

Financial Guideline 2019/2020 - 27

Voluntary Secondary Schools

Additional Superannuation Contribution (ASC)

1. **Additional Superannuation Contribution rates 2020**
2. **Arrangement for Transferring Additional Superannuation Contributions (ASC) to the Department of Education and Skills for the Tax Year Ended 31st December 2019**

Introduction

As a result of the Public Service Stability Agreement 2018-2020, from 1 January 2019, the Pension Related Deduction (PRD), or 'pension levy', was replaced by a permanent pension contribution, the Additional Superannuation Contribution (ASC). This new contribution is in addition to the existing superannuation contribution made by public servants currently and applies 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 was payable by **public servants** on their **pensionable pay only**. Previously all income pensionable/non-pensionable, paid from public funds, was 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. is exempt from ASC.

1. Exemption Thresholds and Rate

From 1 January 2020 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 2020	
Band	Rate
Up to €34,500	Exempt
€34,500 to €60,000	10%
€60,000 plus	10.5%

All Public Servants who are Members of the Single Public Service Pension Scheme 1 January 2020	
Band	Rate
Up to €34,500	Exempt
€34,500 to €60,000	3.33%
€60,000 plus	3.5%

It is advised that the deduction is calculated at the marginal rate (e.g. 10.5% or 3.5%) where all earnings for the individual cannot be ascertained.

2. Arrangement for transferring Additional Superannuation Contribution (ASC) to the Department of Education and Skills for the Tax Year Ended 31st December 2019

As part of the year end payroll requirements, it is advised that schools remit ASC due to the DES for the calendar year 2019. Computerised payroll systems will produce a report from the 'Year End' report options called the ASC35 or PRDP35. This will list the employees who had ASC deducted from them and the amount deducted.

The Department's Finance Unit has set up a new special bank account for the collection of the ASC/PRD.

The details of the special bank account are as follows:

Account Name – SuperAnnContribution
Account No - 70001228
Sort Code – 95-15-99
IBAN- IE89 DABA 9515 9970 0012 28
BIC NO - DABAIE2D

When transferring the ASC, it is **vitaly** important that the school **uses a reference including the school roll number** so that the lodgement is easily identifiable to the Department. Schools are requested to ensure that the reference used enables the Department to identify where the payment has come from and what period it covers. The permitted reference sequence cannot exceed 18 characters in total.

The recommendation to schools is to use the school's unique roll number followed by the period covered.

for example: 65431QJan-Dec19

where 65431Q is the school's roll number and Jan-Dec19 is the period for which the ASC is being paid. Remember, only 18 characters are allowable in this reference.

Before transferring the ASC to the Department, an email should be sent to cashier@education.gov.ie advising DES cashier staff of the expected arrival of the payment and giving details of the school including school roll number when sending the money. This email should specify the school's name, the school's roll number used in the lodgement reference, lodgement type (ASC or PRD), the period covered by the payment, a contact name and number, the lodgement reference, lodgement date and the amount of money transferred. **See Appendix 1** for detailed procedures.

In line with Government Directives and for security reasons the collection of receipts via electronic banking remains the preferred choice of the Department of Education and Skills.

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

Tel: 01-269 0677
info@fssu.ie

18th December 2019

Appendix 1

Procedures for Transferring Additional Superannuation Contribution (ASC) to the Department of Education and Skills.

Step 1: Creating the Email for the Department

a) **Determine the amount of ASC to be paid**

Print the ASC report listing the employees' names, PPS numbers and the amount of ASC deducted from the Payroll System for the year. File the reports in a file labelled "ASC Returns". The reports should be reviewed and signed by the Principal.

b) **Email the DES**

Before transferring the ASC, complete the sample email form below for the year and email to the Department of Education and Skills using this email address cashier@education.gov.ie

Please have the email approved by the Principal before sending it to the Department.

c) **Sample Email for the Department**

- i. Subject: Lodgement Form Pension Related Deduction (PRD) /
Additional Superannuation Contribution (ASC)

To Cashier, Department of Education and Skills

School Name	
School Roll Number	
Lodgement Type (PRD or ASC)	
Year the PRD or ASC refers to	
Contact Person	
Contact Phone Number	
Lodgement Reference e.g. 600151 Jan-Dec 2019	
Lodgement Date	
Lodgement Amount	€

Step 2: Transferring the Money to the Department for ASC

ASC payments can be made in two ways either using electronic banking or by writing to your bank directly. See below for more information.

a) Transferring using Electronic Banking

- i. Set up the details of the Departments Bank account on the Electronic Banking.
- ii. Enter the details for the payment together with your Reference details on the system.
- iii. Get the Electronic Bank approvers to approve the payment.
- iv. Print a copy of the payment for your bank file and file a copy also on the ASC return file.

OR

b) Credit Transfer document available at your Bank