



Circular 0128/2006

**To Chief Executive Officers of:-
The Further Education and Training Awards Council
The Higher Education and Training Awards Council
The National Qualifications Authority of Ireland
The National Educational Welfare Board
The Teaching Council**

Purchase of notional service for superannuation purposes – Revision of Scheme

1. Introduction.

- 1.1 Following discussions with the Staff Side of General Council, the Minister for Finance has announced a number of revisions to the scheme for the purchase of notional service by established civil servants and by non-established state employees, including an increase in the contribution rates for the purchase of notional service by periodic deductions from salary.
- 1.2 The notional purchase contribution rates are common across the public service. Analysis of the current contribution rates has shown that the Notional Service Purchase Schemes are not self-financing and that they impose a cost on the employer (i.e. the Exchequer).
- 1.3 The current contribution rates which apply in the Civil Service – and which are applicable in the case of public service bodies generally – have been specified in Circulars issued by the Department of Finance. These are:-
 - (a) Circular 1/90: *Revised Scheme for Purchase of Notional Service*,
 - (b) Letter to Personnel Officers dated 31 July 1997: *Revised contribution rates for Purchase of Notional Service by persons appointed to established civil service positions on or after 6 April 1995 covered by Class A insurance*, and
 - (c) Letter to Personnel Officers dated 30 December 1988: *Purchase of notional service for superannuation purposes by non-established State employees*.

Paragraph 7.1 of Circular 1/90 states:

“The rates of contribution and the actuarial reduction factors applicable from time to time under the Scheme will be such as to ensure that the Scheme is self-financing. Where necessary, revised rates and factors will be set following discussions between the Official and Staff Sides at General Council under the Scheme of conciliation and arbitration for the civil service.”

- 1.4 Discussions on revised contribution rates have taken place with the Staff Side at the Conciliation Council for Teachers and with the Staff Side of General Council.

Following these discussions, the tables of contribution rates contained in the Revised (1990) Scheme are hereby replaced by the tables attached to this Circular with effect from the dates indicated in the following paragraphs.

Agreement has also been reached to permit purchase of service by reference to age 60, where appropriate, in addition to the existing arrangements for purchase of service to age 65. The appropriate contribution rates for purchase by reference to age 60 are also attached.

It has also been agreed to extend the availability of the lump-sum purchase option during a person's career subject to certain conditions.

It should be noted that (i) the purchase tables apply to both male and female (i.e. there is no distinction on gender basis for purchase), and (ii) the lump-sum contribution rates for staff in PRSI of Class A are levied on gross salary only (i.e. there are no Net Pay/Pay contribution rates for lump-sum purchase as heretofore). For periodic purchase options, however, contribution rates for staff in PRSI of Class A continue to be levied on both Net Pay and Pay).

- 1.5 It should be noted that purchase of notional service by reference to age 60 will not be available to "new entrants" as defined in the Public Service Superannuation (Miscellaneous Provisions) Act 2004 since the earliest pension age for such staff is 65.

Broadly-speaking, a "new entrant" to the public service is a person who commences employment in the public service on or after 1 April 2004 or who, after a break of more than 26 weeks, returns to employment in the public service on or after that date.

2. Contribution rates for purchase by lump-sum option by reference to age 65 – effective date.

The age-65 lump-sum rates attached to this Circular (which were originally contained in Circular PEN 18/05 of May 2005 (*Revised Contribution Rates for Purchase of Notional Service*) continue to apply to requests made on or after **10 May 2005** by staff who are members of the Spouses' and Children's Pension Scheme and who, whether in modified PRSI or full PRSI, pay a full contribution towards that scheme (ie a contribution at the rate of 1.5% of full pay), and who wish

- (a) to purchase notional service by way of single lump-sum contribution, or
- (b) to have Transfer Values accepted in respect of prior service with organisations which are not members of the Public Sector Transfer Network (PSTN).

As stated, the lump sum rates contained in Circular PEN 18/05 are suitable for staff who are members of the Spouses' and Children's Pension Scheme and pay a full contribution, rather than an integrated contribution, towards that Scheme. Further tables are now attached in order to provide for staff who are not members of that Scheme and in order to provide for staff who pay an integrated contribution (ie a contribution of 1.5% of net pay) towards that Scheme.

Where a person who is not a member of the Spouses' and Children's Pension Scheme has already made a lump sum payment in accordance with the Table issued

with Circular PEN 18/05, an appropriate refund should now be made by reference to the appropriate Age-65 Table herewith, ie Table 4 (which applies to staff in modified PRSI or those who are members of grades which, prior to the introduction of full PRSI for all public servants appointed from 6/4/95, would have attracted the modified rate of PRSI) or Table 10 (which applies to staff in grades which have never attracted the modified rate of PRSI).

Similarly, where a lump sum payment in accordance with the Table attached to Circular PEN 18/05 has already been made by a person who pays an integrated contribution towards the Spouses' and Children's Pension Scheme, an appropriate refund should now be made by reference to Table 10 herewith.

3. Contribution rates – Note regarding contributions to the Spouses' and Children's Pension Scheme.

Note that a full contribution towards the Spouses' and Children's Pension Scheme is payable by members of that Scheme who are in modified PRSI and also by members of that Scheme who are in full PRSI but are in grades which, prior to the introduction of full PRSI for all public servants appointed from 6/4/95, would have attracted the modified rate of PRSI. Examples of such grades are Established Civil Servants, Local Government Officers, academic staff, administrative staff.

It should also be noted that, correspondingly, the S&C Pension payable to the dependants of a person who is in full PRSI but paying a full contribution to the S&C Scheme is calculated by deducting ONCE the maximum personal rate of OACP from the deceased's final salary – paragraph 15 of Dept of Finance Circular 6/95 refers.

4. Contribution rates for purchase by periodic contributions by reference to age 65 - effective date.

The age-65 rates attached to this Circular for purchase of notional service by periodic contributions will apply in any case where contributions commence on or after **10 November 2006**. Any purchase agreement already entered into for which contributions have already commenced or commence before that date will not be affected by the revised rates in this Circular.

5. Purchase by reference to age 60.

As stated, the option of purchase to age 60 will not be available to "new entrants" as defined in the Public Service Superannuation (Miscellaneous Provisions) Act, 2004.

The option of purchase to age 60 will be available to staff, other than "new entrants", who up to now, could only purchase service by reference to age 65, provided that they will be short of 40 years service at age 60. This option is available to all such staff including those who are currently purchasing notional service, or have purchased notional service, by reference to age 65. The normal rules of the notional purchase scheme will apply, e.g. regarding the requirement to have the potential for a minimum of 9 years' service at age 60, retained benefits, cessation of periodic contributions before age 60 and the application of actuarial reduction factors where payment of superannuation benefits commences before age 60 (e.g. ill-health or cost neutral early retirement).

In the case of staff who are currently purchasing notional service, or have purchased notional service, to age 65 and who now wish to purchase by reference to age 60 and retire at that age, the amount of service which the age-65 purchase agreement(s) would provide at age 60 must be calculated using the rules applying to early cessation of contributions and/or the relevant actuarial reduction factors, as appropriate. This will result in a reduction in the amount of service purchased or being purchased under the original age-65 agreement(s). In addition to that reduction (shortfall) in service, a further shortfall of 5 years will of course arise from the decision to retire at age 60 rather than age 65. Staff may enter into an additional agreement(s) to purchase the revised shortfall either by commencing an additional periodic purchase agreement or by exercising a lump-sum option (or a combination of both) by reference to age 60.

However, due to the effects of actuarial reduction factors in such cases it should be noted that, while staff would be able to purchase sufficient service to achieve maximum lump-sum entitlement at age 60, there will be a slight shortfall in service for pension purposes. The following example illustrates the position.

Example:

*(a) a male employee who will have a shortfall of 5 years' service at age 65 (i.e. commenced at age 30 and will have 35 years' service at age 65) commenced purchasing the 5 years by **periodic contributions** (to age 65) with effect from his 40th birthday in 2000. He now wishes to consider purchasing service by reference to age 60 with the intention of retiring at that age.*

First of all, the existing age-65 periodic purchase agreement continues with the relevant contributions being deducted until his 60th birthday. As the agreement will cease at age 60 and his retirement benefits will come into payment at age 60, rather than the expected age 65, it is necessary to apply the reductions specified in the Revised (1990) Scheme to take account of (i) the unpaid periodic contributions for the period from age 60 to age 65, and (ii) the early payment of his superannuation benefits at age 60 rather than age 65.

The formula applicable under the Revised (1990) Scheme to take account of unpaid contributions under a periodic purchase agreement is:

$$\frac{A \times B}{C} \quad \text{where:}$$

*A = the number of years the employee originally opted to purchase;
B = the period over which contributions will actually be paid;
C = the period over which contributions would have been paid had the employee continued to pay the contributions in full to age 65.*

*In the example, therefore: A = 5 years;
 B = 20 years (40th to 60th birthday);
 C = 25 years (40th to 65th birthday).*

The result of the formula is $5 \times 20 / 25 = 4$ years. This is the amount of service the employee will have purchased under the age-65 purchase agreement when the periodic contributions cease on his 60th birthday.

The next step is to apply the Age-65 Actuarial Reduction Factors (see Table 13 of Appendix 1 to this Circular) to take account of the early payment of his superannuation benefits at age 60 rather than age 65. The age-60 factors are 90.7% for lump sum and 74.8% for pension. Therefore, applying these rates to the 4 purchased years gives 3.628 years' service for lump-sum purposes and 2.992 years' service for pension purposes. Accordingly, his service position at retirement at age 60 would be as follows:

- for his **lump-sum** entitlement he would have 30 years' actual service + 3.628 years' purchased service = 33.628 years.
- for **pension** purposes he would have 30 years' actual service + 2.992 years' purchased service = 32.992 years.

Therefore, the maximum amount of service he may now consider purchasing by reference to age 60 is 6.372 years (40 – 33.628) to give him the maximum 40 years' service required for maximum lump-sum benefit at age 60. His service at age 60 for pension purposes will amount to 39.364 years (32.992 + 6.372).

(b) if the above employee originally purchased the 5 years by **lump-sum option** then the relevant age-65 actuarial reduction factors only will apply to take account of the early payment of his superannuation benefits at age 60 rather than age 65. Applying the Actuarial Reduction Factors of 90.7% for lump sum and 74.8% for pension to the 5 years gives 4.535 years for lump-sum purposes and 3.74 years for pension purposes. Accordingly, his service position at retirement at age 60 would be as follows:

- for his **lump-sum** entitlement he would have 30 years' actual service + 4.535 years' purchased service = 34.535 years.
- for **pension** purposes he would have 30 years' actual service + 3.74 years' purchased service = 33.74 years.

Therefore, the maximum amount of service he may now consider purchasing by reference to age 60 is 5.465 years (40 – 34.535) to give him the maximum 40 years' service required for maximum lump-sum benefit at age 60. His service at age 60 for pension purposes will amount to 39.205 years (33.74 + 5.465).

6. Transitional arrangements for purchase to age 60

As a transitional measure, any member of staff (other than a "new entrant") serving between **27 April 2005** and the date of this Circular may, if more favourable, opt to purchase service by reference to age 60 using the rate(s) applicable to their age on a birthday occurring between those dates rather than the rate(s) applicable to their age on their next birthday.

The option must be made within 3 calendar months of the date of this Circular. The following arrangements for payment of purchase contributions will apply:

- (a) in the case of a **lump-sum** option made under these transitional provisions, the contribution due will be calculated by reference to the member's salary on the date of the option (i.e. **not** the salary on the date of the earlier birthday) and must be paid within six months of that date;

- (b) in the case of an option to purchase by **periodic contributions** payment will commence on the member's next available payday and will continue until the date on which the member attains age 60. The arrears of contributions due in relation to the period between the member's last birthday (being a date not earlier than 27 April 2005) and the date of commencement of payment of contributions must be paid within 12 months of that payday.

7. Other changes

Following discussions by the Department of Finance with the Staff Side at General Council and by the Department of Education and Science with the Staff Side at the Conciliation Council for Teachers, the following further changes in the operation of the Notional Service Purchase Scheme have been agreed:

- Purchase by contract staff (see paragraph 8)
- Purchase by worksharers/part-time staff (see paragraph 10)
- Reckoning of career breaks (see paragraph 11)
- Unpaid contributions & cancellation of purchase agreements (see paragraphs 12 and 13)
- Treatment of EU severance payments (see paragraph 14)

8. Purchase by staff on wholetime fixed-term contracts

- 8.1 The potential service of any public servant is critical to the determination of the amount of notional service which that person may purchase. (This derives from superannuation related provisions of the Taxes Consolidation Acts). A person who wishes to purchase service must have an expectation of a minimum of 9 years' actual reckonable service, (including any transferred service) to the relevant age, (i.e. age 65 in the case of "new entrants" and age 60 or 65, as opted for by the applicant for purchase of notional service, in the case of staff other than new entrants). Note that actual reckonable service is computed in wholetime years, reckoning part-time service on a pro rata basis to comparable wholetime service.

- 8.2 With effect from the date of this Circular, the following arrangements will apply for the purposes of determining the potential service of staff employed on a contract basis:

- A person on a fixed term contract which clearly states that it is non-renewable, or on a fixed purpose contract which would not be expected to extend beyond a 9 year period, may not purchase notional service (unless the person has prior reckonable service or has transferred service for superannuation purposes, which would result in potential service exceeding 9 years);
- A person on a "contract of indefinite duration" may be considered to have potential service to age 60 or 65, as appropriate;

The maximum amount of notional service which may be purchased in any of the above situations will be determined in accordance with the normal rules of the purchase scheme.

- 8.3 **Refunding notional service purchase contributions, which is particularly relevant in the case of contract staff, is dealt with in paragraph 15.** It should be noted that where a person ceases employment with less than 9 years' actual reckonable service (including transferred service), all purchase contributions must be refunded. In other cases, it may be necessary to make partial refunds of purchase contributions.

9. Frequency of lump-sum purchase options

Under current scheme rules, purchase of service by lump-sum option is only allowed (i) within the first two years of joining the pension scheme, (ii) at retirement or within two years prior to the date of retirement, or (iii) within six months of returning from a period of special leave without pay (in which case the period to be purchased may not exceed the period of special leave). Option (iii) will continue to apply but the following arrangements will **replace** options (i) and (ii).

With effect from the date of this Circular, staff may now exercise a lump-sum option at any time during their career subject to the following conditions: (a) only one such option may be made in any calendar year, and (b) the minimum amount of lump-sum contribution which may be made in this way is 10% of the member's annual rate of salary, or, if less, the contribution required to purchase the member's potential shortfall in service below the maximum reckonable service of 40 years. In the case of work-sharers or members working part-time, "annual rate of salary" is the full-time rate of pay for the job, **not** the reduced work-sharing or part-time rate of pay.

10. Purchase of service by Work-sharers/Part-time staff

- 10.1 Provision is now made for work-sharers (including job-sharers) and part-time staff to purchase their potential shortfall in service arising at the relevant age, 60 or age 65, as appropriate, on the assumption that they will continue in their established work-sharing or part-time work pattern until the relevant age. The normal rules, eg regarding potential service by the relevant age (at least 9 years of actual reckonable service) and regarding retained benefits, continue to apply. Note that in regard to the reckoning of potential service, a person working 50% of wholetime hours would have to have potential service by the relevant age of at least 18 years of such part-time service, (18 x 50% = 9).

The applicants must, at the time they exercise an option to purchase notional service, have already been worksharing or working part-time for at least **2 consecutive years** and have an established worksharing or part-time work pattern as a proportion of full-time attendance. The contribution payable will be a percentage of the **full** rate of salary applicable to an equivalent member in full-time attendance - **not** the member's reduced worksharing or part-time rate of salary.

- 10.2 Where a member who is purchasing service increases their worksharing or part-time attendance pattern, or returns to full-time attendance and, as a result, the service being purchased exceeds the amount required to bring the member's potential reckonable service, by age 60 or 65 as appropriate, to 40 years, the contribution rate(s) must be adjusted (or cancelled altogether if required) and any excess contributions (including all contributions if necessary) should be refunded through the payroll system.

11. Reckoning of a Career Break period while on the Career Break

The Revised (1990) Scheme provides for the reckoning of periods of approved leave without pay, including career breaks, through payment of notional service contributions on returning to service. These provisions continue to apply, subject to the contribution rates set out in this circular.

Provision is now also made for employees who take a career break to purchase notional service while on the career break through payment of contributions on a quarterly basis. The rate to be applied is the lump-sum purchase rate applicable to the member concerned under the purchase scheme, determined by the member's age next birthday at the time the quarterly payment due is being calculated. The normal rules, eg regarding potential service by the relevant age (at least 9 years of actual reckonable service) and regarding retained benefits, continue to apply.

Example:- Member goes on career break from 1/9/07 to 31/8/08, opts to make the career break reckonable on the basis of retirement at age 60, is age 46 since 15/2/07, is on 8th point of incremental scale from 1/9/06, salary on last day of service (31/8/07) = €60,000 per year, notional salary on 1/9/07 (incremental date) = €63,900 per year, notional salary on 1/3/08 (including 2.5% general pay increase) = €65,498 per year.

Contribution due in respect of first quarter, (1/9/07 to 30/11/07)
= 26.6% of notional salary in respect of that period
= (€63,900 x 91/365) x 26.6%
= €15,931.23 x 26.6%
= €4,337.71

Contribution due in respect of second quarter, (1/12/07 to 29/2/08)
= (26.6% of notional salary from 1/12/07 to 14/2/08) +
(25.6% of notional salary from 15/2/08 to 29/2/08)
= [(€63,900 x 76/365) x 26.6%] + [(€63,900 x 15/365) x 25.6%]
= €3,539.18 + €672.26
= €4,211.44

Contributions due in respect of the third and fourth quarters will be calculated similarly.

12. Unpaid contributions during a periodic purchase agreement

Under current scheme rules, purchase contributions cease where a member who is purchasing notional service by periodic contributions takes leave of absence without pay. Purchase contributions recommence upon return to service from the approved leave of absence (at the same rate(s) which applied before the period of leave) and, at retirement, a pro-rata reduction is applied to the amount of service the member initially contracted to purchase to take account of the unpaid contributions during the period of leave without pay. The member may then consider purchasing the reduction under a separate lump-sum purchase option if he or she so wishes, subject to the normal rules of the scheme. This is the only option currently available under the scheme to take account of unpaid periodic purchase contributions.

The schemes are hereby amended to provide two further options to take account of such unpaid contributions. The first option is to make a single lump-sum payment within six months of the date of return to duty from the period of special leave. The payment due under this option is the amount obtained by (i) applying the purchase rate(s) the member is paying under the purchase agreement(s) to the annual rate of salary applicable on the date the member returns to duty, and (ii) multiplying the result at (i) by the number of days on leave without pay divided by 365. The second option is to double-up on the periodic contributions for a period equivalent to the period of leave without pay when the member recommences payment of periodic contributions.

Note: in addition to the pro-rata reduction mentioned in the first paragraph of this section, it should be noted that the leave of absence period itself is an additional loss of service which may be purchased separately. If the member wishes to purchase this additional shortfall in service then a separate purchase agreement, either by periodic contributions or by lump sum, as appropriate, must be entered into in accordance with the rules of the purchase scheme.

13. Cancelling a periodic purchase agreement

Under current scheme rules, cessation of contributions by a member who is purchasing service by periodic contributions who wishes to cancel the agreement before the due date (i.e. before the 60th or 65th birthday, as appropriate), is only allowed with effect from the member's next birthday. This rule is hereby amended so that the agreement may be cancelled with effect from the member's next available payday, not being later than 4 weeks from the date of receipt of written notification of cancellation.

14. EU Severance (Circular 33/91)

Paragraph 23(a) of Department of Finance Circular 33/91 (*Special leave without pay to take up an appointment with an institution of the European Communities or other international organisation of which Ireland is a member*) refers.

Under current arrangements, a person returning to employment in the public service from a period of special leave without pay with an EU institution, having qualified for an EU pension or severance grant, is precluded from purchasing service in respect of the period of special leave if he opts to receive the pension or to retain the severance grant. This restriction will no longer apply. This means that, subject to the normal rules of the purchase scheme, such public servants may avail of the option to purchase a period of special leave without pay with an EU institution by lump-sum within 6 months of the date of return from that leave.

Where, within the 6 month period, a public servant uses part of the severance grant to purchase the period of EU service any remaining balance of the severance grant will not be treated as a retained benefit in connection with that specific purchase option. However, in the case of any other subsequent purchase options (periodic or lump-sum) the balance of the severance grant will be treated as a retained benefit. In any case in which a person does not exercise an option to purchase within the 6 month period, all of the severance grant will be treated as a retained benefit for subsequent purchase options.

Where a public servant entitled to an EU pension opts to retain that entitlement and wishes to purchase service, then the EU pension entitlement will be treated as a retained benefit in the normal way.

15. Refunds of purchase contributions

Specific attention should be paid in all cases, but particularly in relation to purchases of service by staff on contract, to the following points concerning refunds of purchase contributions.

The maximum amount of service which a person with potential service of 9 or more years may purchase is specified in the Revised (1990) Scheme for the purchase of Notional Service. The relevant Table is reproduced as Table 15 of Appendix 1 of this Circular.

Where a person who is purchasing notional service resigns from the public service before attaining the minimum service requirement of 9 years of actual reckonable service, all purchase contributions must be refunded. Where a person who is purchasing service resigns from the public service having attained 9 years' service but before attaining the minimum service required by the Revised (1990) Scheme in respect of the amount of notional service being purchased, or already purchased, an appropriate refund of purchase contributions must be made so that the amount of service actually purchased concurs with the relevant limit specified in Table 15 herewith. All such refunds should be processed through the payroll system in the normal way.

Note that, for the purposes of refunds of notional service contributions, the term "resigns from the public service" means that the employee leaves his or her current public service employment and does not transfer to another public service employment. Note also that, in such circumstances, it is not a matter for the employee to apply for a refund – it is a matter for the employer to make the appropriate refund at the time of resignation.

16. Actuarial reduction factors

The Table of actuarial reduction factors specified in the Revised (1990) Scheme for the Purchase of Notional Service is hereby replaced, where contribution rates are payable under the terms of this Circular, by Tables 13 and 14 of Appendix 1 of this Circular.

17. Future reviews of the contribution rates

It is intended that the purchase rates will be reviewed in the second half of 2007 and every two years thereafter.

The terms of this Circular are subject to all other rules of the Revised (1990) Notional Purchase Scheme and should be read in conjunction with the terms of that Scheme.

18. Notification to staff

The main provisions of this Circular are summarised in Appendix 2. The Circular, and the summary, should be brought to the attention of all staff who are currently in service (including staff on maternity leave, career break, term-time leave or other forms of leave).

The circular is being issued at this stage to facilitate the immediate implementation of the amendments to the Notional Service Purchase Scheme which have been agreed at General Council and the Conciliation Council for Teachers. The Department does however intend to issue a further Circular in the future which will consolidate the current provisions of the Schemes.

19. Enquiries

Enquiries regarding the provisions of this Circular from individual employees should be referred to the employee's own Personnel Section. Enquiries from Colleges of Education should be addressed to the Department at the address given below.

PENSIONS SECTION (EDUCATION SECTOR)
DEPARTMENT OF EDUCATION & SCIENCE
CORNAMADDY, ATHLONE
CO. WESTMEATH

Enquiries by phone should be made to 09064-83657 or 09064 - 83658.

This circular is also available on the Department's website, www.education.ie

John Feeney
Principal Officer
Pensions Unit

20 October 2006

APPENDIX 1 to Circular 0128/2006

Tables of Contribution Rates Tables of Actuarial Reduction factors

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Note 1: In these Tables, the term “Modified PRSI Grades” applies to staff who pay modified PRSI or who pay full PRSI but are in grades which, prior to 6/4/95, would have attracted modified PRSI. The term “Full PRSI Grades” applies to staff who pay full PRSI and are in grades which have never attracted modified PRSI. (For a fuller explanation, refer to paragraph 3 of this Circular.)

Note 2: S&C Scheme = Spouses’ & Children’s Pension Scheme

Purchase by reference to age 65 (Modified PRSI grades):

Members of S&C Scheme:	Periodic rates:	Table 1
	Lump Sum rates:	Table 2
Non-Members of S&C Scheme:	Periodic rates:	Table 3
	Lump Sum rates:	Table 4

Purchase by reference to age 60 (Modified PRSI Grades):

Members of S&C Scheme:	Periodic rates:	Table 5
	Lump Sum rates:	Table 6
Non-Members of S&C Scheme:	Periodic rates:	Table 7
	Lump Sum rates:	Table 8

Purchase by reference to age 65 (Full PRSI Grades):

Members and Non-members of S&C Scheme:	Periodic rates:	Table 9
	Lump Sum rates:	Table 10

Purchase by reference to age 60 (Full PRSI Grades):

Members and Non-members of S&C Scheme:	Periodic rates:	Table 11
	Lump Sum rates:	Table 12

Actuarial Reduction Factors

Purchase by reference to age 65	Table 13
Purchase by reference to age 60	Table 14

Limitations on Purchase

Table 15

**Table 1 – Modified PRSI Grades (See Index to Tables): Purchase to age 65
Member of the Spouses' and Children's Scheme
Periodic contribution rates (applicable from 10/11/06)**

Age next birthday	Integrated (Class A PRSI)*		Non-integrated (modified PRSI)
	% of net salary	% of gross salary	% of gross salary
26	0.68%	0.09%	0.65%
27	0.70%	0.09%	0.67%
28	0.73%	0.10%	0.70%
29	0.75%	0.10%	0.72%
30	0.77%	0.10%	0.74%
31	0.80%	0.11%	0.76%
32	0.82%	0.11%	0.79%
33	0.84%	0.11%	0.81%
34	0.87%	0.12%	0.83%
35	0.89%	0.12%	0.86%
36	0.91%	0.12%	0.88%
37	0.93%	0.13%	0.91%
38	0.96%	0.13%	0.93%
39	0.98%	0.14%	0.96%
40	1.00%	0.14%	0.99%
41	1.03%	0.14%	1.02%
42	1.05%	0.15%	1.05%
43	1.07%	0.15%	1.09%
44	1.10%	0.16%	1.13%
45	1.13%	0.17%	1.17%
46	1.16%	0.17%	1.22%
47	1.23%	0.18%	1.30%
48	1.30%	0.20%	1.38%
49	1.39%	0.21%	1.48%
50	1.49%	0.22%	1.58%
51	1.60%	0.24%	1.71%
52	1.72%	0.26%	1.85%
53	1.87%	0.29%	2.01%
54	2.05%	0.31%	2.21%
55	2.26%	0.35%	2.44%
56	2.52%	0.39%	2.73%
57	2.84%	0.44%	3.09%
58	3.25%	0.51%	3.55%
59	3.80%	0.60%	4.17%
60	4.57%	0.72%	5.03%
61	5.72%	0.91%	6.32%
62	7.64%	1.22%	8.48%
63	11.48%	1.85%	12.80%

* see Footnote 1 to Table 5.

**Table 2 – Modified PRSI Grades (See Index to Tables): Purchase to age 65
Member of the Spouses' and Children's Scheme
Lump Sum contribution rates (applicable from 10/5/05)**

Age next birthday	Integrated (Class A PRSI)	Non-integrated (modified PRSI)
	% of gross salary	% of gross salary
26	27.5%	33.6%
27	28.0%	34.3%
28	28.4%	34.8%
29	28.8%	35.4%
30	29.2%	35.9%
31	29.5%	36.3%
32	29.8%	36.7%
33	30.0%	37.0%
34	30.1%	37.3%
35	30.2%	37.6%
36	30.3%	37.8%
37	30.2%	37.9%
38	30.2%	38.0%
39	30.0%	38.0%
40	29.8%	38.0%
41	29.6%	37.9%
42	29.3%	37.7%
43	28.9%	37.6%
44	28.5%	37.3%
45	28.0%	37.0%
46	27.5%	36.7%
47	26.9%	36.3%
48	26.3%	35.9%
49	25.6%	35.4%
50	24.9%	34.9%
51	24.1%	34.3%
52	23.3%	33.7%
53	22.5%	33.1%
54	21.9%	32.5%
55	22.2%	31.8%
56	22.4%	31.1%
57	22.6%	30.4%
58	22.8%	29.7%
59	23.1%	29.1%
60	23.3%	28.5%
61	23.3%	27.9%
62	22.9%	27.3%
63	23.0%	26.8%
64	23.4%	26.3%
65	23.7%	25.8%

**Table 3 – Modified PRSI Grades (See Index to Tables): Purchase to age 65
Non-member of the Spouses' and Children's Scheme
Periodic contribution rates (applicable from 10/11/06)**

Age next birthday	Integrated (Class A PRSI)*		Non-integrated (modified PRSI)
	% of net salary	% of gross salary	% of gross salary
26	0.58%	0.09%	0.58%
27	0.60%	0.09%	0.60%
28	0.62%	0.10%	0.62%
29	0.64%	0.10%	0.64%
30	0.66%	0.10%	0.66%
31	0.69%	0.11%	0.68%
32	0.70%	0.11%	0.70%
33	0.72%	0.11%	0.72%
34	0.74%	0.12%	0.74%
35	0.76%	0.12%	0.76%
36	0.78%	0.12%	0.79%
37	0.79%	0.13%	0.81%
38	0.81%	0.13%	0.83%
39	0.84%	0.14%	0.86%
40	0.85%	0.14%	0.88%
41	0.87%	0.14%	0.91%
42	0.89%	0.15%	0.94%
43	0.91%	0.15%	0.97%
44	0.93%	0.16%	1.01%
45	0.96%	0.17%	1.05%
46	0.98%	0.17%	1.09%
47	1.04%	0.18%	1.16%
48	1.10%	0.20%	1.23%
49	1.18%	0.21%	1.32%
50	1.26%	0.22%	1.42%
51	1.35%	0.24%	1.53%
52	1.46%	0.26%	1.66%
53	1.59%	0.29%	1.81%
54	1.74%	0.31%	1.99%
55	1.93%	0.35%	2.20%
56	2.15%	0.39%	2.46%
57	2.43%	0.44%	2.79%
58	2.79%	0.51%	3.21%
59	3.26%	0.60%	3.78%
60	3.93%	0.72%	4.57%
61	4.94%	0.91%	5.76%
62	6.62%	1.22%	7.74%
63	9.97%	1.85%	11.71%

* see Footnote 1 to Table 5.

**Table 4 – Modified PRSI Grades (See Index to Tables): Purchase to age 65
Non-member of the Spouses' and Children's Scheme
Lump Sum contribution rates (applicable from 10/5/05)**

Age next birthday	Integrated (Class A PRSI)	Non-Integrated (modified PRSI)
	% of gross salary	% of gross salary
26	24.3%	30.0%
27	24.8%	30.6%
28	25.2%	31.1%
29	25.5%	31.6%
30	25.9%	32.0%
31	26.1%	32.5%
32	26.4%	32.8%
33	26.6%	33.1%
34	26.7%	33.4%
35	26.8%	33.6%
36	26.8%	33.8%
37	26.8%	33.9%
38	26.8%	34.0%
39	26.6%	34.1%
40	26.5%	34.0%
41	26.3%	34.0%
42	26.0%	33.9%
43	25.7%	33.7%
44	25.3%	33.5%
45	24.9%	33.3%
46	24.4%	33.0%
47	23.9%	32.6%
48	23.3%	32.3%
49	22.7%	31.9%
50	22.1%	31.4%
51	21.4%	30.9%
52	20.7%	30.4%
53	20.0%	29.9%
54	19.7%	29.3%
55	19.9%	28.7%
56	20.1%	28.1%
57	20.3%	27.6%
58	20.6%	27.0%
59	20.8%	26.5%
60	21.1%	25.9%
61	21.1%	25.4%
62	20.8%	25.0%
63	21.0%	24.5%
64	21.4%	24.1%
65	21.7%	23.7%

**Table 5 – Modified PRSI Grades (See Index to Tables): Purchase to age 60
Member of the Spouses' and Children's Scheme
Periodic contribution rates (applicable from 27/4/05 – see Footnote 2)**

Age next birthday	Integrated (Class A PRSI)*		Non-integrated (modified PRSI)
	% of net salary	% of gross salary	% of gross salary
21	0.78%	0.09%	0.74%
22	0.81%	0.10%	0.77%
23	0.84%	0.10%	0.79%
24	0.87%	0.11%	0.82%
25	0.90%	0.11%	0.85%
26	0.93%	0.11%	0.88%
27	0.95%	0.11%	0.90%
28	0.98%	0.12%	0.93%
29	1.01%	0.12%	0.96%
30	1.03%	0.12%	0.98%
31	1.06%	0.13%	1.01%
32	1.09%	0.13%	1.04%
33	1.11%	0.14%	1.07%
34	1.13%	0.14%	1.10%
35	1.16%	0.14%	1.13%
36	1.19%	0.15%	1.17%
37	1.22%	0.15%	1.21%
38	1.24%	0.16%	1.24%
39	1.27%	0.17%	1.29%
40	1.30%	0.17%	1.34%
41	1.33%	0.18%	1.39%
42	1.41%	0.19%	1.48%
43	1.50%	0.20%	1.57%
44	1.60%	0.21%	1.68%
45	1.71%	0.23%	1.80%
46	1.84%	0.25%	1.94%
47	1.98%	0.27%	2.10%
48	2.16%	0.29%	2.29%
49	2.36%	0.32%	2.51%
50	2.60%	0.35%	2.78%
51	2.90%	0.39%	3.11%
52	3.27%	0.45%	3.51%
53	3.74%	0.51%	4.04%
54	4.37%	0.60%	4.74%
55	5.26%	0.73%	5.71%
56	6.59%	0.92%	7.18%
57	8.80%	1.23%	9.63%
58	13.22%	1.86%	14.52%

FOOTNOTE 1: *In the case of Integrated staff, contributions are payable on both Net Salary and Gross Salary. 'Net Salary' = gross salary less twice the maximum personal rate of Old Age Contributory Pension. (This footnote also applies to Table 1 above).

FOOTNOTE 2: Under transitional provisions, set out in paragraph 6 of Circular 0128/2006, the relevant birthday may be the first birthday occurring after 26/4/05.

**Table 6 – Modified PRSI Grades (See Index to Tables): Purchase to age 60
Member of the Spouses' and Children's Scheme
Lump Sum contribution rates (applicable from 27/4/05 – see Footnote)**

Age next birthday	Integrated (Class A PRSI)	Non-integrated (modified PRSI)
	% of gross salary	% of gross salary
21	31.5%	38.8%
22	32.1%	39.5%
23	32.6%	40.2%
24	33.1%	40.8%
25	33.5%	41.4%
26	33.8%	41.9%
27	34.1%	42.4%
28	34.4%	42.8%
29	34.5%	43.1%
30	34.7%	43.4%
31	34.7%	43.6%
32	34.7%	43.8%
33	34.6%	43.9%
34	34.4%	43.9%
35	34.2%	43.8%
36	33.9%	43.7%
37	33.5%	43.6%
38	33.1%	43.4%
39	32.6%	43.1%
40	32.1%	42.7%
41	31.4%	42.3%
42	30.8%	41.9%
43	30.0%	41.4%
44	29.2%	40.8%
45	28.4%	40.2%
46	27.5%	39.5%
47	26.6%	38.8%
48	25.6%	38.1%
49	25.1%	37.3%
50	25.3%	36.5%
51	25.6%	35.7%
52	25.8%	34.9%
53	26.0%	34.1%
54	26.3%	33.3%
55	26.6%	32.6%
56	26.5%	31.9%
57	26.0%	31.2%
58	25.6%	30.5%
59	26.2%	29.9%
60	26.8%	29.2%

FOOTNOTE: Under transitional provisions, set out in paragraph 6 of Circular 0128/2006, the relevant birthday may be the first birthday occurring after 26/4/05.

Table 7- Modified PRSI Grades (See Index to Tables): Purchase to age 60
Non-member of the Spouses' and Children's Scheme
Periodic contribution rates (applicable from 27/4/05 - see Footnote 2)

Age next birthday	Integrated (Class A PRSI) *		Non-integrated (modified PRSI)
	% of net salary	% of gross salary	% of gross salary
21	0.69%	0.09%	0.68%
22	0.72%	0.10%	0.70%
23	0.74%	0.10%	0.72%
24	0.77%	0.11%	0.75%
25	0.79%	0.11%	0.77%
26	0.82%	0.11%	0.80%
27	0.84%	0.11%	0.82%
28	0.86%	0.12%	0.84%
29	0.89%	0.12%	0.87%
30	0.91%	0.12%	0.89%
31	0.93%	0.13%	0.92%
32	0.95%	0.13%	0.95%
33	0.97%	0.14%	0.97%
34	1.00%	0.14%	1.00%
35	1.02%	0.14%	1.03%
36	1.04%	0.15%	1.06%
37	1.06%	0.15%	1.10%
38	1.09%	0.16%	1.13%
39	1.11%	0.17%	1.18%
40	1.14%	0.17%	1.22%
41	1.17%	0.18%	1.27%
42	1.24%	0.19%	1.35%
43	1.31%	0.20%	1.44%
44	1.40%	0.21%	1.54%
45	1.50%	0.23%	1.65%
46	1.61%	0.25%	1.78%
47	1.74%	0.27%	1.93%
48	1.89%	0.29%	2.10%
49	2.07%	0.32%	2.30%
50	2.28%	0.35%	2.55%
51	2.55%	0.39%	2.85%
52	2.87%	0.45%	3.23%
53	3.29%	0.51%	3.71%
54	3.86%	0.60%	4.36%
55	4.64%	0.73%	5.27%
56	5.82%	0.92%	6.63%
57	7.79%	1.23%	8.90%
58	11.72%	1.86%	13.44%

FOOTNOTE 1: *In the case of Integrated staff, contributions are payable on both Net Salary and Gross Salary. 'Net Salary' = gross salary less twice the maximum personal rate of Old Age Contributory Pension. (This footnote also applies to Table 1 above).

FOOTNOTE 2: Under transitional provisions, set out in paragraph 6 of Circular 0128/2006, the relevant birthday may be the first birthday occurring after 26/4/05.

**Table 8 – Modified PRSI Grades (See Index to Tables): Purchase to age 60
Non-member of the Spouses' and Children's Scheme
Lump Sum contribution rates (applicable from 27/4/05 – see Footnote)**

Age next birthday	Integrated (Class A PRSI)	Non-Integrated (modified PRSI)
	% of gross salary	% of gross salary
21	28.5%	35.4%
22	29.0%	36.0%
23	29.5%	36.7%
24	29.9%	37.3%
25	30.3%	37.8%
26	30.7%	38.3%
27	30.9%	38.7%
28	31.1%	39.1%
29	31.3%	39.4%
30	31.4%	39.7%
31	31.4%	39.9%
32	31.4%	40.0%
33	31.3%	40.1%
34	31.2%	40.1%
35	31.0%	40.1%
36	30.7%	40.0%
37	30.4%	39.9%
38	30.0%	39.7%
39	29.5%	39.4%
40	29.0%	39.1%
41	28.5%	38.8%
42	27.9%	38.4%
43	27.2%	37.9%
44	26.5%	37.4%
45	25.7%	36.9%
46	24.9%	36.3%
47	24.0%	35.7%
48	23.1%	35.0%
49	22.9%	34.3%
50	23.1%	33.6%
51	23.4%	32.8%
52	23.6%	32.1%
53	23.8%	31.4%
54	24.1%	30.7%
55	24.4%	30.1%
56	24.3%	29.4%
57	23.9%	28.8%
58	23.6%	28.2%
59	24.2%	27.7%
60	24.8%	27.1%

NOTE: Under transitional provisions, set out in paragraph 6 of Circular 0128/2006, the relevant birthday may be the first birthday occurring after 26/4/05.

**Table 9 – Full PRSI Grades (See Index to Tables): Purchase to age 65
Members and Non-members of the Spouses' and Children's Scheme
Periodic contribution rates (applicable from 10/11/06)**

Age next birthday	Members of S&C Scheme		Non-Members of S&C Scheme	
	% of Pay	% of Net Pay *	% of Pay	% of Net Pay *
26	0.09%	0.66%	0.09%	0.58%
27	0.09%	0.69%	0.09%	0.60%
28	0.10%	0.71%	0.10%	0.62%
29	0.10%	0.73%	0.10%	0.64%
30	0.10%	0.76%	0.10%	0.66%
31	0.11%	0.78%	0.11%	0.68%
32	0.11%	0.80%	0.11%	0.70%
33	0.11%	0.82%	0.11%	0.72%
34	0.12%	0.85%	0.12%	0.74%
35	0.12%	0.87%	0.12%	0.76%
36	0.12%	0.89%	0.12%	0.78%
37	0.13%	0.91%	0.13%	0.80%
38	0.13%	0.93%	0.13%	0.82%
39	0.14%	0.95%	0.14%	0.83%
40	0.14%	0.97%	0.14%	0.85%
41	0.14%	0.99%	0.14%	0.87%
42	0.15%	1.02%	0.15%	0.89%
43	0.15%	1.04%	0.15%	0.91%
44	0.16%	1.06%	0.16%	0.93%
45	0.17%	1.09%	0.17%	0.96%
46	0.17%	1.12%	0.17%	0.98%
47	0.18%	1.18%	0.18%	1.04%
48	0.20%	1.26%	0.20%	1.10%
49	0.21%	1.34%	0.21%	1.18%
50	0.22%	1.43%	0.22%	1.26%
51	0.24%	1.54%	0.24%	1.35%
52	0.26%	1.66%	0.26%	1.46%
53	0.29%	1.80%	0.29%	1.59%
54	0.31%	1.97%	0.31%	1.74%
55	0.35%	2.18%	0.35%	1.93%
56	0.39%	2.42%	0.39%	2.15%
57	0.44%	2.73%	0.44%	2.43%
58	0.51%	3.13%	0.51%	2.79%
59	0.60%	3.66%	0.60%	3.26%
60	0.72%	4.40%	0.72%	3.93%
61	0.91%	5.51%	0.91%	4.94%
62	1.22%	7.37%	1.22%	6.62%
63	1.85%	11.07%	1.85%	9.97%

* FOOTNOTE: The periodic contribution rates for Integrated Staff on full PRSI are levied on both Net Pay and Pay. 'Net Pay' = gross pay less twice the rate of contributory old age pension payable at the maximum rate to a person with no adult dependent or qualified children.

**Table 10 – Full PRSI Grades (See Index to Tables): Purchase to age 65
Members and Non-members of the Spouses' and Children's Scheme
Lump Sum contribution rates (applicable from 10/5/05)**

Age next birthday	Members of S&C	Non-Members
	% of Pay *	% of Pay *
26	27.0%	24.3%
27	27.5%	24.8%
28	27.9%	25.2%
29	28.3%	25.5%
30	28.7%	25.9%
31	29.0%	26.1%
32	29.3%	26.4%
33	29.5%	26.6%
34	29.6%	26.7%
35	29.7%	26.8%
36	29.8%	26.8%
37	29.7%	26.8%
38	29.7%	26.8%
39	29.5%	26.6%
40	29.3%	26.5%
41	29.1%	26.3%
42	28.8%	26.0%
43	28.4%	25.7%
44	28.0%	25.3%
45	27.5%	24.9%
46	27.0%	24.4%
47	26.4%	23.9%
48	25.8%	23.3%
49	25.1%	22.7%
50	24.4%	22.1%
51	23.6%	21.4%
52	22.8%	20.7%
53	22.0%	20.0%
54	21.4%	19.7%
55	21.7%	19.9%
56	21.9%	20.1%
57	22.1%	20.3%
58	22.3%	20.6%
59	22.6%	20.8%
60	22.8%	21.1%
61	22.8%	21.1%
62	22.4%	20.8%
63	22.5%	21.0%
64	22.9%	21.4%
65	23.2%	21.7%

* FOOTNOTE: The lump-sum contribution rates for Integrated Staff on full PRSI are levied on Pay only (i.e. there are no Net Pay/Pay contribution rates as heretofore).

**Table 11 – Full PRSI Grades (See Index to Tables): Purchase to age 60
Members and Non-members of the Spouses' and Children's Scheme
Periodic contribution rates (applicable from 27/4/05 – see Footnote 2)**

Age next birthday	Members of S&C Scheme		Non-Members of S&C Scheme	
	% of Pay	% of Net Pay *	% of Pay	% of Net Pay *
21	0.09%	0.77%	0.09%	0.69%
22	0.10%	0.80%	0.10%	0.72%
23	0.10%	0.83%	0.10%	0.74%
24	0.11%	0.85%	0.11%	0.77%
25	0.11%	0.88%	0.11%	0.79%
26	0.11%	0.91%	0.11%	0.82%
27	0.11%	0.94%	0.11%	0.84%
28	0.12%	0.96%	0.12%	0.86%
29	0.12%	0.99%	0.12%	0.89%
30	0.12%	1.00%	0.12%	0.91%
31	0.13%	1.03%	0.13%	0.93%
32	0.13%	1.06%	0.13%	0.95%
33	0.14%	1.08%	0.14%	0.97%
34	0.14%	1.11%	0.14%	1.00%
35	0.14%	1.13%	0.14%	1.02%
36	0.15%	1.15%	0.15%	1.04%
37	0.15%	1.18%	0.15%	1.06%
38	0.16%	1.21%	0.16%	1.09%
39	0.17%	1.24%	0.17%	1.11%
40	0.17%	1.27%	0.17%	1.14%
41	0.18%	1.30%	0.18%	1.17%
42	0.19%	1.37%	0.19%	1.24%
43	0.20%	1.46%	0.20%	1.31%
44	0.21%	1.55%	0.21%	1.40%
45	0.23%	1.66%	0.23%	1.50%
46	0.25%	1.78%	0.25%	1.61%
47	0.27%	1.93%	0.27%	1.74%
48	0.29%	2.09%	0.29%	1.89%
49	0.32%	2.29%	0.32%	2.07%
50	0.35%	2.52%	0.35%	2.28%
51	0.39%	2.81%	0.39%	2.55%
52	0.45%	3.17%	0.45%	2.87%
53	0.51%	3.63%	0.51%	3.29%
54	0.60%	4.24%	0.60%	3.86%
55	0.73%	5.10%	0.73%	4.64%
56	0.92%	6.38%	0.92%	5.82%
57	1.23%	8.53%	1.23%	7.79%
58	1.86%	12.81%	1.86%	11.72%

* FOOTNOTE 1: The periodic contribution rates for Integrated staff on full PRSI are levied on both Net Pay and Pay. 'Net Pay' = gross pay less twice the rate of contributory old age pension payable at the maximum rate to a person with no adult dependent or qualified children.

FOOTNOTE 2: Under transitional provisions, set out in paragraph 6 of Circular 0128/2006, the relevant birthday may be the first birthday occurring after 26/4/05.

**Table 12 – Full PRSI Grades (See Index to Tables): Purchase to age 60
Members and Non-members of the Spouses' and Children's Scheme
Lump Sum contribution rates (applicable from 27/4/05 – see Footnote 2)**

Age next birthday	Members of S&C	Non-Members
	% of Pay *	% of Pay *
21	31.0%	28.5%
22	31.6%	29.0%
23	32.1%	29.5%
24	32.6%	29.9%
25	33.0%	30.3%
26	33.3%	30.7%
27	33.6%	30.9%
28	33.9%	31.1%
29	34.0%	31.3%
30	34.2%	31.4%
31	34.2%	31.4%
32	34.2%	31.4%
33	34.1%	31.3%
34	33.9%	31.2%
35	33.7%	31.0%
36	33.4%	30.7%
37	33.0%	30.4%
38	32.6%	30.0%
39	32.1%	29.5%
40	31.6%	29.0%
41	30.9%	28.5%
42	30.3%	27.9%
43	29.5%	27.2%
44	28.7%	26.5%
45	27.9%	25.7%
46	27.0%	24.9%
47	26.0%	24.0%
48	25.1%	23.1%
49	24.6%	22.9%
50	24.8%	23.1%
51	25.1%	23.4%
52	25.3%	23.6%
53	25.5%	23.8%
54	25.8%	24.1%
55	26.0%	24.4%
56	26.0%	24.3%
57	25.5%	23.9%
58	25.1%	23.6%
59	25.7%	24.2%
60	26.3%	24.8%

* FOOTNOTE 1: The lump-sum contribution rates for Integrated Staff on full PRSI are levied on Pay only (i.e. there are no Net Pay/Pay contribution rates as heretofore).

FOOTNOTE 2: Under transitional provisions, set out in paragraph 6 of Circular 0128/2006, the relevant birthday may be the first birthday occurring after 26/4/05.

Table 13
Actuarial Reduction Factors
Purchase by reference to age 65

(Applicable to service purchased through the contribution rates
specified in Circular 0128/2006)

Age last birthday	Pension	Lump Sum
30	22.9%	50.7%
31	23.6%	51.7%
32	24.4%	52.8%
33	25.2%	53.8%
34	26.0%	54.9%
35	26.9%	55.9%
36	27.8%	57.0%
37	28.7%	58.2%
38	29.7%	59.3%
39	30.8%	60.5%
40	31.8%	61.7%
41	33.0%	62.9%
42	34.2%	64.1%
43	35.5%	65.4%
44	36.8%	66.7%
45	38.2%	68.0%
46	39.7%	69.3%
47	41.3%	70.6%
48	43.0%	72.0%
49	44.8%	73.4%
50	46.7%	74.8%
51	48.7%	76.3%
52	50.8%	77.8%
53	53.1%	79.3%
54	55.6%	80.8%
55	58.2%	82.4%
56	61.1%	84.0%
57	64.1%	85.6%
58	67.4%	87.3%
59	71.0%	89.0%
60	74.8%	90.7%
61	79.0%	92.5%
62	83.6%	94.3%
63	88.5%	96.1%
64	94.0%	98.0%
65	100.0%	100.0%

Table 14
Actuarial Reduction Factors
Purchase by reference to age 60

(Applicable to service purchased through the contribution rates
specified in Circular 0128/2006)

Age last birthday	Pension	Lump Sum
30	30.6%	55.7%
31	31.6%	56.8%
32	32.6%	57.9%
33	33.6%	59.0%
34	34.7%	60.2%
35	35.9%	61.4%
36	37.1%	62.6%
37	38.4%	63.8%
38	39.7%	65.1%
39	41.1%	66.4%
40	42.5%	67.7%
41	44.1%	69.0%
42	45.7%	70.4%
43	47.4%	71.8%
44	49.2%	73.2%
45	51.1%	74.6%
46	53.1%	76.1%
47	55.2%	77.6%
48	57.4%	79.1%
49	59.8%	80.7%
50	62.4%	82.2%
51	65.1%	83.9%
52	67.9%	85.5%
53	71.0%	87.2%
54	74.3%	88.9%
55	77.8%	90.7%
56	81.6%	92.4%
57	85.7%	94.3%
58	90.1%	96.1%
59	94.8%	98.0%
60	100.0%	100.0%

Table 15
Limitations on Purchase

1. The maximum amount of service which may be purchased depends on the employee's prospective pensionable service at the relevant age, (60 or 65 as appropriate), and any retained benefits received or receivable by virtue of earlier service under another occupational pension scheme. (Retained benefits mean benefits from a previous pension scheme and include pensions, commutation payments, lump sums, gratuities and refunds of superannuation contributions.)
2. For an employee who would have at least **nine** year's of actual reckonable service (ie excluding purchased notional service and notional added service) at the relevant age and who is not entitled to retained benefits from a previous pension scheme, the maximum amount of notional service which may be purchased is as follows.

Actual Reckonable service (including transferred service and purchased actual service, but excluding purchased notional service and notional added service) which the employee would have if s/he remains in service until the relevant age.	Maximum service which can be purchased
20 years or more	Difference between 40 years and reckonable service by the relevant age, (60 or 65 as appropriate)
19 years	17 years
18 years	15 years
17 years	13 years
16 years	11 years
15 years	9 years
14 years	7 years
13 years	5 years
12 years	4 years
11 years	3 years
10 years	2 years
9 years	1 year

The limits outlined in the Table above are subject to the overriding restriction that the amount of notional service which may be purchased, together with service which is otherwise reckonable, **shall not in any case exceed 40 years**.

APPENDIX 2 to Circular 0128/2006

SUMMARY INFORMATION NOTE

This Circular, (Circular 0128/2006: *Purchase of notional service for superannuation purposes – Revision of Scheme*), amends and extends the existing purchase of notional service arrangements. This note summarises the main changes in the Circular. It is only intended as a guide and is, of course, subject to the detailed provisions of the Circular and the rules of the Purchase scheme.

Revised contribution rates

Purchase to Age 65:

Lump Sum contribution rates: The revised lump sum contribution rates which were issued with effect from **10 May 2005** did not distinguish between staff in Modified PRSI Grades and other staff nor between members and non-members of the Spouses' and Children's Pension Scheme. The rates issued at that time are appropriate for, and continue to apply to, staff in Modified PRSI Grades who are members of the Spouses' and Children's Pension Scheme. The rates in question are repeated in Table 2 of Appendix 1 of this Circular.

New Lump Sum Tables, effective from 10 May 2005, are provided herewith in the case of staff who are not members of the Spouses' and Children's Pension Scheme and in the case of staff who are not in Modified PRSI Grades.

The term "Modified PRSI Grades" is explained in the Index to Tables of Appendix 1 of this Circular (Circular 0128/2006).

Periodic contribution rates: the revised rates will apply in any case where contributions commence on or after **10 November 2006**. Any purchase agreement under which contributions have started, or start, before that date will not be affected by the revised rates in the Circular.

Purchase to Age 60:

Employees, other than "new entrants", may in future purchase service by reference to age 60 provided that they will be short of 40 years service at age 60. As a transitional measure, any employee serving between 27 April 2005 and the date of the Circular may, if more favourable, opt to purchase service using the rate(s) applicable to their age on a birthday occurring between those dates rather than the rate(s) applicable to their age on their next birthday, provided they opt to purchase within 3 months of the date of this Circular.

Purchase of service by staff on contract

With effect from the date of this Circular, persons employed on a wholetime fixed-term contract basis who have the potential for more than 9 years of actual reckonable service by age 60 or 65, as appropriate, may purchase service subject to normal scheme rules. Note that actual reckonable service is computed in wholetime years, reckoning any part-time service on a pro rata basis to comparable wholetime service.

Frequency of Lump-sum purchase options

Currently, staff may only purchase by lump sum in the first or last two years of service. With effect from the date of this Circular, staff may make one lump-sum purchase in any calendar year, subject to a minimum payment of 10% of annual full-time salary (unless a lower amount is needed to provide for 40 years of reckonable service).

Purchase of service by Worksharers/Part-time employees

Worksharers (including jobsharers) and part-time staff who have completed at least 2 years service in such work patterns (current requirement is 5 years) may purchase service on the assumption that they would continue to work in the workshare/part-time pattern to retirement age. The maximum amount of service that may be purchased is 40 years less the total amount of service the employee would have accrued, by age 60 or 65 as appropriate, if he or she continued to work to retirement on the existing worksharing/part-time pattern.

Reckoning of Career Break service while on career break

The existing Scheme provides for the reckoning of periods of approved leave without pay, including career breaks, through payment of notional service contributions on returning to service. Provision is now also made for employees who take a career break to purchase notional service while on the career break through payment of contributions on a quarterly basis. The rate to be applied is the lump-sum rate appropriate to the member's age next birthday at the time the quarterly payment due is being calculated.

Unpaid contributions during a periodic purchase agreement

A person who is purchasing service by periodic contributions and takes approved leave of absence without pay will, in future, be able to make up for the contributions not paid during the period of leave with a single lump-sum payment within six months of the date of return to duty or by doubling-up on the periodic contributions for a period equivalent to the period of leave without pay.

Cancelling a periodic purchase agreement

Cessation of contributions is currently only allowed with effect from the member's next birthday. This rule is being amended to allow cessation of contributions from the member's next available payday.

EU Severance

Persons returning to the public service from a period of special leave without pay with the EU who have received an EU pension or severance grant are currently precluded from purchasing service in respect of the period of special leave. Subject to certain conditions, this restriction is being removed.