



Removal of the Public Service Pension Reduction (PSPR)

21 May 2021

File Ref: P018-029-2015

Dear HR Manager,

The purpose of this Letter is to draw your attention to the Public Service Pay and Pensions Act 2017 (Section 27(3)) Order 2020 ([S.I. 632/2020](#)), issued on foot of Section 27 of the Public Service Pay and Pensions Act 2017, and signed by the Minister for Public Expenditure and Reform on 15 December 2020. This Order has the effect of removing the Public Service Pension Reduction (PSPR) from 1 July 2021 from all public service pensions still subject to it at that date.

This letter should be brought to the attention of all public service bodies and public service pension administrators under the aegis of your Department/Office.

1. Application and Interpretation of the Order

The Order applies to any public service pension which, following the application of sections 25 and 26 of the Public Service Pay and Pensions Act 2017, has not been restored to its “relevant original amount”, i.e. the pre-PSPR value, by 31 December 2020. These sections provided for the removal/lessening of the impact of PSPR on public service pensions in the years 2019 and 2020.

The Order provides that from 1 July 2021:

- For those that retired before 1 March 2012: such pensions will not be less than their original amount at date of award had PSPR never applied, but “original amount” shall also take into account any pension increases applied to such pensions up to 1 January 2011 (the date from which PSPR first applied),
- For those that retired between 1 March 2012 and 1 April 2019: such pensions will not be less than their original amount at the date of their award had PSPR never applied.

In 2017 the Government agreed the pension increase policy for public service pensions in payment for the period to the end of 2020. This included the application of increases to qualifying pensions arising from pay increases granted to serving staff over the course of the Public Service Stability Agreement (PSSA) 2018 to 2020.

The 2017 Act and the 2020 Order, in providing for the restoration of pensions to their “relevant original amount”, do not make specific provision for these pension increases to be taken into account.

These pension increases were applied on foot of specific pensions circulars. They have no bearing on the pension amounts to be considered in the interpretation of the Order. Equally, the Order does not impact on the application of these pension increases either. This means that for the purposes of the application of the 2020 Order, the restoration of a pension to its “original amount” shall be taken to include any pension increases which have applied to that pension up to 1 July 2021.

2. Removal of PSPR

The practical impact of this Order is to fully remove PSPR from those still subject to it with effect from 1 July 2021. Accordingly, administrators are instructed to cease the application of PSPR from 1 July 2021 in respect of any public service pensions that remain subject to it up to that date.

3. Queries

Further information on public service pension policy may be found at the following link:

<https://www.gov.ie/en/collection/1c5abb-public-service-pensions-useful-links/>.

- Individual queries about this Letter from retired or serving public servants should be raised with their pension administrators or local HR units.
- Queries from public service bodies should be raised with their parent Department.
- Departments with queries should raise the matter with this Department via email to pensions@per.gov.ie.

Yours sincerely,

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