

## Conditions for the Purchase of Notional Service

- Purchase of notional service can be made to either age 60 or 65 years via either periodic payments and or via lump sum payment. For New Entrants (i.e. members with a date of joining the public sector post 01/04/2004) the purchase of service can only be made to age 65 years.
- Members must have a potential of 9 years pensionable service with UL in order to participate in this Scheme.
- Income tax relief is available on notional contributions at a member's marginal rate of income tax (20% or 40%), subject to an age-related earnings percentage limit. A table outlining your maximum tax relief available has been included below.
- Purchase rates used to calculate the original cost to purchase service are based on a member's age next birthday therefore the quoted cost of purchase will increase in line with a member's age.

### **Maximum Purchase**

- The maximum service available for purchase will depend on a member's total reckonable service at the time of purchase, plus any retained benefits. Please consult the Pensions Office for confirmation of your maximum purchase scope.
- Any retained benefits i.e. pension benefits external to your UL pension may affect your purchase scope under the UL Pension Scheme, as such if you wish to proceed with the purchase of notional service please forward details of any retained benefits to the Pensions Office.
- In any instance, a member's actual and notional service purchased may not exceed 40 years.

### **Periodic Payment**

- If purchasing service via periodic payment, payments will commence from a member's next birthday.
- Purchase payments are applied as a fixed percentage of a member's salary, and will increase or decrease in line with any changes in salary for the duration of the purchase contract.
- Contributions are payable on the member's full time equivalent rate of salary, including for periods where members are paid less than their full-time salary, for example in the case of part-time members of staff. Contributions are not payable for unpaid periods of leave nor will service credit be given for these periods, however you will have the option to repay contributions for these periods on your return to service.
- Member's may choose to cease periodic payments at any time, cessation of payment before the relevant reference age of 60 or 65 years with result in the proportionate actuarial reduction of years purchased to the date of cessation.
- Tax relief will be applied at source in the case of periodic payment.
- Where a member is awarded Professional Added Years at retirement and have previously purchased notional service they may be entitled to a refund of any excess notional purchase contributions that exceed the service cap of 40 years. Added Years are only granted at the discretion of the Minister for Education & Skills and the Minister for Finance at the time of retirement and are not guaranteed.

### **Lump Sum Payment**

- Members who wish to purchase less than one year of service may only do so via lump sum.
- If purchasing service via lump sum payment, only one such payment can be made in any calendar year at a minimum rate of 10% of member's salary, or if less, the contribution required to purchase a member's maximum potential service purchase.
- Members will be provided with a tax certificate for submission to Revenue in respect of lump sum payments. Tax relief is not available for lump sum payments arising from a transfer in from a previous pension arrangement.

### **AVCs**

- Additional Voluntary Contributions (AVCs) may be considered as an alternative option to the purchase of notional service. Please refer to the following link for information on the UL AVC Scheme:  
<https://www.ul.ie/hr/current-staff/pensions-superannuation/additional-voluntary-contributions-avcs-notional-service>.

**Maximum Tax Relief on Pension Contributions**

<b>Age</b>	<b>Maximum Pension Contributions in Year as a percentage of earnings*</b>
Under age 30	15% of earnings
30 - 39	20% of earnings
40 - 49	25% of earnings
50 – 54	30% of earnings
55- 59	35% of earnings
60 and over	40% of earnings

\* Earnings for tax relief purposes are subject to an earnings cap of €115,000