



Circular Number:	Circular 15/2019
Circular Title:	Purchase and Transfer of Retirement Benefits under the Single Public Service Pension Scheme
To:	All Relevant Authorities under the Single Public Service Pension Scheme
I am directed by the Minister for Public Expenditure and Reform to advise of the arrangements to apply in relation to the purchase and transfer of retirement benefits by members of the Single Scheme.	
Circular Application:	All Single Scheme Members, other than those covered by Sections 20 and 26(1)(b) of the 2012 Act.
Date:	12 June 2019
Purpose:	To inform Relevant Authorities of the facility introduced to enable Single Scheme members to purchase retirement benefits in the Single Scheme and to enable Single Scheme members to transfer retirement benefits accrued in certain other Revenue approved Schemes and PRSAs into the Single Scheme.
Relevant Legislation:	Public Service Pensions (Single Scheme and Other Provisions) Act 2012 Single Public Service Pension Scheme (Purchase and Transfer of Retirement Benefits) Regulations 2019 (S.I. No 252/2019)
Status:	This Circular is effective from 1 October 2019.

Circular 15/2019: Purchase and Transfer of Retirement Benefits under the Single Public Service Pension Scheme

1. Introduction

The Minister for Public Expenditure and Reform has made Regulations under Section 8(2)(f) of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 (the 2012 Act), entitled Single Public Service Pension Scheme (Purchase and Transfer of Retirement Benefits) Regulations 2019 (S.I. No 252/2019). These Regulations enable eligible members of the Single Public Service Pension Scheme (“Single Scheme”) to:

- (i) purchase additional referable amounts for the purpose of augmenting their pensions and/or lump sums (collectively their “retirement benefits”) payable under the Single Scheme (also described in this Circular as “actual purchase”), and
- (ii) make inward transfer to the Single Scheme of transfer values from certain other Revenue approved retirement schemes and PRSAs by way of the purchase of referable amounts (also described in this Circular as “purchase by way of transfer”).

2. Background

The main purpose of the Purchase Facility is to allow persons who may not have a long career in the public service to boost their retirement benefits under the Single Scheme. It may, therefore, be of interest to persons who joined the public service in mid-career, or who have taken career breaks or other periods of extended unpaid leave.

The main purpose of the Transfer Facility is to allow Single Scheme members with transfer values arising from pension entitlements in certain other Revenue approved retirement schemes and PRSAs to transfer those entitlements into the Single Scheme.

The Purchase and Transfer Facility will operate on the basis of the purchase of additional referable amounts for pension and/or lump-sum. It will operate on a cost-neutral basis, with the pricing of purchased benefits being based on the actuarially calculated cost of paying out those benefits at retirement. Purchased benefits will rank on a par with benefits ordinarily earned, and are inclusive of dependants’ benefits in line with existing benefit provisions under the Single Scheme.

Before considering entering into an agreement to purchase referable amounts under this Circular, Scheme members should ensure that all of their prior service in the Single Scheme, including service with other Relevant Authorities, is reflected in their pension record. Members who had previously been members of the Single Scheme and received a refund of contributions prior to vesting and subsequently re-joined the Single Scheme within two years of departure may also wish to consider restoring those refunded amounts, with compound interest in accordance with Section 17 of the 2012 Act before entering into a purchase contract under this Circular.

Pensions Administrators in the public service are not qualified to provide financial advice. Members are advised to seek independent financial advice before entering into a contract for the purchase or transfer of benefits. Ultimately any decision to enter into a contract for the purchase of additional benefits is a decision for the member.

3. Eligibility

(i) General Eligibility

Subject to the limits on purchase outlined in this Circular, the purchase and transfer facility applies to all members of the Single Scheme, other than the following categories of Single Scheme member:

- President of Ireland (Section 20 of the 2012 Act); and
- a member of the Permanent Defence Force (Section 26(1)(b) of the 2012 Act).

Single Scheme members covered by Section 21 (qualifying office holders as defined in the 2012 Act) are eligible to purchase pension referable amounts but not lump sum referable amounts, as their retirement benefits under the Single Scheme are limited to annual pension. No lump sum is payable.

(ii) Eligibility for Purchase

In addition to the eligibility requirements at (i) above, the conditions set out below must also be complied with by Scheme members who are eligible to purchase referable amounts in accordance with Para 4 of this Circular:

- Scheme members must have completed the vesting period;
- Scheme members must have the potential to complete a period of 9 FTE years as a member of the Single Scheme by the time they reach their normal retirement age (including membership before purchase). When calculating the number of years as a Scheme member for a part time worker, it should be assumed that the member's current work pattern would continue to NRA;
- While the facility to purchase is available to both contract and permanent employees, for a Scheme member on contract, the term of the contract must be such that along with membership of the Single Scheme in the past, the Scheme member would have the potential to complete a period of 9 FTE years as a member of the Single Scheme by the time they reach their normal retirement age.

(iii) Eligibility for Transfer

In addition to the eligibility requirements at (i) above, the condition set out below must also be complied with by Scheme members who are eligible to transfer existing retirement benefits in accordance with Para 5 of this Circular:

- Scheme members must have the capacity to become vested members of the Single Scheme before they reach their normal retirement age.

4. Purchase Facility

Eligible Scheme members can enter into purchase agreement(s) with their Relevant Authority for the purchase of referable amounts. The following are the features of the purchase facility:

- Eligible members can choose to purchase additional pension only, additional lump sum only or a combination of additional pension and additional lump sum;
- Purchase agreements will operate on a twelve month basis;
- A Scheme member can enter into one contract in any period of 12 months, the setting of the 12 month period to be determined by each Relevant Authority;
- Subject to the limits provided for in this Circular, a Scheme member can enter into any number of 12 month purchase contracts over his/her period of membership of the Single Scheme, although no two contracts can overlap;
- The limits on purchase, as set out in Para 8.2 are determined on the basis of the lower amount resulting from the calculation of two formulae;
- The limits referred to above must be re-calculated in respect of each individual contract;
- Referable amounts may be purchased by way of one lump sum payment only;
- A Relevant Authority can set its own notice period for the receipt of applications for purchase.

5. Transfer Facility

The transfer facility will operate in a similar fashion to the purchase facility, in that the transfer will be effected by way of the purchase of referable amounts and, subject to this paragraph, has similar features to those described above. Under the transfer facility, a Scheme member who has accrued retirement benefits:

- under a retirement benefit scheme approved by the Revenue Commissioners in accordance with Chapter 1 of Part 30 of the Taxes Consolidation Act 1997, other than a pre-existing public service pension scheme;
- under a Buy-out-Bond (BoB)/Personal Retirement Bond (PRB) approved by Revenue for the purposes of Chapter 1 Part 30 of the Taxes Consolidation Act 1997;
- in a Personal Retirement Savings Account (PRSA), including an Additional Voluntary Contribution (AVC) PRSA, approved by the Revenue Commissioners in accordance with Chapter 2A of Part 30 of the Taxes Consolidation Act 1997;
- under an approved overseas pension scheme in accordance with Chapter 1 of Part 30 of the Taxes Consolidation Act 1997, subject to the explicit prior approval of Revenue, where necessary;
- as provided for by Section 18(a) of the 2012 Act, in respect of service in the European Commission, European Council, European Parliament, European Court of Auditors, European Economic and Social Committee or Eurocontrol;

will be permitted to transfer those benefits into the Single Scheme, subject to the limits provided for in Para 8.3 of this Circular. Transfer values are used in all cases and this transfer value can then be used to purchase referable amounts in the Single Scheme, in accordance with the cost tables appended to this Circular.

The transfer of retirement benefits accrued under pre-existing public service pension schemes is not permitted under this transfer facility. Preserved benefits in pre-existing public service pension schemes will be available to former members of such schemes at preserved pension age in the normal course.

The following are the features of the transfer facility:

- Eligible members can choose to purchase additional pension only, additional lump sum only or a combination of additional pension and additional lump sum;
- The transfer will be effected directly between Pension Trustees i.e. between the Scheme member's current Relevant Authority and the Trustees of the Scheme, PRSA provider or BoB/PRB provider where the retirement benefits are originating;
- All transfer values relating to a previous employment, PRSA or BoB/PRB must always be included in the purchase of referable amounts by way of transfer. No split transfers are permitted. For this reason, Scheme members should be aware that in cases where the transfer value exceeds the cost of purchasing the maximum amount of pension/lump sum referable amounts permitted for the individual member under this Circular, this would result in the balance of the transfer value being lost to the member;
- Subject to the limits provided for in this Circular, Scheme members who are transferring retirement benefits may enter into one or more contracts in any 12 month period, where separate previous employments, PRSAs or BoBs/PRBs are involved. The limits provided for in this Circular must be re-calculated in respect of each individual contract.
- Subject to the limits provided for in this Circular, Scheme members who enter into a contract(s) to effect a transfer(s) are permitted to enter into a purchase contract, as provided for in Para 4 above, within the same 12 month period but the limits provided for in this Circular must be re-calculated in respect of each individual contract.
- Taking account of the limits set out in this Circular and the rule that no split transfers are permitted, members should pay particular attention, with the help of independent financial advice if necessary, to the sequence of purchase contracts, where both actual purchase and purchase by way of transfer are anticipated by a member;
- Only one formula applies in calculating the limit in the case of purchase by way of transfer. This formula is set out in Para 8.3.

- In calculating the limit on purchase by way of transfer provided for in Para 8.3 in a case where that Scheme member has not been a Scheme member for a full calendar year, such that the figures required in order to calculate the limits referred to above are not available, the limits should be calculated on the basis of the pensionable remuneration for the most recent pay period, annualised as appropriate, rather than the “most recent year” as provided for in Para 7(b).

6. Tax Free Retirement Benefits/Pension Contributions

(a) Taxation of benefits on retirement

The Revenue Commissioners are responsible for taxation rules in relation to retirement benefits. The Purchase and Transfer facility for the Single Scheme has been devised to ensure, as far as possible, that referable amounts purchased as part of this Scheme will be available to Scheme members on retirement on a tax-free basis, in accordance with the Revenue rules applying on the date of this Circular. It is, however, the Scheme member’s responsibility to ensure that their own purchase arrangements are in compliance with Revenue rules, with the assistance of independent professional advice if necessary. This is particularly important in a situation where a Scheme member has retained superannuation benefits (pension and lump sum benefits from previous employments, PRSAs etc).

(b) Tax relief on superannuation contributions

The maximum amount of pension contributions, including purchase payments, in any one year in respect of which a person is currently entitled to tax relief is related to age and is expressed as a percentage of gross income. In this regard it should be noted that the Additional Superannuation Contribution (ASC) introduced with effect from 1 January 2019 is treated as an expense which means that it will attract tax relief and Employer PRSI relief. It is not, however, deemed to be a pension contribution and therefore does not impact on the age-related tax relief thresholds which are set out below:

Highest Age in Year of Pension Contribution	% of gross income for which tax relief available
Under 30	15%
30 to 39	20%
40 to 49	25%
50 to 54	30%
55 to 59	35%
60 and over	40%

There is also a maximum annual level of earnings in respect of which tax relief is given. That earnings limit is currently set at €115,000 and is adjusted by the Minister for Finance from time to time. On that basis, higher earners in particular should ensure that their tax free limits are not exceeded. Other than in the case of the ASC described above, the tax relief limit covers all superannuation contributions, including purchase payments paid by a Scheme member. On that basis, large purchase payments may not be fully relievable for tax purposes.

Scheme members using the purchase facility should satisfy themselves as to the level of tax relief that will be available to them, with the assistance of independent professional advice if necessary.

Tax relief for qualifying pension contributions must be claimed from the Revenue Commissioners by the Scheme member concerned.

7. Information Required in order to calculate purchase limits

The following information is required in order to calculate the level of purchase that will be possible by the Scheme member.

(a) Purchase Multiplier

- Number of years as a Single Scheme member to normal retirement age. This figure must be calculated on a full time equivalent basis and is not limited to calendar years. The figure should include years as a Scheme member in the past along with potential years to the Scheme member's individual normal retirement age (66, 67 or 68, as described in Para 9(i) below). Years representing periods where contributions were refunded to a member and subsequently paid back in accordance with the provisions of section 17 of the 2012 Act can be included when calculating this figure. When calculating the number of years as a Scheme member for a part time worker, it should be assumed that the member's current work pattern would continue to NRA. Once the figure for years as a Scheme member has been established, this figure should be rounded down so that only whole years are taken into account.
- The Purchase Multiplier is the figure in column 2 of table below, opposite the years as a Single Scheme member in column 1, calculated as above.

Column 1 Total period, in FTE years, as a Single Scheme Member to Normal Retirement Age	Column 2 Purchase Multiplier
9	1
10	2
11	3
12	4
13	5
14	7
15	9
16	11
17	13
18	15
19	17
20 or more	20

(b) Details calculated at the end of the most recent year

The following details calculated **as at the end of the most recent year** will also be required in order to calculate the level of purchase available to a Scheme member. For the purposes of this Circular, “most recent year” is the most recent January to December year before the commencement of the annual purchase contract. In the case of a 12 month contract that commences early in the calendar year, it may be necessary for Relevant Authorities to make the necessary calculations on the basis of figures from an earlier January to December year.

- A is Scheme member’s annual pensionable remuneration, calculated on a full time basis (FTE);
- B is the annual maximum personal rate of the State Pension (Contributory) payable to a person who has no adult dependant or child dependant (value of €12,695.39 at 31/12/18 which at the date of this Circular is the end of the most recent year);
- C is total of pension referable amounts (both accrued and previously purchased) by the Scheme member. “Previously purchased” includes all referable amounts purchased whether by actual purchase or purchase by way of transfer;
- D is pension referable amounts accrued by the Scheme member in that most recent year;
- E is total of lump sum referable amounts (both accrued and previously purchased) by Scheme member. “Previously purchased” includes all referable amounts purchased, whether by actual purchase or purchase by way of transfer;
- F is lump sum referable amount accrued by Scheme member in that most recent year;
- G is period of time in calendar years to the member’s individual normal retirement age (whole years only to be taken into account). This is not the same as “years as a Single Scheme member to normal retirement age” as set out in bullet 1 of Para 7(a). G does not include the period of Scheme membership prior to the most recent year and it is not an FTE figure.

8. Calculating Limits for Purchase/Transfer

8.1 The Purchase and Transfer facility for the Single Scheme places limits on the value of referable amounts that are available to a Scheme member to purchase by way of actual purchase and to purchase by way of transfer. Separate formulae apply in the case of pension and lump sum purchase. The main purpose of the limits is to ensure, as far as possible, that Revenue rules in relation to retirement benefits are observed. The first formula in the case of both pension and lump sum purchase is designed to ensure that, on retirement, the expected pension of the Scheme member will not exceed 50% of his/her final FTE salary and that the lump sum will not exceed 150% of his/her final FTE salary. The second formula, which applies only in cases of actual purchase, rather than purchase by way of transfer, is designed to ensure that the 50% pension; 150% lump sum limit above is not breached into the future based on accrued benefits to normal retirement age.

The calculations do not take account of any retained benefits that a Scheme member may have accrued. As set out in Para 6(a), Scheme members are responsible for ensuring that their own purchase arrangements are in compliance with Revenue rules, with the assistance of independent professional advice if necessary.

An eligible Scheme member will be entitled to purchase both pension and lump sum referable amounts up to the value of the limits calculated as set out below.

8.2 Limits for Purchase

(a) Purchasing Pension Referable Amounts

The level of pension referable amounts that can be purchased in the context of actual purchase by a Scheme member is calculated on the basis of the lesser amount resulting from the calculation using the following formulae:

- $(A/2) - B - C - (D \times G)$; or
- $D \times \text{purchase multiplier}$

(b) Purchasing Lump Sum Referable Amounts

The level of lump sum referable amounts that can be purchased in the context of actual purchase by a Scheme member is calculated on the basis of the lesser amount resulting from the calculation using the following formulae:

- $(A \times 1.5) - E - (F \times G)$; or
- $F \times \text{purchase multiplier}$

8.3 Limits for Transfer

(a) Purchasing Pension Referable Amounts by way of transfer

The level of pension referable amounts that can be purchased by a Scheme member, in the context of purchase by way of transfer, is calculated using the following formula:

- $(A/2) - B - C - (D \times G)$

(b) Purchasing Lump Sum Referable Amounts by way of transfer

The level of lump sum referable amounts that can be purchased by a Scheme member, in the context of purchase by way of transfer, is calculated using the following formula:

- $(A \times 1.5) - E - (F \times G)$

9. Cost of purchase of additional referable amounts

(i) Normal Retirement Age (NRA)

The cost of purchasing additional referable amounts, whether for pension or lump sum, will vary depending on the normal retirement age of the particular Scheme member and his/her

age next birthday, i.e. the age that the Scheme member will attain in the 12 month period of the contract. Rates are the same whether the Scheme member is engaging in actual purchase or in purchase by way of transfer. Normal retirement age for the vast majority of Single Scheme members is set out in Section 13 of the 2012 Act and is linked to the member's age of eligibility for the State Pension (Contributory), which is age 66 at the date of this Circular but is due to increase to age 67 on 1 January 2021 and to age 68 on 1 January 2028. Normal retirement age for a Scheme member who was born before 1 January 1955 is age 66; normal retirement age for a Scheme member born between 1 January 1955 and 31 December 1960 is age 67 and normal retirement age for a Scheme member born on or after 1 January 1961 is age 68.

(ii) Purchase for member with NRA of 66

As set out in Para 3(ii), a condition of actual purchase is that a Scheme member must have the potential to be a Single Scheme member for 9 FTE years. A Scheme member whose normal retirement age is 66 would not have the potential to be a Single Scheme member for 9 FTE years from the Scheme's introduction on 1 January 2013 to retirement at age 66 on or before 31 December 2020. On that basis, purchase by those members will not be possible. It will, however, be possible for Scheme members with a normal retirement age of 66 to purchase referable amounts by way of transfer into the Single Scheme as, in accordance with Para 3(iii), the 9 year rule does not apply in the case of a transfer.

(iii) Rates for uniformed pension fast accrual group

Different purchase rates apply in the case of a public servant who is required to retire at an age that is earlier than the normal retirement age provided for in Section 13 of the 2012 Act. In accordance with Section 26(4) of that Act, normal retirement age for Firefighters, including retained Firefighters, members of An Garda Síochána and Prison Officers is age 55 and separate purchase rates have been devised accordingly for this cohort.

(iv) Tables of Rates

There are 8 tables appended to this Circular, depending on the individual Scheme member's normal retirement age (NRA) and whether the Scheme member is purchasing pension or lump sum referable amounts. Each table shows a separate rate depending on the age the Scheme member attains in the 12 month period to which the purchase/transfer contract relates. Details are as follows:

Table 1: Purchase of pension referable amounts – rates for members with NRA of 68;

Table 2: Purchase of lump-sum referable amounts - rates for members with NRA of 68;

Table 3: Purchase of pension referable amounts – rates for members with NRA of 67;

Table 4: Purchase of lump-sum referable amounts - rates for members with NRA of 67;

Table 5: Purchase of pension referable amounts – rates for members with NRA of 66 (applies in the case of purchase by way of transfer only);

Table 6: Purchase of lump-sum referable amounts - rates for members with NRA of 66 (applies in the case of purchase by way of transfer only);

Table 7: Purchase of pension referable amounts – rates for members with NRA of 55 (eligible uniformed pension fast accrual group only);

Table 8: Purchase of lump-sum referable amounts – rates for members with NRA of 55 (eligible uniformed pension fast accrual group only);

10. Refunds/Reduction

(i) Refunds arising in connection with adherence to 9 year rule

A refund of the value of purchased referable amounts must be made in certain cases where a Scheme member has purchased referable amounts (other than purchase by way of transfer in accordance with Para 5 above) and ceases to be a Scheme member in advance of normal retirement age. This arises in the case of an individual who:

(a) ceases to be a Scheme member before complying with the requirement to be a member of the Single Scheme for 9 FTE years; or

(b) although complying with the requirement to be a member of the Single Scheme for 9 FTE years, the sum of referable amounts purchased by the member exceeds that which would be permitted, taking into account the actual length of time the person has spent as a Scheme member on their date of resignation.

In the case of (a) above, the full cost of all referable amounts purchased under one or more contracts must be refunded.

In the case of (b) above, a calculation of the level of purchase permitted by the member should be carried out in accordance with the second formula in Para 8.2(a) and 8.2(b) on a notional basis using the actual date that the member ceased to be a member of the Single Scheme and the referable amounts accrued by the member in the most recent year available before the Scheme member ceased to be a member of the Single Scheme. If the member's total actual purchase, under one or more contracts, exceeds the new notional limit, the excess should be refunded to the member. This calculation must be carried out whether or not the purchase limits for this contract(s) were established using this formula or not.

In both cases, the value of the refund should reflect the cost of payment at time of purchase. Interest is not payable in either case. In the case of a member who engaged in multiple purchase contracts, a refund of the most recent amounts purchased should be made. The refund should be made through the payroll, by the final employer/Relevant Authority, following consultation with previous employers/Relevant Authorities if appropriate. Where purchase payments which have resulted in the accrual of referable amounts credited to the

member's Annual Benefit Statement are subsequently refunded, the pension and lump sum referable amounts from such payments will be reduced accordingly, inclusive of any CPI adjustment that may have been made to those amounts.

Those set out above are the only occasions where refund of purchased referable amounts is permitted.

(ii) Treatment of Purchased amounts in case of cost neutral early retirement

Where a Scheme member enters into an agreement to purchase referable amounts to retire at a certain age and then retires early under Section 27 of the 2012 Act on the basis of cost neutral early retirement, the referable amounts purchased will be reduced in accordance with actuarial tables approved and issued by the Minister for Public Expenditure and Reform from time to time. More information about cost neutral early retirement, including the actuarial reduction tables that apply at the time of issue of this Circular, can be found in Circular 18/2017: Single Public Service Pension Scheme – Cost Neutral Early Retirement which is available on singlepensionscheme.gov.ie.

(iii) Treatment of purchased amounts in case of death or retirement on medical grounds

For the avoidance of doubt, actuarial reduction of purchased referable amounts is not required in the following instances:

(a) Retirement on Medical Grounds

- Where a Scheme member who has purchased referable amounts subsequently retires on medical grounds, the referable amounts purchased up to the date of retirement can be used in the calculation of the pension and lump sum;
- Where a Scheme member who has purchased referable amounts subsequently retires on medical grounds, the referable amounts purchased up to the date of retirement can be used in the calculation of the enhancement to pension/lump sum in accordance with Single Scheme Guidance Note 01/2017;

(b) Death in Service

- In the case of a Scheme member who dies in service, referable amounts purchased up to the date of death can be used in the calculation of a survivor's/child's pension following that death.

11. Member Records/Reporting Requirements for Relevant Authorities

Each €1 pension or lump sum referable amount purchased should be included in the Scheme member's Annual Benefit Statement for the calendar year in which the payment is made and will attract CPI adjustments thereafter on the same basis as referable amounts earned.

In all cases, only purchased amounts where the required payment has been completed will be included in the relevant Annual Benefit Statement for the Single Scheme member.

In line with existing requirements, each Relevant Authority is required to maintain accurate records of extra contributions paid/extra benefits purchased in each calendar year under these arrangements in respect of each member, and must also ensure that such amounts are appropriately reflected on the Annual Benefit Statements that issue to members.

All extra contributions on foot of a purchase contract, whether in respect of actual purchase or purchase by way of transfer, must be included in the ongoing remittances made by Relevant Authorities to the Minister and identified as a purchase contribution (within 20 days of the end of the month in which the payment is received by the Relevant Authority).

12. Effective date

The arrangements outlined above come into force on 1 October 2019.

13. Circulation

This Circular is being issued to all Relevant Authorities with responsibility for the Single Public Service Pension Scheme. The Circular is also available at <http://circulars.gov.ie> and www.singlepensionscheme.gov.ie.

Relevant Authorities should bring this Circular, and any future amending Circulars, to the attention of all Single Scheme members in their employment, including those currently on leave.

14. Queries

Queries about this Circular may be pursued as follows:

- Individual public servants with queries should raise them with their Relevant Authority/employer's Pension Officer, or Shared Service Centre if applicable.
- Relevant Authorities wishing to raise queries should send them to singleschemequeries@per.gov.ie, writing "Circular 15/2019 – Purchase/Transfer" in the subject line, noting that member personal details should not be provided.

Colin Menton
Assistant Secretary
Department of Public Expenditure and Reform

Table 1**Pension purchase rates by reference to Normal Retirement Age 68**

Age Next Birthday (1)	Cost of purchasing €1 Pension p.a. from age 68 (2)
68	22.18
67	22.21
66	22.25
65	22.28
64	22.31
63	22.35
62	22.38
61	22.41
60	22.45
59	22.48
58	22.51
57	22.55
56	22.58
55	22.61
54	22.65
53	22.68
52	22.72
51	22.75
50	22.78
49	22.82
48	22.85
47	22.88
46	22.92
45	22.95
44	22.99
43	23.02
42	23.06
41	23.09
40	23.12
39	23.16
38	23.19
37	23.23
36	23.26
35	23.30
34	23.33
33	23.37
32	23.40
31	23.44

30	23.47
29	23.51
28	23.54
27	23.58
26	23.61
25	23.65
24	23.68
23	23.72
22	23.75
21	23.79

Table 2**Lump-sum purchase rates by reference to Normal Retirement Age 68**

Age Next Birthday (1)	Cost of purchasing €1 Lump-sum from age 68 (2)
68	1.00
67	1.00
66	1.00
65	0.99
64	0.99
63	0.99
62	0.99
61	0.98
60	0.98
59	0.98
58	0.98
57	0.97
56	0.97
55	0.97
54	0.97
53	0.96
52	0.96
51	0.96
50	0.96
49	0.95
48	0.95
47	0.95
46	0.95
45	0.95
44	0.94
43	0.94
42	0.94
41	0.94
40	0.93
39	0.93
38	0.93
37	0.93
36	0.92
35	0.92
34	0.92
33	0.92
32	0.92
31	0.91
30	0.91
29	0.91

28	0.91
27	0.90
26	0.90
25	0.90
24	0.90
23	0.90
22	0.89
21	0.89

Table 3**Pension purchase rates by reference to Normal Retirement Age 67**

Age Next Birthday (1)	Cost of purchasing €1 Pension p.a. from age 67 (2)
67	23.03
66	23.07
65	23.10
64	23.13
63	23.17
62	23.20
61	23.24
60	23.27
59	23.31
58	23.34
57	23.38
56	23.41
55	23.45
54	23.48
53	23.52
52	23.55
51	23.59
50	23.62
49	23.66
48	23.69
47	23.73
46	23.76
45	23.80
44	23.83
43	23.87
42	23.90
41	23.94
40	23.98
39	24.01
38	24.05
37	24.08
36	24.12
35	24.15
34	24.19
33	24.23
32	24.26
31	24.30
30	24.33

29	24.37
28	24.41
27	24.44
26	24.48
25	24.52
24	24.55
23	24.59
22	24.63
21	24.66

Table 4**Lump-sum purchase rates by reference to Normal Retirement Age 67**

Age Next Birthday (1)	Cost of purchasing €1 Lump-sum from age 67 (2)
67	1.00
66	1.00
65	1.00
64	0.99
63	0.99
62	0.99
61	0.99
60	0.98
59	0.98
58	0.98
57	0.98
56	0.97
55	0.97
54	0.97
53	0.97
52	0.96
51	0.96
50	0.96
49	0.96
48	0.95
47	0.95
46	0.95
45	0.95
44	0.95
43	0.94
42	0.94
41	0.94
40	0.94
39	0.93
38	0.93
37	0.93
36	0.93
35	0.92
34	0.92
33	0.92
32	0.92
31	0.92
30	0.91

29	0.91
28	0.91
27	0.91
26	0.90
25	0.90
24	0.90
23	0.90
22	0.90
21	0.89

Table 5**Pension purchase rates by reference to Normal Retirement Age 66**

Age Next Birthday (1)	Cost of purchasing €1 Pension p.a. from age 66 (2)
66	23.89
65	23.92
64	23.96
63	24.00
62	24.03
61	24.07
60	24.10
59	24.14
58	24.17
57	24.21
56	24.25
55	24.28
54	24.32
53	24.36
52	24.39
51	24.43
50	24.46
49	24.50
48	24.54
47	24.57
46	24.61
45	24.65
44	24.68
43	24.72
42	24.76
41	24.79
40	24.83
39	24.87
38	24.91
37	24.94
36	24.98
35	25.02
34	25.05
33	25.09
32	25.13
31	25.17
30	25.20
29	25.24

28	25.28
27	25.32
26	25.35
25	25.39
24	25.43
23	25.47
22	25.51
21	25.54

Table 6**Lump-sum purchase rates by reference to Normal Retirement Age 66**

Age Next Birthday (1)	Cost of purchasing €1 Lump-sum from age 66 (2)
66	1.00
65	1.00
64	1.00
63	0.99
62	0.99
61	0.99
60	0.99
59	0.98
58	0.98
57	0.98
56	0.98
55	0.97
54	0.97
53	0.97
52	0.97
51	0.96
50	0.96
49	0.96
48	0.96
47	0.95
46	0.95
45	0.95
44	0.95
43	0.95
42	0.94
41	0.94
40	0.94
39	0.94
38	0.93
37	0.93
36	0.93
35	0.93
34	0.92
33	0.92
32	0.92
31	0.92
30	0.92
29	0.91

28	0.91
27	0.91
26	0.91
25	0.90
24	0.90
23	0.90
22	0.90
21	0.90

Table 7**Pension purchase rates by reference to Normal Retirement Age 55**

Age Next Birthday (1)	Cost of purchasing €1 Pension p.a. from age 55 (2)
55	33.68
54	33.73
53	33.78
52	33.83
51	33.88
50	33.93
49	33.98
48	34.03
47	34.08
46	34.14
45	34.19
44	34.24
43	34.29
42	34.34
41	34.39
40	34.44
39	34.49
38	34.54
37	34.60
36	34.65
35	34.70
34	34.75
33	34.80
32	34.86
31	34.91
30	34.96
29	35.01
28	35.06
27	35.12
26	35.17
25	35.22
24	35.27
23	35.33
22	35.38
21	35.43

Table 8**Lump-sum purchase rates by reference to Normal Retirement Age 55**

Age Next Birthday (1)	Cost of purchasing €1 Lump-sum from age 55 (2)
55	1.00
54	1.00
53	1.00
52	0.99
51	0.99
50	0.99
49	0.99
48	0.98
47	0.98
46	0.98
45	0.98
44	0.97
43	0.97
42	0.97
41	0.97
40	0.96
39	0.96
38	0.96
37	0.96
36	0.95
35	0.95
34	0.95
33	0.95
32	0.95
31	0.94
30	0.94
29	0.94
28	0.94
27	0.93
26	0.93
25	0.93
24	0.93
23	0.92
22	0.92

21	0.92
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PURCHASE AND TRANSFER – EXAMPLES

Note: the referable amount figures used in these example calculations are for illustrative purposes only. It is assumed that the person's salary has not changed over time.

EXAMPLE 1: Purchase - full time member

Lisa has been a member of the Single Scheme for 3 years. She wishes to purchase Single Scheme benefits.

- Date of birth: 2 January 1968
- Date of application: 3 April 2018
- Age on date of application: 50
- Normal Retirement Age [NRA]: 68 (born on or after 1 January 1961)
- Work pattern: 100%
- FTE Salary: €50,000
- Previously purchased referable amounts: None
- Date of entry to Single Scheme: 1 April 2015

1) Eligibility

There are three conditions that a member must fulfil in order to purchase benefits in the Single Scheme. Lisa satisfies all three conditions.

Eligibility Conditions for Purchase	
Is the member vested?	Yes
Does the member have the potential to complete a period of 9 FTE years as a Scheme member?	Yes
Is the member in one of the excluded categories (Section 20 or 26(1)(b) of the 2012 Act)?	No

2) Limits

Figures A - G are based on the “most recent year”. As Lisa is applying in April 2018, the “most recent year” is Jan-Dec 2017.

The “most recent year” is not relevant to the purchase multiplier. The purchase multiplier captures total membership of the Single Scheme, both previous and potential.

Information Needed to Calculate Purchase Limits		
A	Scheme member's annual pensionable remuneration, calculated on a full time basis (FTE)	€50,000
B	Annual maximum personal rate of the Contributory State Pension payable to a person who has no adult or child dependent	€12,434.49 on 31/12/17
C	Total of pension referable amounts (both accrued and previously purchased) by scheme member	€877.53
D	Pension referable amount accrued by scheme member in most recent year	€314.66
E	Total of lump sum referable amounts (both accrued and previously purchased) by scheme member	€5,156.25
F	Lump sum referable amount accrued by scheme member in most recent year	€1,875

G	Period of time from end of most recent year to the member's NRA (whole years only). This is not an FTE figure.	18 years
Purchase Multiplier	Figure in column 2 of table, opposite total number of whole FTE years as Scheme member to member's NRA, including in the past	20

Calculating limit of pension referable amounts:

i) First formula: $\boxed{A/2 - B - C - (D \times G)}$
 $50,000/2 - 12,434.49 - 877.53 - (314.66 \times 18) = \text{€}6,024.10$

ii) Second formula: $\boxed{D \times \text{purchase multiplier}}$
 $314.66 \times 20 = \text{€}6,293.20$

The limit that applies to Lisa's purchase of pension referable amounts is the lower figure: **€6,024.10**

Calculating limit of lump sum referable amounts:

i) First formula: $\boxed{(A \times 1.5) - E - (F \times G)}$
 $(50,000 \times 1.5) - 5,156.25 - (1,875 \times 18) = \text{€}36,093.75$

ii) Second formula: $\boxed{F \times \text{purchase multiplier}}$
 $1,875 \times 20 = \text{€}37,500$

The limit that applies to Lisa's purchase of lump sum referable amounts is the lower figure: **€36,093.75**

On this occasion, Lisa is eligible to purchase up to a maximum of €6,024.10 in pension referable amounts **and** up to a maximum of €36,093.75 in lump sum referable amounts.

3) Cost of referable amounts

Factors that determine cost	
NRA of Scheme member	68
Age next birthday	51

To calculate the cost of purchasing pension and lump sum referable amounts for Lisa, we refer to the appropriate purchase tables in the appendices to this Circular, which in Lisa's case are tables 1 & 2.

i) *Cost of purchasing pension referable amounts:*

From Table 1 we can see that the cost of purchasing €1 pension referable amount for a member with NRA 68, who is 51 at next birthday, is **€22.75**.

The cost of calculating any amount, X of pension referable amounts for Lisa is $\boxed{X \times 22.75}$

For example, if Lisa wants to purchase €1,000 of pension, that will cost: $1,000 \times 22.75 = \text{€}22,750$

The maximum value of pension referable amounts that can be purchased by Lisa is €6,024.10. This would cost $6,024.10 \times 22.75 = \text{€}137,048.27$

ii) *Cost of purchasing lump sum referable amounts:*

From Table 2 we can see that the cost of purchasing €1 lump sum referable amount for a member with NRA 68, who is 51 at next birthday, is **€0.96**.

The cost of calculating any amount, Y, of lump sum referable amounts for Lisa is $Y \times 0.96$

For example, if Lisa wants to purchase €2,000 of lump sum, that will cost: $2,000 \times 0.96 = \text{€}1,920$

The maximum value of lump sum referable amounts that can be purchased by Lisa is €36,093.75.

This would cost $36,093.75 \times 0.96 = \text{€}34,650$

EAXMPLE 2: Purchase - part time member

Rachel has been a member of the Single Scheme for 2.5 years. She wishes to purchase Single Scheme benefits.

- Date of birth: 18 October 1993
- Date of application: 1 June 2019
- Age on date of application: 25
- Normal Retirement Age [NRA]: 68 (born on or after 1 January 1961)
- Work pattern: 50%
- FTE Salary: €34,000
- Previously purchased referable amounts: None
- Date of entry to Single Scheme: 2 May 2017

1) Eligibility

There are three conditions that a member must fulfil in order to purchase benefits in the Single Scheme. Rachel satisfies all three conditions.

Eligibility Conditions for Purchase	
Is the member vested?	Yes
Does the member have the potential to complete a period of 9 FTE years as a Scheme member?	Yes
Is the member in one of the excluded categories (Section 20 or 26(1)(b) of the 2012 Act)?	No

IMPORTANT: a part-time Scheme member must have the potential to complete 9 FTE years as a Scheme member if they were to remain on their current work pattern up to their NRA

2) Limits

Figures A - G are based on the “most recent year”. As Rachel is applying in May 2019, the “most recent year” is Jan-Dec 2018.

The “most recent year” is not relevant to the purchase multiplier. The purchase multiplier captures total membership of the Single Scheme, both previous and potential.

Information Needed to Calculate Purchase Limits		
A	Scheme member’s annual pensionable remuneration, calculated on a full time basis (FTE)	€34,000
B	Annual maximum personal rate of the Contributory State Pension payable to a person who has no adult or child dependent	€12,695.39 on 31/12/18
C	Total of pension referable amounts (both accrued and previously purchased) by scheme member	€164.79
D	Pension referable amount accrued by scheme member in most recent year	€98.60

E	Total of lump sum referable amounts (both accrued and previously purchased) by scheme member	€1,065.48
F	Lump sum referable amount accrued by scheme member in most recent year	€637.50
G	Period of time from end of most recent year to the member's NRA (whole years only). This is not an FTE figure.	42 years
Purchase Multiplier	Figure in column 2 of table, opposite total number of whole FTE years as Scheme member to member's NRA, including in the past	20

Calculating limit of pension referable amounts:

iii) First formula: $\frac{A}{2} - B - C - (D \times G)$
 $34,000/2 - 12,695.39 - 164.79 - (98.60 \times 42) = -€1.38$

iv) Second formula: $D \times \text{purchase multiplier}$
 $98.60 \times 20 = €1,972$

The limit that applies to Rachel's purchase of pension referable amounts is the lower figure: - **€1.38** [i.e. €0]

Calculating limit of lump sum referable amounts:

iii) First formula: $(A \times 1.5) - E - (F \times G)$
 $(34,000 \times 1.5) - 1,065.48 - (637.50 \times 42) = €23,159.52$

iv) Second formula: $F \times \text{purchase multiplier}$
 $637.50 \times 20 = €12,750$

The limit that applies to Rachel's purchase of lump sum referable amounts is the lower figure: **€12,750**

On this occasion, Rachel is eligible to purchase up to a maximum of €0 in pension referable amounts **and** up to a maximum of €12,750 in lump sum referable amounts.

3) Cost of referable amounts

Factors that determine cost	
NRA of Scheme member	68
Age next birthday	26

To calculate the cost of purchasing pension and lump sum referable amounts for Rachel, we refer to the appropriate purchase tables in the appendices to this Circular, which in Rachel's case are tables 1 & 2.

iii) *Cost of purchasing pension referable amounts:*

The maximum value of pension referable amounts that can be purchased by Rachel at this point in time is €0.

iv) *Cost of purchasing lump sum referable amounts:*

From Table 2 we can see that the cost of purchasing €1 lump sum referable amount for a member with NRA 68, who is 26 at next birthday, is **€0.90**.

The cost of calculating any amount, Y, of lump sum referable amounts for Rachel is $Y \times 0.90$

For example, if Rachel wants to purchase €2,000 of lump sum, that will cost: $2,000 \times 0.90 = \text{€}1,800$

The maximum value of lump sum referable amounts that can be purchased by Rachel is €12,750.

This would cost $12,750 \times 0.90 = \text{€}11,475$

EXAMPLE 3: Transfer - full time member

John has benefits in a PRSA that conforms with the conditions set out in Para 5 of the Circular. These benefits have a transfer value of €15,000. He wants to transfer this value into the Single Scheme.

- Date of birth: 1 January 1956
- Date of application: 5 January 2018
- Age on date of application: 62
- Normal Retirement Age [NRA]: 67 (born between 1 January 1955 and 31 December 1960)
- Work pattern: 100%
- FTE Salary: €30,000
- Previously purchased referable amounts: None
- Date of entry to Single Scheme: 1 December 2016

1) Eligibility

John is not vested, but he is eligible to transfer benefits into the Scheme. There is no requirement for a Scheme member to be vested at the time of transfer, but they must have the potential to become vested before reaching their NRA. There is also no requirement for a Scheme member who wishes to purchase by way of transfer to have the potential to complete 9 FTE years as a Scheme member.

Eligibility Condition for Transfer	
Does the member have the potential to become vested in the Scheme?	Yes
Is the member in one of the excluded categories (Section 20 or 26(1)(b) of the 2012 Act)?	No

2) Limits

Figures A - G are based on the “most recent year”. As John is applying in January 2018, the “most recent year” is Jan-Dec 2017.

Information Needed to Calculate Transfer Limits		
A	Scheme member’s annual pensionable remuneration, calculated on a full time basis (FTE)	€30,000
B	Annual maximum personal rate of the Contributory State Pension payable to a person who has no adult or child dependent	€12,434.49 on 31/12/17
C	Total of pension referable amounts (both accrued and previously purchased) by scheme member	€188.50
D	Pension referable amount accrued by scheme member in most recent year	€174
E	Total of lump sum referable amounts (both accrued and previously purchased) by scheme member	€1,218.75
F	Lump sum referable amount accrued by scheme member in most recent year	€1,125
G	Period of time <u>from end of most recent year</u> to the member’s NRA (whole years only). This is not an FTE figure.	5 years

Calculating limit of pension referable amounts:

In the case of purchase by way of transfer of pension referable amounts, only one formula applies.

$$\boxed{A/2 - B - C - (D \times G)}$$
$$30,000 / 2 - 12,434.49 - 188.50 - (174 \times 5) = \text{€}1,507.01$$

Calculating limit of lump sum referable amounts:

In the case of purchase by way of transfer of lump sum referable amounts, only one formula applies.

$$\boxed{(A \times 1.5) - E - (F \times G)}$$
$$(30,000 \times 1.5) - 1,218.75 - (1,125 \times 5) = \text{€}38,156.25$$

On this occasion, John is eligible to use his transfer payment to purchase up to a maximum of €1,507.01 in pension referable amounts **and** up to a maximum of €38,156.25 in lump sum referable amounts.

3) Cost of referable amounts

Factors that determine cost	
NRA of Scheme member	67
Age next birthday	63

To calculate the cost of purchasing pension and lump sum referable amounts for John, we refer to the appropriate purchase tables in the appendices to this Circular, which in John's case are tables 3 & 4.

i) Cost of purchasing pension referable amounts:

From Table 3 we can see that the cost of purchasing €1 pension referable amount for a member with NRA 67, who is 63 at next birthday, is **€23.17**.

The cost of calculating any amount, X, of pension referable amounts for John is $\boxed{X \times 23.17}$

ii) Cost of purchasing lump sum referable amounts:

From Table 4 we can see that the cost of purchasing €1 lump sum referable amount for a member with NRA 67, who is 63 at next birthday, is **€0.99**.

The cost of calculating any amount, Y, of lump sum referable amounts for John is $\boxed{Y \times 0.99}$

4) Convert the transfer payment into Single Scheme referable amounts

John must transfer the whole benefit - €15,000 - from the PRSA into the Single Scheme in one transaction.

What is the value of John's €15,000 transfer payment in terms of Single Scheme referable amounts?

Pension

Transfer value/ Cost of €1 pension referable amount = **15,000/ 23.17 = €647.39***

* less than the limit of €1,507.01 calculated above for John

Lump Sum

Transfer value/ Cost of €1 lump sum referable amount = $15,000 / 0.99 = €15,151.52^*$

*Less than the limit of €38,156.25 calculated above for John

John can choose to use the transfer payment to purchase only pension referable amounts, only lump sum referable amounts, or a combination of both (e.g. use €5,000 to purchase pension and €10,000 to purchase lump sum).

EXAMPLE 4: Transfer - part time member

Jack has benefits in a Revenue approved pension scheme that conforms with the conditions set out in Para 5 of the Circular. These benefits have a transfer value of €42,000. He wants to transfer this value into the Single Scheme.

- Date of birth: 1 June 1984
- Date of application: 15 December 2019
- Age on date of application: 35
- Normal Retirement Age [NRA]: 68 (born between 1 January 1955 and 31 December 1960)
- Work pattern: 50%
- FTE Salary: €75,000
- Previously purchased referable amounts: None
- Date of entry to Single Scheme: 1 November 2014

1) Eligibility

Eligibility Condition for Transfer	
Does the member have the potential to become vested in the Scheme?	Yes
Is the member in one of the excluded categories (Section 20 or 26(1)(b) of the 2012 Act)?	No

2) Limits

Figures A - G are based on the “most recent year”. As Jack is applying in December 2019, the “most recent year” is Jan-Dec 2018.

Information Needed to Calculate Transfer Limits		
A	Scheme member's annual pensionable remuneration, calculated on a full time basis (FTE)	€75,000
B	Annual maximum personal rate of the Contributory State Pension payable to a person who has no adult or child dependent	€12,695.39 on 31/12/18
C	Total of pension referable amounts (both accrued and previously purchased) by scheme member	€1,321.30
D	Pension referable amount accrued by scheme member in most recent year	€310.45
E	Total of lump sum referable amounts (both accrued and previously purchased) by scheme member	€5,903.06
F	Lump sum referable amount accrued by scheme member in most recent year	€1,406.25
G	Period of time <u>from end of most recent year</u> to the member's NRA (whole years only). This is not an FTE figure.	33 years

Calculating limit of pension referable amounts:

In the case of purchase by way of transfer of pension referable amounts, only one formula applies.

$$\boxed{A/2 - B - C - (D \times G)}$$

$$75,000 / 2 - 12,695.39 - 1,321.30 - (310.45 \times 33) = €13,238.46$$

Calculating limit of lump sum referable amounts:

In the case of purchase by way of transfer of lump sum referable amounts, only one formula applies.

$$(A \times 1.5) - E - (F \times G)$$

$$(75,000 \times 1.5) - 5,903.06 - (1,406.25 \times 33) = \text{€}60,190.69$$

On this occasion, Jack is eligible to use her transfer payment to purchase up to a maximum of €13,238.46 in pension referable amounts **and** up to a maximum of €60,190.69 in lump sum referable amounts.

3) Cost of referable amounts

Factors that determine cost	
NRA of Scheme member	68
Age next birthday	36

To calculate the cost of purchasing pension and lump sum referable amounts for Jack, we refer to the appropriate purchase tables in the appendices to this Circular, which in Jack's case are tables 1 & 2.

iii) *Cost of purchasing pension referable amounts:*

From Table 1 we can see that the cost of purchasing €1 pension referable amount for a member with NRA 68, who is 36 at next birthday, is **€23.26**.

The cost of calculating any amount, X, of pension referable amounts for Jack is $X \times 23.26$

The maximum value of pension referable amounts that can be purchased by Jack is **€13,238.46**. This would cost $13,238.46 \times 23.26 = \text{€}307,926.58$

iv) *Cost of purchasing lump sum referable amounts:*

From Table 2 we can see that the cost of purchasing €1 lump sum referable amount for a member with NRA 68, who is 36 at next birthday, is **€0.92**.

The cost of calculating any amount, Y, of lump sum referable amounts for Jack is $Y \times 0.92$

The maximum value of lump sum referable amounts that can be purchased by Jack is **€60,190.69**. This would cost $60,190.69 \times 0.92 = \text{€}55,375.43$

4) Convert the transfer payment into Single Scheme referable amounts

Jack must transfer the whole benefit - €42,000 - from the Revenue approved occupational pension scheme into the Single Scheme in one transaction.

What is the value of Jack's transfer payment in terms of Single Scheme referable amounts?

Pension

Transfer value/ Cost of €1 pension referable amount = $42,000 / 23.26 = 1,805.67^*$

* less than the limit of €13,238.46 calculated above for Jack

Lump Sum

Transfer value/ Cost of €1 lump sum referable amount = $42,000 / 0.92 = €45,652.17^*$

*less than the limit of €60,190.69 calculated above for Jack

Jack can choose to use his €42,000 transfer value to purchase pension referable amounts only, lump sum referable amounts only, or a combination of both.