

Ref. P18/51/05

27 June 2006

Circular 4/2006: Purchase of notional service for superannuation purposes by Established Civil Servants and by Non-Established State Employees.

A Dhuine Uasail,

Part I: Established Civil Servants

I am directed by the Minister for Finance to refer to the following:

- (a) Circular 1/90: *Revised Scheme for Purchase of Notional Service*,
- (b) Letter to Personnel Officers dated 12 February 1990: *Revised Scheme for the Purchase of Notional Service for superannuation purposes by Established Civil Servants*, and
- (c) 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.*

1. Revised contribution rates

Paragraph 7.1 of the 1990 Letter 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.”

Analysis of the contribution rates contained in the above documents has shown that rates charged under the Scheme need to be adjusted to ensure it is self-financing. In accordance with paragraph 7.1, discussions on revised contribution rates have taken place with the Staff Side at General Council. The tables of contribution rates contained in the Letters to Personnel Officers dated 12 February 1990 and 31 July 1997 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. (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 staff 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. (General Council Report No. 1469 attached at Appendix I).

Please note 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 officers on Personal Pension Contribution (PPC) scales 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 officers on PPC scales continue to be levied on both Net Pay and Pay).

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 this Department’s Letter to Personnel Officers dated 3 May 2005: *Revised Contribution Rates for Purchase of Notional Service*) apply to requests made on or after **3 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 Sector Transfer Network (PSTN).

3. 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 **24 July 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.

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

In the case of Prison Officers whose maximum retirement age is 60, the age 60 rates attached to this Circular for purchase of notional service by periodic contributions will apply in any case where contributions commence on or after **24 July 2006**. The age 60 lump sum rates which issued in this Department’s Letter of **3 May 2005** continue to apply to Prison Officers.

Officers 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 years service at age 60. This option is available to all such officers 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 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 officers 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. Officers 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 officers 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 officer 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 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 paragraphs 5.5 and 5.6 of the 1990 Letter 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 paragraph 5.5 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 officer 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 officer 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 officer will have purchased under the age 65 purchase agreement when the periodic contributions cease upon retirement at age 60.

The next step is to apply the Age 65 Actuarial Reduction Factors (see Table 11) 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 officer originally purchased the 5 years by **lump-sum option** then para.5.6 only will apply to take account 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).

5. Transitional arrangements for purchase to age 60

As a transitional measure, any officer, 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 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 transition provisions the contribution due will be calculated by reference to the officer'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 officer's next available payday and will continue until the date on which the officer attains age 60. The arrears of contributions due in relation to the period between the officer's last birthday and the date of commencement of payment of contributions must be paid within 12 months of that payday.

The transitional arrangements do not apply to Prison Officers whose maximum retirement age is 60.

6. Other changes

As indicated in General Council Report No. 1469, it was also agreed that Departments would be advised of certain other changes in the operation of the Purchase Scheme:

- Purchase by contract staff (see Part II)
- Purchase by worksharers/part-time staff (see Part III)
- Reckoning of career breaks (see Part III)
- Unpaid contributions & cancellation of purchase agreements (see Part III)
- Treatment of EU severance payments (see Part III)

Part II: Non-Established State Employees

I am directed by the Minister for Finance to refer to the following:

- (a) Circular 24/88: *Purchase of notional service for superannuation purposes by Non-Established State employees*, and
- (b) Letter to Personnel Officers dated 30 December 1988: *Purchase of notional service for superannuation purposes by Non-Established State employees*.

1. Revised contribution rates.

Revised contribution rates for purchase of notional service by Non-Established State Employees are set out in Tables 9 and 10.

Periodic contributions: the revised rates for purchase of service by periodic contributions (Table 9) will apply in any case where contributions commence on or after **24 July 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.

Lump-sum contributions: the revised lump-sum contribution rates take effect from **3 May 2005**. Any officer who has purchased service by lump sum since that date by reference to the rates set out in this Departments Letter to Personnel Officers of 3 May 2005 should have the contribution revised by reference to the rates in Table 10 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.

2. Purchase of service by staff on contract

The potential service of any person employed in the civil service 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' service (including any transferred service) to age of 65 i.e. pension age in the case of "new entrants" and retirement age in the case of other Non-Established State Employees.

With effect from the date of this Circular, the following arrangements will apply for the purposes of determining the potential service of non-established State 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.

Refunding purchase contributions, which is particularly relevant in the case of contract staff, is dealt with in Part III, section 7. 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.

Part III: Provisions common to Established and Non-Established staff

1. 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 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).

With effect from the date of this Circular, officers 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 officer’s annual rate of salary, or, if less, the contribution required to purchase the officer’s potential shortfall in service below the maximum reckonable service of 40 years. In the case of worksharers or officers working part-time, “annual rate of salary” is the full-time rate of pay for the job, **not** the reduced worksharing or part-time rate of pay.

Note: Officers whose first year of employment in the Civil Service is in a Non-Established capacity on a contract basis prior to being confirmed as Established (e.g. Executive Officer, Administrative Officer, etc.) may **not** purchase notional service until they are confirmed as Established Officers.

2. Purchase of service by Worksharers/Part-time staff

This Department’s Letter to Personnel Officers dated 17 June 1994 (*Purchase of service for superannuation purposes by job-sharers*) refers. The effect of that Letter 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.

Under the revised arrangements introduced by Circular 20/2005 (*Public Service Pension Reform: Revised arrangements for part-time public servants*) 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 the 1994 Letter may now be applied to worksharers/part-time officers in the same manner, with the following amendments:

- (i) the following paragraph should be substituted for paragraph (a) of the 1994 Letter:

“(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 “salary” in the case of a worksharer/part-time officer means the **full** rate of salary applicable to an equivalent officer in full-time attendance - **not** the officer’s reduced worksharing or part-time rate of salary.

Where an officer 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 officer’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.

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

This Department’s Letter to Personnel Officers dated 14 March 1990 (*Reckoning of Career Breaks Periods for Superannuation Purposes*) refers.

The special arrangements set out in the above Letter for the reckoning of a career break period while on the career break continue to apply. However, the purchase rates applicable under that Letter no longer apply. The rate to be applied is the normal lump-sum purchase rate applicable to the officer concerned under the purchase scheme, determined by the officer’s age next birthday at the time the quarterly payment due is being calculated.

Officers currently on career break who are already reckoning service under the arrangements in the 1990 Letter are not affected by the above change in rates. Similarly, serving officers 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 the 1990 Letter will not be affected by the above change in rates.

4. Unpaid contributions during a periodic purchase agreement

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 officer initially contracted to purchase to take account of the unpaid contributions during the period of leave without pay. The officer 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 officer is paying under the purchase agreement(s) to the annual rate of salary applicable on the date the officer 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 officer 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 officer 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.

5. Cancelling a periodic purchase agreement

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

6. EU Severance (Circular 33/91)

Paragraph 23(a) of 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, an officer returning to the Civil 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 officers 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, an officer 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 officer 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 officer 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.

7. 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 both Appendix 2 of the 1990 Letter to Personnel Officers (Established) and Appendix 1 of the 1988 Letter to Personnel Officers (Non-Established). Where a person who is purchasing service leaves the civil service before attaining the minimum service requirement of 9 years, all purchase contributions must be refunded. Where a person who is purchasing service leaves the civil service having attained 9 years' service but before attaining the minimum service required by the relevant Appendix 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.

Part IV: General

1. Actuarial reduction factors

The table of actuarial reduction factors in Appendix 3 to the 1988 Letter to Personnel Officers is hereby replaced by Table 11 of this Circular; and the tables of factors in Appendix 3 to the 1990 Letter to Personnel Officers are hereby replaced by Tables 11 and 12 of this Circular.

2. 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 purchase schemes and should be read in conjunction with the terms of those schemes as set out in Circulars 1/90, 24/88 and related letters to Personnel Officers.

3. Notification to staff and distribution to State bodies

The summary of this Circular which is attached at Appendix II should be brought to the attention of all staff in your Department. Furthermore, your Department should immediately instruct all Non-Commercial State Sponsored Bodies under the aegis of your Department which currently operate a Purchase of Notional Service Scheme to implement the revised contribution rates and other amendments specified in this Circular with effect from the specified dates. Your Department should also forward a copy of this Circular to all Commercial State Sponsored Bodies under its aegis for information purposes.

These instructions are being issued at this stage to facilitate the immediate implementation of the amendments to the Purchase Scheme which have been agreed at General Council. The Department does however intend to issue a further Circular in the future which will consolidate the current provisions of the Schemes.

Enquiries regarding this Circular from individual employees should be referred to the employee's own Personnel Section. Other queries regarding this Circular should be referred to Pensions (Special Schemes) Section, Department of Finance, 73-79 Lower Mount Street, Dublin 2. The Circular is available on www.codpearsanra.gov.ie and www.personnelcode.gov.ie.

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John O'Connell
Assistant Secretary

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Table 1: PERIODIC contribution rates for ESTABLISHED staff for purchase by reference to age 65 – MEMBERS of the Spouses’ and Children’s Scheme.

Age next birthday	Integrated (PPC scales) *		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 to Table 5.

Table 2: LUMP-SUM contribution rates for ESTABLISHED staff for purchase by reference to age 65 – MEMBERS of the Spouses' and Children's Scheme.

Age next birthday	Integrated (PPC scales)	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: PERIODIC contribution rates for ESTABLISHED non-integrated (modified PRSI) staff for purchase by reference to age 65 – NON MEMBERS of the Spouses' and Children's Scheme.

Age next birthday	% of gross salary
26	0.58%
27	0.60%
28	0.62%
29	0.64%
30	0.66%
31	0.68%
32	0.70%
33	0.72%
34	0.74%
35	0.76%
36	0.79%
37	0.81%
38	0.83%
39	0.86%
40	0.88%
41	0.91%
42	0.94%
43	0.97%
44	1.01%
45	1.05%
46	1.09%
47	1.16%
48	1.23%
49	1.32%
50	1.42%
51	1.53%
52	1.66%
53	1.81%
54	1.99%
55	2.20%
56	2.46%
57	2.79%
58	3.21%
59	3.78%
60	4.57%
61	5.76%
62	7.74%
63	11.71%

Table 4: LUMP-SUM contribution rates for ESTABLISHED non-integrated (modified PRSI) staff for purchase by reference to age 65 – NON MEMBERS of the Spouses' and Children's Scheme.

Age next birthday	% of gross salary
26	30.0%
27	30.6%
28	31.1%
29	31.6%
30	32.0%
31	32.5%
32	32.8%
33	33.1%
34	33.4%
35	33.6%
36	33.8%
37	33.9%
38	34.0%
39	34.1%
40	34.0%
41	34.0%
42	33.9%
43	33.7%
44	33.5%
45	33.3%
46	33.0%
47	32.6%
48	32.3%
49	31.9%
50	31.4%
51	30.9%
52	30.4%
53	29.9%
54	29.3%
55	28.7%
56	28.1%
57	27.6%
58	27.0%
59	26.5%
60	25.9%
61	25.4%
62	25.0%
63	24.5%
64	24.1%
65	23.7%

Table 5: PERIODIC contribution rates for ESTABLISHED staff for purchase by reference to age 60 – MEMBERS of the Spouses' and Children's Scheme.

Age next birthday	Integrated (PPC scales) *		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%

* NOTE: In the case of Integrated Officers contributions are payable on both Net Salary and Gross Salary. 'Net Salary' = gross salary less twice the rate of Contributory Old Age Pension payable at the maximum rate to a person with no adult dependent or qualified children. (This footnote also applies to Table 1 above).

Table 6: LUMP-SUM contribution rates for ESTABLISHED staff for purchase by reference to age 60 – MEMBERS of the Spouses' and Children's Scheme.

Age next birthday	Integrated (PPC scales)	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%

Table 7: PERIODIC contribution rates for ESTABLISHED non-integrated (modified PRSI) staff for purchase by reference to age 60 – NON MEMBERS of the Spouses' and Children's Scheme.

Age next birthday	% of gross salary
21	0.68%
22	0.70%
23	0.72%
24	0.75%
25	0.77%
26	0.80%
27	0.82%
28	0.84%
29	0.87%
30	0.89%
31	0.92%
32	0.95%
33	0.97%
34	1.00%
35	1.03%
36	1.06%
37	1.10%
38	1.13%
39	1.18%
40	1.22%
41	1.27%
42	1.35%
43	1.44%
44	1.54%
45	1.65%
46	1.78%
47	1.93%
48	2.10%
49	2.30%
50	2.55%
51	2.85%
52	3.23%
53	3.71%
54	4.36%
55	5.27%
56	6.63%
57	8.90%
58	13.44%

Table 8: LUMP-SUM contribution rates for ESTABLISHED non-integrated (modified PRSI) staff for purchase by reference to age 60 – NON MEMBERS of the Spouses' and Children's Scheme.

Age next birthday	% of gross salary
21	35.4%
22	36.0%
23	36.7%
24	37.3%
25	37.8%
26	38.3%
27	38.7%
28	39.1%
29	39.4%
30	39.7%
31	39.9%
32	40.0%
33	40.1%
34	40.1%
35	40.1%
36	40.0%
37	39.9%
38	39.7%
39	39.4%
40	39.1%
41	38.8%
42	38.4%
43	37.9%
44	37.4%
45	36.9%
46	36.3%
47	35.7%
48	35.0%
49	34.3%
50	33.6%
51	32.8%
52	32.1%
53	31.4%
54	30.7%
55	30.1%
56	29.4%
57	28.8%
58	28.2%
59	27.7%
60	27.1%

Table 9: PERIODIC contribution rates for NON-ESTABLISHED staff (retirement age of 65) - Members and Non-members of the Spouses' and Children's Scheme.

Age next birthday	Members		Non-Members	
	% 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%

* NOTE: The periodic contribution rates for Integrated Officers 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: LUMP SUM contribution rates for NON-ESTABLISHED staff (retirement age of 65) - Members and Non-Members of the Spouses' and Children's Scheme.

Age next birthday	Members	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%

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

Table 11: Actuarial Reduction Factors for purchase by reference to age 65

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 12: Actuarial Reduction Factors for purchase by reference to age 60

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%

Civil Service Conciliation and Arbitration Scheme

General Council Report No. 1469

(Meetings of 27 April 2005 and 25 January 2006)

Superannuation: revised rates for the purchase of notional service

1. At its meeting of 27 April 2005 the Council considered revised tables of rates for the purchase of notional service which the Official Side proposed to issue. The Staff Side could not agree to the issuing of those tables but following a meeting on 29 April 2005 it agreed to the immediate issuing of revised rates to be used for the purchase of notional service by lump-sum option and for valuing incoming Transfer Values from organisations which are not members of the Public Sector Transfer Network (PSTN). These rates were issued to Personnel Officers on 3 May 2005. Both sides agreed that these rates and the proposed revised rates for the purchase of service by periodic contributions would be examined by the Staff Side's actuaries with a view to the issuing of definitive revised rates shortly thereafter.

2. At the meeting of 29 April 2005, the Staff Side also requested that, for staff with a minimum retirement age of 60, purchase of notional service by reference to age 60 be permitted as well as to age 65. It also referred to the claim to allow for purchase of notional service by lump-sum option to be permitted at any time, which it had presented to Council at the meeting of 24 November 2004. The Official Side indicated that it was prepared to look favourably at these claims.

Revision of purchase rates

3. Following further consultations with the Staff Side the lump-sum purchase rates issued on 3 May 2005 were confirmed and revised rates for the purchase of notional service by periodic contributions were finalised.

4. The rates are set out in the attached tables and it should be noted that (i) the tables apply to both male and female (i.e. there is no distinction on gender basis for purchase), and (ii) the contribution rates for purchase by lump-sum option for officers whose pensions are integrated with the Social Welfare Old Age Pension are based on gross salary only (i.e. there are no net pay/pay contribution rates as heretofore for purchase by lump-sum option).

Purchase to age 60

5. The Official Side agreed to amend the purchase of notional service scheme to provide staff who have a minimum retirement age of 60 with an option to purchase service by reference to age 60, in addition to the existing age 65 option.

Purchase by lump-sum option

6. Subject to the rules of the purchase scheme concerning overall limits on purchase of notional service, purchase by lump-sum option is currently restricted to (i) within the first two years of joining the scheme, (ii) at, or within two years of, the date of retirement, and (iii) within six months of returning from a period of special leave without pay, in which case the period to be purchased cannot exceed the length of the period of special leave.

The Official Side agreed to amend the purchase scheme by replacing the arrangements at (i) and (ii) above so as to allow an officer to exercise a lump-sum option at any time during their career subject to a maximum of one such option in each calendar year. The minimum amount of lump sum contribution which may be made in this way is 10% of the officer's annual rate of salary, or, if less, the contribution required to purchase the officer's potential shortfall in service at the relevant age. In the case of worksharers or officers working part-time, "annual rate of salary" is the full-time rate of pay for the job, not the reduced worksharing or part-time rate of pay. The arrangements in relation to (iii) above will continue to apply.

Other changes

7. It was also agreed that Departments would be advised of certain other changes in the operation of the Purchase Scheme, including changes in relation to

- Purchase by worksharers/part-time staff
- Purchase by contract staff
- Reckoning of career breaks
- Unpaid contributions and cancellation of purchase agreements
- Treatment of EU severance payments.

Transitional arrangements

8. Agreement was also reached on transitional arrangements relating to the implementation of the revised periodic purchase rates and to the introduction of purchase by reference to age 60.

Review

9. The Official and Staff Sides agreed that the purchase rates would be reviewed in the second half of 2007 and every two years thereafter.

10. At the General Council meeting of 25 January 2006 the revised purchase rates were adopted along with other amendments to the purchase scheme set out above.

11. This report recording agreement was adopted on 25 January 2006.

Eric Gargan
Official Side Secretary

Joan Byrne
Staff Side Secretary

Table 1: PERIODIC contribution rates for ESTABLISHED staff for purchase by reference to age 65 - MEMBERS of the Spouses' and Children's Scheme.

Age next birthday	Integrated (PPC scales) *		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 at the end of Table 2.

Table 2: PERIODIC contribution rates for ESTABLISHED staff for purchase by reference to age 60 - MEMBERS of the Spouses' and Children's Scheme.

Age next birthday	Integrated (PPC scales) *		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%

* NOTE: In the case of Integrated Officers contributions are payable on both Net Salary and Gross Salary. 'Net Salary' = gross salary less twice the rate of contributory old age pension payable at the maximum rate to a person with no adult dependent or qualified children. (This applies to Tables 1 & 2 above).

Table 3: LUMP-SUM contribution rates for ESTABLISHED staff for purchase by reference to age 65 – MEMBERS of the Spouses' and Children's Scheme.

Age next birthday	Integrated (PPC scales)	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 4: LUMP-SUM contribution rates for ESTABLISHED staff for purchase by reference to age 60 – MEMBERS of the Spouses' and Children's Scheme.

Age next birthday	Integrated (PPC scales)	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%

SUMMARY INFORMATION NOTE

Department of Finance Circular 4/2006 (dated 27 June 2006): *Purchase of notional service for superannuation purposes by Established Civil Servants and by Non-Established State Employees* amends and extends the existing purchase of 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.

The full text of the Circular, including details of contribution rates is available from Personnel Sections and on www.codpearsanra.gov.ie and www.personnelcode.gov.ie.

Part I: Established Civil Servants

Revised contribution rates

Purchase to Age 65:

Lump Sum contribution rates: the revised lump sum contribution rates which were issued with effect from **3 May 2005** continue to apply.

Periodic contribution rates: the revised rates will apply in any case where contributions commence on or after **24 July 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:

Officers 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 years service at age 60. As a transitional measure, any officer 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.

The transitional arrangements do not apply to Prison Officers whose maximum retirement age is 60.

Part II: Non-Established State Employees

Revised contribution rates.

Lump-sum contributions: the revised lump-sum contribution rates take effect from **3 May 2005**.

Periodic contributions rates: the revised rates will apply in any case where contributions commence on or after **24 July 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 of service by staff on contract

With effect from the date of this Circular, Non-Established State 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.

Part III: Provisions common to Established and Non-Established staff

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 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 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 for the reckoning of a career break period while on that career break will continue to apply. The current contribution rates of 18 ¹/₆% and 15 ¹/₆% of salary 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 officer's next birthday. This rule is being amended to allow cessation of contributions from the officer's next available payday.

EU Severance

Officers returning to the Civil 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.