC in which case the payroll will agree a recoupment plan and may place the individual on a Week 1 basis.</p> <p>See point 9 in relation to covered vs non-covered groups.</p>
24.	How will Week 53/Fortnight 27 be treated on the payroll	<p>Similar to the operation of PRD (and tax allowances) an extra set of thresholds will be allowed in a relevant year where that payroll has a week 53 or fortnight 27 as appropriate.</p>
25.	<p>We have some customers whose employees are Casual/Part-Time Staff. These staff may typically build up timesheet claims for a number of periods before recording them all in bulk in one go. For example in January 2020 the staff member could record hours worked from periods October 2019, November 2019 and December 2019?</p> <p>For these types of staff – can you confirm ASC remains chargeable on an as and when paid basis so these claims will all be calculated on January 2020 and January 2020 ASC rates used i.e. there is no exception in treatment of ASC if worker is part time / casual staff?</p>	<p>ASC is chargeable on an "as and when <b>paid</b>" basis.</p>

26.	<p>Whether, for those in fast-accrual pension schemes, the requirement to pay 40 years contributions over a 30 year period (e.g. doubling up contributions for service years 20 – 30) applies to the ASC.</p>	<p>Doubling up of pension contributions as required for various fast accrual grades <b>does not</b> apply to ASC.</p> <p>The legislation provides separate bands and rates for members of pre-2013 pension schemes (Non-Single Scheme pension schemes) with Fast Accrual Terms to take account of the fast accrual nature of those schemes.</p>
27.	<p>Pensionable allowances</p> <p>It is a condition of most PS pension schemes that individuals are liable for main scheme and S &amp; C scheme contributions. Contributions are calculated on pensionable allowances as and when earned/paid.</p> <p>In general, for those PS pension schemes where no main scheme contributions apply, only S &amp; C contributions are due; the S &amp; C contributions are charged on pensionable allowances where those pensionable allowances are included in final pensionable remuneration at time of retirement</p>	<p>In respect of ASC, ALL PS employees who are liable for ASC (regardless of their date of appointment or whether main scheme contributions apply) are required to pay ASC on pensionable allowances as and <b>when paid</b>.</p> <p>Furthermore, there shall be no refunds of ASC charged on pensionable allowances where such allowances are not included in the final pensionable remuneration at time of retirement.</p>



28.	<p>We understand the ASC requirements are that liability is due when paid “ASC will apply to all gross pensionable allowances and emoluments as and when paid.”</p> <p>The text provided in documentation previous though says when earned in some locations.</p>	<p>ASC liability arises at the point when payments are made to the individuals.</p> <p>The reference to pensionable allowances and ASC liability distinguishes between the treatment of pensionable allowances for Pre-1995 employees (principally Civil Servants etc. who, prior to 6 April 1995, were not required to make main scheme pension contributions (PPC)) in respect of their pension contributions and the treatment of same regarding ASC liability.</p> <p>By way of explanation - Post 1995 Civil Servants pay pension contributions in respect of pensionable allowances on an “as and when earned/paid” basis while Pre-1995 Civil Servants pay pension contributions in respect of pensionable allowances if such an allowance is included for the purpose of calculating final pensionable remuneration at time of retirement.</p> <p>With regard to ASC – the ASC liability in respect of pensionable allowances arises when the pensionable allowance <b>is being paid</b> regardless of whether such an allowance is included for the purpose of calculating final pensionable remuneration at time of retirement.</p>
29.	Some allowances may not be held at retirement – are they liable for ASC	<p><b>ALL</b> pensionable allowances, <b>whether they are in the nature of pay or a fixed amount</b>, shall attract ASC on an “as and when <b>paid</b>” basis regardless of whether such pensionable allowances are held at retirement or counted in their final pensionable remuneration.</p>
30.	Regular Rostered Overtime & Acting-up allowances	<p>I understand that in some sectors of the public service main scheme contributions are not charged on pensionable regular rostered overtime or pensionable acting up allowances as and when earned/paid.</p> <p>ASC shall be charged on such pensionable allowances <b>when paid</b> regardless of whether they are held at retirement. Once an allowance has the potential to be pensionable it is subject to ASC.</p>

31.	Will D/PER identify pensionable allowances according to their Pay Code	<p>The pensionability of an allowance is ultimately a matter for D/PER's Pay area. However, HR units in seeking to have an allowance sanctioned, in the first instance, for an individual or class of individuals, should know whether such an allowance attracts pensionability.</p> <p>The designation of an allowance on a payroll is a matter for the payroll operator in consultation with the relevant HR unit. Where necessary D/PER will advise on particular allowances, however we will not advise on pay codes.</p> <p>If an allowance/emolument is pensionable then it is subject to ASC regardless of whether that allowance/emolument is taxable or whether that allowance/emolument is held at retirement.</p> <p><b>Where an allowance/emolument has the potential to reckon in final pensionable remuneration, or in the case of the Single Scheme, where it used in the calculation of referable amounts, it is liable for ASC.</b></p>
32.	Maternity Leave/Illness Benefit payable by SW – currently any taxable earnings are PRD'able – given that pension is calculated on the actual rate of pay (whether SW is payable or not) – how does the wording deal with it.	ASC should be calculated on the Gross Pensionable Remuneration of an individual including any illness benefit/maternity benefit.
33.	Is Temporary Rehabilitation Remuneration (TRR) liable for ASC	TRR is a form of pay which is payable in respect of an individual who no longer qualifies for "paid sick leave". The period during which TRR is payable is not reckonable for superannuation purposes and therefore is <b>NOT</b> subject to ASC.
34.	Treatment of Benefit in Kind  Can you confirm to us whether the ASC should be calculated on BIK's?	<p>Only pensionable remuneration is included in the calculations for the purpose of assessing ASC liability. In general Benefit-in-Kind (BIK) is not pensionable and on that basis BIK will not be subject to ASC.</p> <p>Note: This differs from PRD where BIK was subject to PRD.</p>

35.	Also, at the end of the year should the employer retain PRD funds to cover any refunds that could become payable if a staff member leaves within the two year window ending after the 31 Dec 2018. Alternatively how will the employer seek reimbursement of PRD for such instances?	Employers should <b>not</b> retain PRD funds at the end of December 2018 for the purpose of making future PRD refunds after PRD ceases to operate.
36.	Refunds of PRD and/or ASC in another year – are they liable for ASC?	A refund of PRD and/or ASC in respect of a previous year arises where an employee has been overcharged PRD/ASC in that year. Such refunds are not subject to ASC in the current year (or under current legislation are not subject to PRD). As mentioned before, such refunds are subject to tax at the marginal rate.
37.	Are refunds of ASC liable for income tax	Refunds of ASC are subject to income tax at the marginal rate
38.	Will the ASC follow the same rules as the PRD?	<p>ASC will operate similar to PRD, in general ASC will be cumulative. Ordinarily, the only circumstances where ASC will operate on a Week 1 basis is where an employee is between employments and has yet to supply an ASC45 or where there is a significant underpayment of ASC/PRD in a previous employment a repayment arrangement has been approved by DPER.</p> <p>A key difference relates to the amount/type of remuneration which is liable. In general, an employee's PRD is calculated on his or her gross pay. However, ASC will be calculated on <b>pensionable gross pay only</b>.</p>
39.	How will ASC operate if moving between schemes e.g. Week 1 basis?	Similar to PRD, ASC will operate on a week 1 basis pending the individual providing an ASC45 (equivalent to the PRD45).
40.	Deduction priority to confirm?	<p>In respect of calculating ASC - ASC will be calculated and deducted from the Gross Pay prior to calculating income tax. USC/PRSI is also calculated on the Gross Pay.</p> <p>ASC is a statutory deduction and in this respect will take priority over any non-statutory or voluntary deductions.</p>

41.	Will the annual ASC thresholds apply to an employee who leaves mid-year (e.g. currently the annual PRD thresholds apply where an employee leaves mid-year and completes a PRD12 Declaration)?	An individual is entitled to <b>one</b> full set of ASC annual thresholds in a given year in respect of all PS pensionable remuneration in that year.  An end-of-year/end-of-employment balancing mechanism will operate similar to PRD.
42.	Specific rules around treatment of pay after leaving and deductions in year after leaving etc.	Arrears of pay due after a person has resigned/retired or in the following relevant year will be treated in the same manner as such payments are currently treated in PRD.
43.	How will refunds operate at marginal rate or at withholding tax rate?	ASC refunds made through the payroll in respect of overpaid ASC in a current or prior year will attract tax at the marginal rate.
44.	ASC refunds arise where an employee leaves with less than 2 years' service, how will the refund be treated for tax purposes?	ASC refunds will be taxable through the payroll and attract marginal rate of tax as per PRD.
45.	When do ASC refunds arise	ASC refunds arise where an individual has not acquired a pension entitlement in respect of a relevant employment.  Note: a person in receipt of a payment-in-lieu of pension is deemed to have acquired and received that pension benefit and therefore is <b>not</b> entitled to a refund of ASC (or PRD)
46.	An individual has not acquired vesting/preserved pension entitlements in respect of their employment with our organisation and he/she is not transferring their service to another PS body.  Are they entitled to a full refund of both ASC and PRD?	Where a person has not acquired a pension entitlement in respect of a relevant employment they are entitled to: i. A full refund of any ASC paid ii. A refund of PRD, <b>if and only if</b> , they have <b>no other public service pension</b> entitlement. Where an individual has a pension entitlement from a previous PS employment they remain liable for PRD in respect of the years 2009 to 2018 as appropriate.
47.	Who makes the refund?	The payroll provider/administrator in the main PS employment is responsible for making any and all ASC and PRD refunds
48.	I have a query regarding ASC and how it is reported under Irish PAYE Modernisation?  Is the item 54 published in the Payroll Submissions Guide, refers to ASC (PRD Replacement)	While the question relates to ASC – it is a matter for the payroll provider to respond as to how the ASC is reported on for the purpose of Revenue rules under the Irish PAYE modernisation.

49.	<p>In relation to staff not in a public service pension scheme, once they don't have an entitlement to a public service pension – will they be excluded from the ASC or once one is not in our pension scheme then they are not required to pay the ASC?</p>	<p>Currently, under PRD rules, where an employee is a member of a Public Service Pension Scheme, is entitled to a benefit from such a scheme or has received a payment in lieu, PRD applies to all gross income from all public service employments, including employments which are not pensionable.</p> <p>From 2019, ASC will only apply to pensionable remuneration. Hence if an employee holds two or more pensionable employments in the public sector, ASC will be calculated based on the combined pensionable earnings. In contrast, where an employee holds a non-pensionable employment, ASC will not apply to remuneration in respect of that non-pensionable position but will apply to pensionable remuneration from any other public service pensionable employment.</p>
50.	<p><b>Re-employment of pensioners</b></p> <p><i>Sometimes a pensioner can be re-employed back into a PS body for periods of time after they have officially become Pensioners.</i></p>	
	<p>Can we confirm Pensioners re-employed in the Public Service are liable for ASC if they are re-employed into a pensionable position?</p>	<p>An individual is only liable for ASC where they are re-employed in a <b>pensionable</b> position.</p> <p>For example individuals who are hired to sit on interviews boards and who are not accruing a pension benefit in respect of that work, are not liable for ASC.</p> <p>Note: where an individual retires in a current year and takes up a pensionable position later in that current year all pensionable remuneration for that current year will be subject to ASC.</p>

51.	<b>Treatment of Arrears of Pay</b>	
	A retrospective Pay Award/Salary Arrears – we assume these are when paid?	Retrospective Pay Award/Salary Arrears attract ASC liability on an as and <b>when paid</b> basis.
	<p>As an example, in Jan 2019 a salary increase applied effective from Nov 2018.</p> <p>We consider this all part of ASC and deduct in Jan 2019 calculation as opposed to splitting arrears in to 2018, 2019 portion and doing separate calculation (PRD on 2018 element, ASC on 2019 element)</p>	This is the correct way to treat such payments
<p>Pensioner may receive a payment of arrears due to them from when they were in our employment (Public Service)</p> <p>i. Can you confirm please if a payment of such arrears due from periods of Public Service employment paid to a pensioner is liable to ASC</p> <p>ii. If yes – again we assume this is when paid?</p>	<p>Such payments are liable for ASC as it relates to remuneration in respect of a period when the individual was a public servant and a member of a PS pension scheme and accruing pensionable service. However, the likelihood is (unless the arrears are significant) that no actual liability will arise since the individual will not breach the threshold. Again, such liability accrues on an “as and when paid” basis.</p> <p>Note: if the individual retired from one PS employment but took up a position elsewhere in the PS then the ASC liability will accrue on the combined pensionable earnings across the two employments in that year.</p>	

Forms		
52.	Is there a need for the ASC10 form? Does the ASC10 form have to be completed by all existing staff	<p>Unlike PRD, ASC applies to employees who have a relevant benefit and includes those people who have a payment-in-lieu of pension or shall receive a gratuity on retirement. Therefore identifying an employee who is liable for ASC turns on whether the individual has a relevant benefit with their employment in your organisation.</p> <p>However, the ASC10 form is also used to assess ASC liability where a person has a relevant benefit in more than one employment. This requirement already exists with PRD where PRD liability was assessed across multiple employments.</p> <p>If an organisation is unsure of an individual's pension entitlements across the public service then they are entitled to request an individual to complete an ASC10.</p> <p>All newly joining employees shall be required to complete an ASC10.</p> <p>A copy of the ASC10 is attached.</p>
53.	Potential need for a ASC45 statement similar to PRD45	A copy of the ASC45 is attached.
54.	Potential need for a ASC60 year-end statement similar to PRD60	A copy of the ASC60 is attached.
55.	Can you confirm if a new PRD12 form will be introduced or changed like the mentioned PRD45 to ASC45?	The ASC12 forms are declaration forms required to be completed by an individual when taking a refund of ASC. A revised form will issue shortly.

56.	<p>ASC forms</p> <p>i. Is there a word document format version of these documents ASC45, ASC60 and ASC10?</p> <p>ii. Are Irish versions of these documents available or when will they be published?</p>	<p>Please see attached excel versions of the forms, which can be exported to WORD.</p> <p>Irish versions are also attached.</p>
57.	<p>Clarification on ASC is not pension statement.</p>	<p>The figures which now appear on the various ASC forms now relate to <b>pensionable remuneration</b> and not taxable remuneration.</p>
<p>Funding/Accounting</p>		
58.	<p>How is ASC accounted for</p>	<p>There are no changes to procedures for remitting ASC</p> <ul style="list-style-type: none"> <li>• Government Departments must take steps to account fully for all remittances received and bring them to account as appropriations-in-aid.</li> <li>• Bodies and Agencies under the aegis of a Government Department shall remit back to their parent Department</li> <li>• Existing arrangements for the management of PRD by the HSE shall continue with respect to ASC.</li> </ul>
59.	<p>Are Departments/Bodies allowed to hold onto ASC collected?</p>	<p><b><u>See 58 above</u></b></p>
60.	<p>Who collects the money? How is it returned to the Exchequer?</p>	<p>The collection and recovery of ASC is normally dealt with through payroll.</p> <p>The deductions are remitted for the benefit of the Exchequer as provided for in section 39 of the Public Service Pay and Pensions Act 2017.</p>