



Circular 23/2006

05 October 2006

To: CEO's, Superannuation Officers
Schemes: The Local Government Superannuation Scheme
The Nominated Health Agencies Superannuation Scheme
The Voluntary Hospitals Superannuation Scheme
Model Superannuation Schemes of Agencies
Under the Aegis of the Department of Health and Children



**DEPARTMENT
OF HEALTH AND
CHILDREN**
AN ROINN
SLÁINTE AGUS LEANAÍ

Quality and Fairness
A Health System for You

**Purchase of Notional Service for Superannuation Purposes
by Public Health Sector Employees**

Introduction

1. I am directed by the Minister for Health and Children to refer to the following:
 - (a) Circular K148/141 I, dated 30 June 1991 (VHSS and NHASS) and Circular 8/90 (LGSS): *Revised Scheme for Purchase of Service for Superannuation Purposes*
 - (b) Circular SS 2/98 (VHSS) dated 17 April 1998, Circular SS 3/98 (NHASS) dated 20 April 1998 and Chapter 2 of Part V of the Local Government (Superannuation) (Consolidation) Scheme, 1998 (the 1998 (LGSS) Scheme)
 - (c) Circular K149/319 dated 04 May 2005 (Public Health Sector Schemes): *Revised Contribution Rates for Purchasing Notional Service.*

Revised contribution rates

2. Circulars SS 2/98 and 3/98 and Article 258(1) of the 1998 (LGSS) Scheme state:

“Where, at any time, it appears to the Minister that the contribution rates set out in the Second Schedule to this Chapter or the actuarial factors set out in the Third Schedule to this Chapter do not meet the requirement that the provisions contained in this Chapter be self-financing he or she may, with the consent of the Minister for Finance, revise such rates or factors.”.

Paragraph 7.1 of circular K148/141 I states;

“The rates of contribution and the actuarial reduction factors (set out in the appendices) [therein] applicable from time to time under the Scheme will be such as to ensure revised rates and factors will be set: staff who have commenced payment of contributions prior to such revision will not be affected”.

3. An analysis of the contribution rates contained in the Civil Service Purchase of Notional Service Scheme has shown that the rates charged under that Scheme need to be adjusted to ensure it is self-financing and revised rates and provisions have been introduced as a result. The contribution rates and terms applicable under the circulars mentioned above mirror those for the civil service. The tables of contribution rates are hereby replaced by the tables attached to this Circular with effect from the dates indicated in the following paragraphs. Members of each scheme may now purchase 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. (Please note that the facility to purchase 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 employees is 65). Furthermore, it has been agreed to extend the availability of the lump-sum purchase option during a person’s career subject to certain conditions.
4. Please note that (i) the purchase tables apply to both male and female employees¹ (i.e. there is no distinction on gender basis for purchase), and (ii) the lump-sum contribution rates for employees paying full PRSI (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 employees paying full PRSI continue to be levied on both Net Pay and Pay).

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

5. The age 65 lump-sum rates set by circular K149/319 apply to requests made on or after **04 May 2005** by individuals
 - (a) to purchase service by way of single lump-sum contribution, and
 - (b) for acceptance of Transfer Values in respect of prior service with organisations which are not members of the Public Service Transfer Network (PSTN).

¹ In this circular, the term “employee” where used covers both officer and non-officer grades. Where a provision relates to an “officer” or “non-officer” only, this will be indicated.

Revised rates for purchase by lump sum options by reference to age 65, as set by this circular, are effective from 24 July 2006.

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

6. 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 01 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.

Purchase by reference to age 60 (not applicable to “new entrants” as defined in the Public Service Superannuation (Miscellaneous Provisions) Act 2004).

7. Employees who have a minimum retirement age of 60 and a maximum retirement age of 65 who, up to now, could only purchase service by reference to age 65, may now opt to purchase service by reference to age 60 provided that they will be short of 40.0000 years' service at age 60. This option is available to all such employees including those who are currently purchasing service, or have purchased service, by reference to age 65. The normal rules of the purchase scheme will apply, e.g. regarding the requirement to have the potential for a minimum of 9.0000 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).
8. In the case of employees who are currently purchasing service, or have purchased 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. Employees 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.
9. **However, due to the effects of actuarial reduction factors in such cases it should be noted that, while employees 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 5.0000 years' service at age 65 (i.e. commenced at age 30 and will have 35.0000 years' service at age 65) commenced purchasing the 5.0000 years by **periodic contributions** (to age 65) with effect from his 40th birthday. 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 retirement at age 60. 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 articles 252(1) and (2) of the 1998 (LGSS) Scheme and Appendix 3 of K148/141 I 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 article 252(1) or paragraph 5.5 of K148/141 I to take account of unpaid contributions under a periodic purchase agreement is:

A x B

C 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* = 5.0000 years;
- B* = 20 years (40th to 60th birthday);
- C* = 25 years (40th to 65th birthday).

The result of the formula is $5.0000 \times \frac{20}{25} = 4.0000$ years. This is the amount of service the officer will have purchased under the age 65 purchase agreement when the periodic contributions cease upon retirement at age 60.

The next step (article 252(2) / paragraph 5.5) is to apply the Age 65 Actuarial Reduction Factors (see Table 13) 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 4.0000 purchased years gives 3.6280 years' service for lump-sum purposes and 2.9920 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 + 3.6280 years' purchased service = 33.6280 years.
- for **pension** purposes he would have 30 years' actual service + 2.9920 years' purchased service = 32.9920 years.

Therefore, the maximum amount of service he may now consider purchasing by reference to age 60 is 6.3720 years (40 – 33.6280) to give him the maximum 40.0000 years' service required for maximum lump-sum benefit at age 60. His service at age 60 for pension purposes will amount to 39.3640 years (32.9920 + 6.3720).

(b) If the above employee originally purchased the 5.0000 years by **lump-sum option** then article 252(2) / paragraph 5.5 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 5.0000 years gives 4.5350 years for lump-sum purposes and 3.7400 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 + 4.5350 years' purchased service = 34.5350 years.
- for **pension** purposes he would have 30 years' actual service + 3.7400 years' purchased service = 33.7400 years.

Therefore, the maximum amount of service he may now consider purchasing by reference to age 60 is 5.4650 years (40 – 34.5350) to give him the maximum 40.0000 years' service required for maximum lump-sum benefit at age 60. His service at age 60 for pension purposes will amount to 39.2050 years (33.7400 + 5.4650).

Transitional arrangements for purchase to age 60

10. As a transitional measure, any employee, whose maximum retirement age is 65 and who may retire at age 60, 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 his/her age on a birthday occurring between those dates rather than the rate(s) applicable to his/her age on 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 employee's pensionable earnings (salary / wages plus pensionable allowances) on the date of the option (i.e. **not** the pensionable earnings 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 employee's next available payday and will continue until the date on which the employee attains age 60. The arrears of contributions due in relation to the period between the employee's last birthday and the date of commencement of payment of contributions must be paid within 12 months of that payday.

Revised Rates and Tables

- 11. Revised contribution rates for purchase of notional service by employees are set out in Tables 01 to 12. Actuarial reduction factors are set out in Tables 13 and 14.

Other changes

- 12. The Department of Finance has also advised this Department of certain other changes in the operation of the Purchase Scheme:

• Change	Paragraphs
• Purchase of service by contract employees	14-16
• Frequency of lump sum purchase options	17-18
• Purchase of service by worksharers / part-time employees.....	19-21
• Reckoning of career breaks	22-23
• Unpaid contributions & cancellation of purchase agreements	24-27
• Treatment of EU severance payments	28-29

Revised lump sum contribution rates for non-officers

- 13. Any employee who has purchased service by lump sum since 04 May 2005 by reference to the rates set out in circular K149/319 should have the contribution revised by reference to the lump sum rates in the appended tables and any surplus contribution may be;
 - (i) used to purchase additional service if permitted under the normal purchase rules, or
 - (ii) refunded through the payroll.

Purchase of service by employees on contract

- 14. The potential service of any person employed by an organisation within the public health sector, in which the schemes covered by this circular are available, 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 9.0000 years' service (including any transferred service) to age of 65 i.e. pension age in the case of "new entrants".15.

With effect from the date of this Circular, the following arrangements will apply for the purposes of determining the potential service of employees 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 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 65;
- Otherwise a person may be considered to have potential service to either age 65 or, where appropriate, the potential maximum allowable service in the post subject to any potential service beyond age 65 being disregarded.

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.

16. **Refunding purchase contributions, which is particularly relevant in the case of contract employees, is dealt with in paragraph 30.** It should be noted that where a person ceases employment with less than 9 years 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.

Frequency of lump-sum purchase options

17. 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 or within two years of 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).
18. With effect from the date of this Circular, employees 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 employee's annual rate of pensionable earnings (salary / wages plus pensionable allowances), or, if less, the contribution required to purchase the employee's potential shortfall in service below the maximum reckonable service of 40.0000 years. In the case of worksharers or employees working part-time, "annual rate of pensionable earnings" is the full-time rate of remuneration for the job, **not** the reduced worksharing or part-time rate of remuneration.

Purchase of service by Worksharers/Part-time Employees

19. Circular letter S.8/94 and articles 248 (the definition of "actual reckonable service") and 249(c) of the 1998 (LGSS) Scheme and circular SS. 2/96 (VHSS and NHASS) dated 22 January 1996 refer. The effect of these provisions was to allow jobsharers to purchase their potential shortfall in service arising at age 65 on the assumption that they would continue to jobshare until retirement.
20. Under the revised arrangements introduced by Circular 23/2005 (*Public Service Pension Reform: Revised arrangements for part-time public health service employees*) pension benefits for worksharers/part-time employees are now based on notional full-time pensionable remuneration and on actual service worked expressed as a proportion of full-time attendance (the same arrangement as applied to jobsharers). Consequently, it has been decided that the provisions of circular S.8/94 and article 248 of the 1998 (LGSS) Scheme and SS 2/96 may now be applied to worksharers/part-time employees in the same manner, with the following amendments:
- (i) the following paragraph should be substituted for paragraph 3(a) of circular S.8/94 (a corresponding amendment may be deemed to have been made to article 249(c) of the 1998 (LGSS) Scheme) or paragraph 2(a) of SS 2/96:
 - “(a) that at the time they exercise an option to purchase service they 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.”.
 - (ii) the term pensionable earnings in the case of a worksharer/part-time employee means the full rate of salary / wages plus pensionable allowances applicable to an equivalent employee in full-time attendance - not the employee's reduced worksharing or part-time remuneration.
21. Where an employee who is purchasing service increases his/her 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 employee'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.

Reckoning of a Career Break period while on the Career Break

22. Circular S.9/90 issued by the Department of Environment which refers to special arrangements for the reckoning of a career break period while on the career break continue to apply. However, the purchase rates applicable thereunder no longer apply. The rate to be applied is the normal lump-sum purchase rate applicable to the employee concerned under the purchase scheme, determined by the employee's age next birthday at the time the quarterly payment due is being calculated. (This arrangement applied in the LGSS).
23. Employees currently on career break who are already reckoning service under the arrangements in circular S.9/90 are not affected by the above change in rates. Similarly, serving employees who, on or before the date of this Circular, have applied for a career break and have also applied to avail of the arrangements in circular S.9/90 will not be affected by the above change in rates.

Unpaid contributions during a periodic purchase agreement

24. Under current scheme rules purchase contributions cease where a person who is purchasing service by periodic contributions takes leave of absence without pay (e.g. term time, special leave without pay, etc.). Purchase contributions recommence upon return to service (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 employee initially contracted to purchase to take account of the unpaid contributions during the period of leave without pay. The employee 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.
25. The scheme is 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 employee is paying under the purchase agreement(s) to the annual rate of pensionable earnings applicable on the date the employee 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 employee recommences payment of periodic contributions.
26. In addition to the pro-rata reduction mentioned in paragraph 24, it should be noted that the leave of absence period itself is an additional loss of service which may be purchased separately. If the employee 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.

Cancelling a periodic purchase agreement

27. Under current scheme rules, cessation of contributions by an employee 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 employee's next birthday. This rule is hereby amended so that the agreement may be cancelled with effect from the employee's next available payday.

EU Severance (Employees)

28. Circular S.10/88 and article 79 of the 1998 (LGSS) Scheme refer. Under current arrangements, an employee returning to a local authority 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/she 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 employees 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.
29. Where, within the 6 month period, an employee 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 an employee 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 an employee 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.

Refunds of purchase contributions

30. **Specific attention should be paid in all cases, but particularly in relation to purchases of service by employees 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 Table in the First Schedule to Chapter 2 of Part V of the 1998 (LGSS) Scheme and Appendix 2 of K148/141 I. Where a person who is purchasing service leaves the employment of an organisation to which this circular applies before attaining the minimum service requirement of 9 years, all

purchase contributions must be refunded. Where a person who is purchasing service leaves the LGSS having attained 9.0000 years' service but before attaining the minimum service required by the Table 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 in the Appendix. All such refunds should be processed through the payroll system in the normal way.

Actuarial reduction factors

31. The table of actuarial reduction factors in the Third Schedule to Chapter 2 of Part V of the 1998 (LGSS) Scheme and Appendix 3 of K148/141 I are hereby replaced by Tables 13 and 14 of this Circular.

Future reviews of the contribution rates

32. The Department of Finance has indicated that it is intended that the purchase rates will be reviewed in the second half of 2007 and every two years thereafter.
33. The terms of this Circular are subject to all other rules of the purchase scheme and should be read in conjunction with the provisions of Chapter 2 of Part V of the 1998 (LGSS) Scheme and K148/141 I.


Notification to employees

34. **The summary of this Circular which is attached at Appendix I should be brought to the attention of all employees in your organisation.**

Queries

35. Any queries in connection with this circular letter should be referred to Superannuation Section of the relevant organisation in the public health service. Queries may subsequently be referred by Superannuation Officers to Pension Policy Unit, Department of Health and Children.

The summary of this Circular which is attached at Appendix I should be brought to the attention of all employees in your agency / organisation.


Fergal Somerville
Pension Policy Unit

APPENDIX I

SUMMARY INFORMATION NOTE

Department of Health and Children Circular 23 / 2006, dated 05 October 2006: *Purchase of Notional Service for Superannuation Purposes by Public Health Sector Employees* 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 schemes.

Revised contribution rates

Purchase to Age 65:

Lump Sum contribution rates: the revised lump sum contribution rates which were issued with effect from **04 May 2005** continue to apply and are supplemented by additional lump sum rates for specific categories of scheme members.

Periodic contribution rates: the revised rates will apply in any case where contributions commence on or after 01 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 who have a minimum retirement age of 60 and a maximum retirement age of 65 may in future purchase service by reference to age 60 provided that they will be short of 40.0000 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 the Circular.

Purchase of service by employees on contract

With effect from the date of this Circular, employees employed on a contract basis who have the potential for more than 9 years of service by age 65 may purchase service subject to normal scheme rules.

Frequency of Lump-sum purchase options

Currently, employees may only purchase by lump sum in the first or last two years of service. With effect from the date of this Circular, employees may make one lump-sum purchase in any calendar year, subject to a minimum payment of 10% of annual pensionable earnings (salary / wages plus pensionable allowances) (unless a lower amount is needed to provide for 40.0000 years of reckonable service).

Purchase of service by Worksharers/Part-time employees

Worksharers and part-time employees 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 40.0000 years less the total amount of service the officer 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

The special arrangements (available in the LGSS) for the reckoning of a career break period while on that career break will continue to apply. The current contribution rates will be replaced by the normal lump-sum purchase rate applicable to the officer's age next birthday. This change will not affect any purchase arrangement already in place.

Unpaid contributions during a periodic purchase agreement

A person who is purchasing service by periodic contributions and takes leave of absence without pay (e.g. term time, special leave without pay, etc.), 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 employee's next birthday. This rule is being amended to allow cessation of contributions from the employee's next available payday.

EU Severance

Employees returning to public health sector employment 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.

APPENDIX II

Index to Tables

Table	Rate for Age	Main Scheme Membership Status	Spouses' & Children's Scheme Status	Purchase Type	PRSI Status	
01	65	Model Schemes, Officers LGSS And Officers VHSS	Member	Periodic	A & D	
02				Lump-Sum		
03			Non-Member	Periodic	D	
04				Lump-Sum		
05	60		Member	Periodic	A & D	
06				Lump-Sum		
07			Non-Member	Periodic	D	
08				Lump-Sum		
09	65	NHASS, Non-Officers LGSS and Non-Officers VHSS	Member And Non-Member	Periodic	A	
10				Lump-Sum		
11	60			Periodic		
12				Lump-Sum		
13	65		Actuarial Reduction Factor	N/A	Pension and Lump-Sum	N/A
14	60					

Purchase of Notional Service Guideline

1. Requirements

- a. Provide complete public sector service history via Superannuation Section.
- b. Confirm retained benefits, if any, from previous public or private sector employments.
- c. Less than 40.0000 years' service at retirement date.
- d. Potential of 9.0000 years' service to retirement age.
- e. Member of scheme permitting preservation of superannuation benefits.

2. Determine Purchase Rates

- a. Select retirement age; Age 60 (non-new entrants only) or Age 65
- b. Identify main scheme status; (Model Scheme, NHASS, Officer, Non-Officer)
- c. Spouses' and Children's Scheme; Member or Non-Member.
- d. Purchase Type; Periodic or Lump-Sum.
- e. PRSI Status; A or D.
- f. Age next birthday;

Read across relevant table to determine rate at which to purchase (single year of) notional service.

3. Payment

- a. Payment by periodic contribution or lump-sum; **Rate multiplied by total number of years' to be purchased.**

Model Schemes, Officers LGSS & Officers VHSS Rates to age 65

Notional Service - Public Health Sector Superannuation Schemes

Table 01: Periodic contribution rates for Pensionable Employees for purchase by reference to age 65 – Members of the Spouses' and Children's Scheme.

Table 02: Lump-Sum contribution rates for Pensionable Employees for purchase by reference to age 65 – Members of the Spouses' and Children's Scheme.

Table 03: Periodic contribution rates for Pensionable Employees (paying Class D PRSI) for purchase by reference to age 65 – Non- Members of the Spouses' and Children's Scheme.

Table 04: Lump-Sum contribution rates for Pensionable Employees (paying Class D PRSI) for purchase by reference to age 65 – Non-Members of the Spouses' and Children's Scheme.

Table	1*			2		3	4
Cont's	Periodic			Lump-Sum		Periodic	Lump-Sum
S&C	Member			Non-Member			
PRSI	A	A	D	A	D	D	D
Age next birthday	% of Net Pensionable Earnings	% of Gross Pensionable Earnings	% of Gross Pensionable Earnings	% of Gross Pensionable Earnings	% of Gross Pensionable Earnings	% of Gross Pensionable Earnings	% of Gross Pensionable Earnings
21	Department of Health and Children Circular 23 / 2006 Notional Service Tables						
22							
23							
24							
25							
26	0.68%	0.09%	0.65%	27.50%	33.60%	0.58%	30.00%
27	0.70%	0.09%	0.67%	28.00%	34.30%	0.60%	30.60%
28	0.73%	0.10%	0.70%	28.40%	34.80%	0.62%	31.10%
29	0.75%	0.10%	0.72%	28.80%	35.40%	0.64%	31.60%
30	0.77%	0.10%	0.74%	29.20%	35.90%	0.66%	32.00%
31	0.80%	0.11%	0.76%	29.50%	36.30%	0.68%	32.50%
32	0.82%	0.11%	0.79%	29.80%	36.70%	0.70%	32.80%
33	0.84%	0.11%	0.81%	30.00%	37.00%	0.72%	33.10%
34	0.87%	0.12%	0.83%	30.10%	37.30%	0.74%	33.40%
35	0.89%	0.12%	0.86%	30.20%	37.60%	0.76%	33.60%
36	0.91%	0.12%	0.88%	30.30%	37.80%	0.79%	33.80%
37	0.93%	0.13%	0.91%	30.20%	37.90%	0.81%	33.90%
38	0.96%	0.13%	0.93%	30.20%	38.00%	0.83%	34.00%
39	0.98%	0.14%	0.96%	30.00%	38.00%	0.86%	34.10%
40	1.00%	0.14%	0.99%	29.80%	38.00%	0.88%	34.00%
41	1.03%	0.14%	1.02%	29.60%	37.90%	0.91%	34.00%
42	1.05%	0.15%	1.05%	29.30%	37.70%	0.94%	33.90%
43	1.07%	0.15%	1.09%	28.90%	37.60%	0.97%	33.70%
44	1.10%	0.16%	1.13%	28.50%	37.30%	1.01%	33.50%
45	1.13%	0.17%	1.17%	28.00%	37.00%	1.05%	33.30%
46	1.16%	0.17%	1.22%	27.50%	36.70%	1.09%	33.00%
47	1.23%	0.18%	1.30%	26.90%	36.30%	1.16%	32.60%
48	1.30%	0.20%	1.38%	26.30%	35.90%	1.23%	32.30%
49	1.39%	0.21%	1.48%	25.60%	35.40%	1.32%	31.90%
50	1.49%	0.22%	1.58%	24.90%	34.90%	1.42%	31.40%
51	1.60%	0.24%	1.71%	24.10%	34.30%	1.53%	30.90%
52	1.72%	0.26%	1.85%	23.30%	33.70%	1.66%	30.40%
53	1.87%	0.29%	2.01%	22.50%	33.10%	1.81%	29.90%
54	2.05%	0.31%	2.21%	21.90%	32.50%	1.99%	29.30%
55	2.26%	0.33%	2.44%	22.20%	31.80%	2.20%	28.70%
56	2.52%	0.39%	2.73%	22.40%	31.10%	2.46%	28.10%
57	2.84%	0.44%	3.09%	22.60%	30.40%	2.79%	27.60%
58	3.25%	0.51%	3.55%	22.80%	29.70%	3.21%	27.00%
59	3.80%	0.60%	4.17%	23.10%	29.10%	3.78%	26.50%
60	4.57%	0.72%	5.03%	23.30%	28.50%	4.57%	25.90%
61	5.72%	0.91%	6.32%	23.50%	27.90%	5.76%	25.40%
62	7.64%	1.22%	8.48%	22.90%	27.30%	7.74%	25.00%
63	11.48%	1.85%	12.80%	23.00%	26.80%	11.71%	24.50%
64				23.40%	26.30%		24.10%
65				23.70%	25.80%		23.70%

* Table 01 - In the case of pensionable employees paying Class A PRSI contributions are payable on both Gross and Net Pensionable Earnings. Net Pensionable Earnings = Gross Pensionable Earnings LESS twice the rate of Contributory Old Age Pension payable at the maximum rate to a person with no adult dependent or qualified children.

Model Schemes, Officers LGSS & Officers VHSS Rates to age 60

Notional Service - Public Health Sector Superannuation Schemes

Table 05: Periodic contribution rates for Pensionable Employees for purchase by reference to age 60 – Members of the Spouses' and Children's Scheme.

Table 06: Lump-Sum contribution rates for Pensionable Employees for purchase by reference to age 60 – Members of the Spouses' and Children's Scheme.

Table 07: Periodic contribution rates for Pensionable Employees (paying Class D PRSI) for purchase by reference to age 60 – Non- Members of the Spouses' and Children's Scheme.

Table 08: Lump-Sum contribution rates for Pensionable Employees (paying Class D PRSI) for purchase by reference to age 60 – Non-Members of the Spouses' and Children's Scheme.

Table	5			6		7	8	
Cont's	Periodic			Lump-Sum		Periodic	Lump-Sum	
S&C	Member						Non-Member	
PRSI	A	A	D	A	D	D	D	
Age next birthday	% of Net Pensionable Earnings	% of Gross Pensionable Earnings	% of Gross Pensionable Earnings	% of Gross Pensionable Earnings	% of Gross Pensionable Earnings	% of Gross Pensionable Earnings	% of Gross Pensionable Earnings	
21	0.78%	0.09%	0.74%	31.50%	38.80%	0.68%	35.40%	
22	0.81%	0.10%	0.77%	32.10%	39.50%	0.70%	36.00%	
23	0.84%	0.10%	0.79%	32.60%	40.20%	0.72%	36.70%	
24	0.87%	0.11%	0.82%	33.10%	40.80%	0.75%	37.30%	
25	0.90%	0.11%	0.85%	33.50%	41.40%	0.77%	37.80%	
26	0.93%	0.11%	0.88%	33.80%	41.90%	0.80%	38.30%	
27	0.95%	0.11%	0.90%	34.10%	42.40%	0.82%	38.70%	
28	0.98%	0.12%	0.93%	34.40%	42.80%	0.84%	39.10%	
29	1.01%	0.12%	0.96%	34.50%	43.10%	0.87%	39.40%	
30	1.03%	0.12%	0.98%	34.70%	43.40%	0.89%	39.70%	
31	1.06%	0.13%	1.01%	34.70%	43.60%	0.92%	39.90%	
32	1.09%	0.13%	1.04%	34.70%	43.80%	0.95%	40.00%	
33	1.11%	0.14%	1.07%	34.60%	43.90%	0.97%	40.10%	
34	1.13%	0.14%	1.10%	34.40%	43.90%	1.00%	40.10%	
35	1.16%	0.14%	1.13%	34.20%	43.80%	1.03%	40.10%	
36	1.19%	0.15%	1.17%	33.90%	43.70%	1.06%	40.00%	
37	1.22%	0.15%	1.21%	33.50%	43.60%	1.10%	39.90%	
38	1.24%	0.16%	1.24%	33.10%	43.40%	1.13%	39.70%	
39	1.27%	0.17%	1.29%	32.60%	43.10%	1.18%	39.40%	
40	1.30%	0.17%	1.34%	32.10%	42.70%	1.22%	39.10%	
41	1.33%	0.18%	1.39%	31.40%	42.30%	1.27%	38.80%	
42	1.41%	0.19%	1.48%	30.80%	41.90%	1.35%	38.40%	
43	1.50%	0.20%	1.57%	30.00%	41.40%	1.44%	37.90%	
44	1.60%	0.21%	1.68%	29.20%	40.80%	1.54%	37.40%	
45	1.71%	0.23%	1.80%	28.40%	40.20%	1.65%	36.90%	
46	1.84%	0.25%	1.94%	27.50%	39.50%	1.78%	36.30%	
47	1.98%	0.27%	2.10%	26.60%	38.80%	1.93%	35.70%	
48	2.16%	0.29%	2.29%	25.60%	38.10%	2.10%	35.00%	
49	2.36%	0.32%	2.51%	25.10%	37.30%	2.30%	34.30%	
50	2.60%	0.35%	2.78%	25.30%	36.50%	2.55%	33.60%	
51	2.90%	0.39%	3.11%	25.60%	35.70%	2.85%	32.90%	
52	3.27%	0.45%	3.51%	25.80%	34.90%	3.23%	32.10%	
53	3.74%	0.51%	4.04%	26.00%	34.10%	3.71%	31.40%	
54	4.37%	0.60%	4.74%	26.30%	33.30%	4.36%	30.70%	
55	5.26%	0.73%	5.71%	26.60%	32.60%	5.27%	30.10%	
56	6.59%	0.92%	7.18%	26.50%	31.90%	6.63%	29.40%	
57	8.60%	1.23%	9.63%	26.00%	31.20%	8.90%	28.80%	
58	13.22%	1.86%	14.52%	25.60%	30.50%	13.44%	28.20%	
59				26.20%	29.90%		27.70%	
60				26.80%	29.20%		27.10%	
61								
62								
63								
64								
65								

Department of Health and Children
Circular 23 / 2006 Notional Service Tables

NHASS & Non-Officers (LGSS & VHSS)

Rates to age 65

Notional Service - Public Health Sector Superannuation Schemes

Table 09: Periodic contribution rates for Pensionable Employees (paying Class A PRSI) (retirement age of 65) - Members and Non-Members of the Spouses' and Children's Scheme.

Table 10: Lump-Sum contribution rates for Pensionable Employees (paying Class D PRSI) (retirement age of 65) - Members and Non-Members of the Spouses' and Children's Scheme.

Department of Health and Children
Circular 23 / 2006 Notional Service Tables

Table Cont's S&C PRSI	9 **				10 ***	
	Periodic				Lump-Sum	
	Member		Non-Member		Member	Non-Member
Age next birthday	A	A	A	A	A	A
	% of Net Pensionable Earnings	% of Gross Pensionable Earnings	% of Net Pensionable Earnings	% of Gross Pensionable Earnings	% of Gross Pensionable Earnings	% of Gross Pensionable Earnings
21						
22						
23						
24						
25						
26	0.66%	0.09%	0.58%	0.09%	27.00%	24.30%
27	0.69%	0.09%	0.60%	0.09%	27.50%	24.80%
28	0.71%	0.10%	0.62%	0.10%	27.90%	25.20%
29	0.73%	0.10%	0.64%	0.10%	28.30%	25.50%
30	0.76%	0.10%	0.66%	0.10%	28.70%	25.90%
31	0.78%	0.11%	0.68%	0.11%	29.00%	26.10%
32	0.80%	0.11%	0.70%	0.11%	29.30%	26.40%
33	0.82%	0.11%	0.72%	0.11%	29.50%	26.60%
34	0.85%	0.12%	0.74%	0.12%	29.60%	26.70%
35	0.87%	0.12%	0.76%	0.12%	29.70%	26.80%
36	0.89%	0.12%	0.78%	0.12%	29.80%	26.80%
37	0.91%	0.13%	0.80%	0.13%	29.70%	26.80%
38	0.93%	0.13%	0.82%	0.13%	29.70%	26.80%
39	0.95%	0.14%	0.83%	0.14%	29.50%	26.60%
40	0.97%	0.14%	0.85%	0.14%	29.30%	26.50%
41	0.99%	0.14%	0.87%	0.14%	29.10%	26.30%
42	1.02%	0.15%	0.89%	0.15%	28.80%	26.00%
43	1.04%	0.15%	0.91%	0.15%	28.40%	25.70%
44	1.06%	0.16%	0.93%	0.16%	28.00%	25.30%
45	1.09%	0.17%	0.96%	0.17%	27.50%	24.90%
46	1.12%	0.17%	0.98%	0.17%	27.00%	24.40%
47	1.18%	0.18%	1.04%	0.18%	26.40%	23.90%
48	1.26%	0.20%	1.10%	0.20%	25.80%	23.30%
49	1.34%	0.21%	1.18%	0.21%	25.10%	22.70%
50	1.43%	0.22%	1.26%	0.22%	24.40%	22.10%
51	1.54%	0.24%	1.35%	0.24%	23.60%	21.40%
52	1.66%	0.26%	1.46%	0.26%	22.80%	20.70%
53	1.80%	0.29%	1.59%	0.29%	22.00%	20.00%
54	1.97%	0.31%	1.74%	0.31%	21.40%	19.70%
55	2.18%	0.35%	1.93%	0.35%	21.70%	19.90%
56	2.42%	0.39%	2.15%	0.39%	21.90%	20.10%
57	2.73%	0.44%	2.43%	0.44%	22.10%	20.30%
58	3.13%	0.51%	2.79%	0.51%	22.30%	20.60%
59	3.66%	0.60%	3.26%	0.60%	22.60%	20.80%
60	4.40%	0.72%	3.93%	0.72%	22.80%	21.10%
61	5.51%	0.91%	4.94%	0.91%	22.80%	21.10%
62	7.37%	1.22%	6.62%	1.22%	22.40%	20.80%
63	11.07%	1.85%	9.97%	1.85%	22.50%	21.00%
64					22.90%	21.40%
65					23.20%	21.70%

** Table 9 - The periodic contribution rates for pensionable employees (paying Class A PRSI) are levied on both Gross and Net Pensionable Earnings. Net Pensionable Earnings = Gross Pensionable Earnings 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 - The Lump-Sum contribution rates for pensionable employees (paying Class D PRSI) are levied on gross pensionable earnings (i.e. there are no net pensionable earnings contribution rates).

NHASS & Non-Officers (LGSS & VHSS) Rates to age 60

Notional Service - Public Health Sector Superannuation Schemes

Table 11: Periodic contribution rates for Pensionable Employees (paying Class A PRSI) (retirement age of 60) - Members and Non-Members of the Spouses' and Children's Scheme.

Table 12: Lump-Sum contribution rates for Pensionable Employees (paying Class D PRSI) (retirement age of 60) - Members and Non-Members of the Spouses' and Children's Scheme.

Department of Health and Children
Circular 23 / 2006 Notional Service Tables

Table	11 **				12 ***	
Cont's	Periodic				Lump-Sum	
S&C	Member		Non-Member		Member	Non-Member
PRSI	A	A	A	A	A	A
Age next birthday	% of Net Pensionable Earnings	% of Gross Pensionable Earnings	% of Net Pensionable Earnings	% of Gross Pensionable Earnings	% of Gross Pensionable Earnings	% of Gross Pensionable Earnings
21	0.77%	0.09%	0.69%	0.09%	31.00%	26.50%
22	0.80%	0.10%	0.72%	0.10%	31.60%	29.00%
23	0.83%	0.10%	0.74%	0.10%	32.10%	29.50%
24	0.85%	0.11%	0.77%	0.11%	32.60%	29.90%
25	0.88%	0.11%	0.79%	0.11%	33.00%	30.30%
26	0.91%	0.11%	0.82%	0.11%	33.30%	30.70%
27	0.94%	0.11%	0.84%	0.11%	33.60%	30.90%
28	0.96%	0.12%	0.86%	0.12%	33.90%	31.10%
29	0.99%	0.12%	0.89%	0.12%	34.00%	31.30%
30	1.00%	0.12%	0.91%	0.12%	34.20%	31.40%
31	1.03%	0.13%	0.93%	0.13%	34.20%	31.40%
32	1.06%	0.13%	0.95%	0.13%	34.20%	31.40%
33	1.08%	0.14%	0.97%	0.14%	34.10%	31.30%
34	1.11%	0.14%	1.00%	0.14%	33.90%	31.20%
35	1.13%	0.14%	1.02%	0.14%	33.70%	31.00%
36	1.15%	0.15%	1.04%	0.15%	33.40%	30.70%
37	1.18%	0.15%	1.06%	0.15%	33.00%	30.40%
38	1.21%	0.16%	1.09%	0.16%	32.60%	30.00%
39	1.24%	0.17%	1.11%	0.17%	32.10%	29.50%
40	1.27%	0.17%	1.14%	0.17%	31.60%	29.00%
41	1.30%	0.18%	1.17%	0.18%	30.90%	28.50%
42	1.37%	0.19%	1.24%	0.19%	30.30%	27.90%
43	1.46%	0.20%	1.31%	0.20%	29.50%	27.20%
44	1.55%	0.21%	1.40%	0.21%	28.70%	26.50%
45	1.66%	0.23%	1.50%	0.23%	27.90%	25.70%
46	1.78%	0.25%	1.61%	0.25%	27.00%	24.90%
47	1.93%	0.27%	1.74%	0.27%	26.00%	24.00%
48	2.09%	0.29%	1.89%	0.29%	25.10%	23.10%
49	2.29%	0.32%	2.07%	0.32%	24.60%	22.90%
50	2.52%	0.35%	2.28%	0.35%	24.80%	23.10%
51	2.81%	0.39%	2.55%	0.39%	25.10%	23.40%
52	3.17%	0.45%	2.87%	0.45%	25.30%	23.60%
53	3.63%	0.51%	3.20%	0.51%	25.50%	23.80%
54	4.24%	0.60%	3.86%	0.60%	25.80%	24.10%
55	5.10%	0.73%	4.64%	0.73%	26.00%	24.40%
56	6.39%	0.92%	5.82%	0.92%	26.00%	24.30%
57	8.53%	1.23%	7.79%	1.23%	25.50%	23.90%
58	12.81%	1.86%	11.72%	1.86%	25.10%	23.60%
59					25.70%	24.20%
60					26.30%	24.80%
61						
62						
63						
64						
65						

** Table 11 - The periodic contribution rates for pensionable employees (paying Class A PRSI) are levied on both Gross and Net Pensionable Earnings. Net Pensionable Earnings = Gross Pensionable Earnings 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 12 - The Lump-Sum contribution rates for pensionable employees (paying Class D PRSI) are levied on gross pensionable earnings (i.e. there are no net pensionable earnings contribution rates).

Actuarial Reduction Factors

Notional Service - Public Health Sector Superannuation Schemes

Table 13: Actuarial Reduction Factors for purchase by reference to age 65

Table 14: Actuarial Reduction Factors for purchase by reference to age 60

Department of Health and Children
Circular 23 / 2006 Notional Service Tables

Table	13		14	
	Pension	Lump-Sum	Pension	Lump-Sum
S&C	N/A	N/A	N/A	N/A
PRSI	N/A	N/A	N/A	N/A
Age last birthday	Actuarial Reduction Factor; Reference to Age 65		Actuarial Reduction Factor; Reference to Age 60	
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31	23.60%	51.70%	31.60%	56.80%
32	24.40%	52.80%	32.60%	57.90%
33	25.20%	53.80%	33.60%	59.00%
34	26.00%	54.90%	34.70%	60.20%
35	26.90%	55.90%	35.90%	61.40%
36	27.80%	57.00%	37.10%	62.60%
37	28.70%	58.20%	38.40%	63.80%
38	29.70%	59.30%	39.70%	65.10%
39	30.80%	60.50%	41.10%	66.40%
40	31.80%	61.70%	42.50%	67.70%
41	33.00%	62.90%	44.10%	69.00%
42	34.20%	64.10%	45.70%	70.40%
43	35.50%	65.40%	47.40%	71.80%
44	36.80%	66.70%	49.20%	73.20%
45	38.20%	68.00%	51.10%	74.60%
46	39.70%	69.30%	53.10%	76.10%
47	41.30%	70.60%	55.20%	77.60%
48	43.00%	72.00%	57.40%	79.10%
49	44.80%	73.40%	59.80%	80.70%
50	46.70%	74.80%	62.40%	82.20%
51	48.70%	76.30%	65.10%	83.90%
52	50.80%	77.80%	67.90%	85.50%
53	53.10%	79.30%	71.00%	87.20%
54	55.60%	80.80%	74.30%	88.90%
55	58.20%	82.40%	77.80%	90.70%
56	61.10%	84.00%	81.60%	92.40%
57	64.10%	85.60%	85.70%	94.30%
58	67.40%	87.30%	90.10%	96.10%
59	71.00%	89.00%	94.80%	98.00%
60	74.80%	90.70%	100.00%	100.00%
61	79.00%	92.50%		
62	83.60%	94.30%		
63	88.50%	96.10%		
64	94.00%	98.00%		
65	100.00%	100.00%		