

Financial Guideline 2018/2019 - 19

Community & Comprehensive and Voluntary Secondary schools

Additional Superannuation Contribution (ASC) Replacement of Pension Related Deduction (PRD)

Introduction

As a result of the Public Service Stability Agreement 2018-2020, from 1 January 2019, the Pension Related Deduction (PRD), or 'pension levy', is to be replaced by a permanent pension contribution, the Additional Superannuation Contribution (ASC). This new contribution will be in addition to the existing superannuation contribution made by public servants currently and will apply to pensionable remuneration only.

What is the difference between PRD and ASC?

ASC is a pension contribution whereas PRD was a deduction from the remuneration (pay) of pensionable public servants.

From the 01st January 2019, ASC will be payable by **public servants** on their **pensionable pay only**. Currently all income pensionable/non-pensionable, paid from public funds, is liable for PRD.

Under the new pension arrangements non-pensionable income such as supervision & substitution, selection committee payments, State Examination remuneration paid by the school, payments to teachers for privately paid hours, un-rostered overtime, etc. will be exempt from ASC.

Please note for **Community & Comprehensive schools**:

When processing payroll, if the ASC applies, then you must select the pension scheme from a drop-down menu:

- If the employee is part of the contributory pension scheme for full time non-teaching employees of Community & Comprehensive schools then select 'standard accrual pension'/'standard accrual group'
- If the employee is part of the single public service pension scheme, then they select 'single pension scheme'/'single scheme group'

1. Exemption Thresholds and Rate

From 1 January 2019 the thresholds and rates set out below will apply for ASC:

Public Servants who are Members of pre-2013 Pension Schemes with Standard Accrual Terms 1 January 2019	
Band	Rate
Up to €32,000	Exempt
€32,000 to €60,000	10%
€60,000 plus	10.5%

All Public Servants who are Members of the Single Public Service Pension Scheme 1 January 2019	
Band	Rate
Up to €32,000	Exempt
€32,000 to €60,000	6.66%
€60,000 plus	7%

It is advised that the deduction is calculated at the marginal rate (e.g.10.5%) where all earnings for the individual cannot be ascertained.

Reference

This financial guideline document was prepared based on:

- Department of Education and Skills Circular Number: [0084/2018](#)

Further information or clarification on any of the issues raised in this Guideline can be obtained from the FSSU.

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