

### 3.3 Additional Pensions Information

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#### Retirement

Details relating to minimum retirement ages and retirement benefits are set out in Sections 3.1 and 3.2. Regardless of your service, if you have not reached your minimum retirement age then you can generally only retire under an Early Retirement Scheme. Alternatively you can resign and wait until your preserved pension age to claim your pension benefits. There is scope to access preserved benefits early in situations where there is a death in deferment or ill-health in deferment. Forty years' service is often referred to when discussing pensions, but its only relevance is that forty years is the maximum service which can be counted for pension benefits. If you are considering retirement, you can contact the Pensions Manager (Gareth Stokes) or Pensions Officer (Maggie Moriarty), by telephoning 01-8059784 or by email [pensions@teagasc.ie](mailto:pensions@teagasc.ie).

The **minimum** retirement notice period is **3 months**'. You should inform your line manager in writing, indicating the date you wish to retire on (which will be your last day of service). A copy of the letter should also be sent to the Pensions Manager or Pensions Pension Officer, Teagasc, Head Office, Oak Park, Carlow (or by email to [pensions@teagasc.ie](mailto:pensions@teagasc.ie)).

Teagasc runs a two day in-house Pre Retirement Planning Courses (in conjunction with a course provider) for staff members who are considering retirement. It is usually of interest to staff who are close to retirement, but staff within three years of retirement age, are encouraged to attend. Spouses are also welcome to attend, and Teagasc pays course fees, including that of an attending spouse. Topics covered include approaching retirement, health and diet, money matters, budgeting, social welfare entitlements, legal matters, personal taxation, activities and security. Course participation is conducted in conjunction with PMDS. Please contact the Staff Training & Development Officer Ms Carole McLaughlin on 01 8059996 or by emailing [carole.mclaughlin@teagasc.ie](mailto:carole.mclaughlin@teagasc.ie), to book a place on to the course.

#### Early Retirement

The last Voluntary Early Retirement Scheme under which certain categories of Teagasc staff departed closed with effect of 30 December 2011. The 2013 Teagasc Voluntary Redundancy Scheme closed on 29 November 2013, and there are no plans (at time of print) to re-open any similar scheme.

#### Cost Neutral Early Retirement Scheme & Teagasc Draft Superannuation Scheme

Although Voluntary Early Retirement will not be available in the future, any staff member in the Teagasc Draft Superannuation Scheme or the ACOT- Aided Agricultural College Scheme who is within ten years of Preserved Pension Age (60/65) can retire under the **Cost Neutral Early Retirement Scheme (CNERS)**. This scheme has been in place since April 2005 for public servants aged at least 50 or 55 (depending on preserved pension age) and has allowed staff to retire early with immediate payment of pension benefits. Under this scheme both pension and lump sum are reduced (actuarially), to take account of the early payment of the lump sum and the longer period over which pension will be paid. The reduction depends on your age, but someone retiring at age 54, for example, would only be entitled to 74.3% of pension entitlements and 88.9% of lump sum.

Pension benefits are based on actual reckonable service and pensionable remuneration applicable at date of retirement (i.e. there are no added years). Reduced pension and lump sum is calculated by applying the relevant percentages from the table below to the preserved benefit, with appropriate adjustment, as necessary, for exact age (i.e. years and days) at retirement. A formula is used in the calculation.

It is important to note that the actuarially reduced rate applies throughout the lifetime of the payment of a pension subject to adjustments in line with civil service pension increases or decreases, as appropriate. Furthermore, anyone who avails of cost neutral early retirement cannot subsequently switch to payment of a preserved pension at normal preservation age (60 or 65 years). While the actuarial reduction remains in place for the duration of the member's own pension, it does not apply to any spouse's and children's pensions subsequently payable.

**The actuarial reduction factors which apply under the scheme are as follows:**

Persons with a Preserved Age of 60			Persons with a Preserved Age of 65				
Age	Last Birthday	Pension	Lump sum	Age	Last Birthday	Pension	Lump sum
50		62.4%	82.2%	55		58.2%	82.4%
51		65.1%	83.9%	56		61.1%	84.0%
52		67.9%	85.5%	57		64.1%	85.6%
53		71.0%	87.2%	58		67.4%	87.3%
54		74.3%	88.9%	59		71.0%	89.0%
55		77.8%	90.7%	60		74.8%	90.7%
56		81.6%	92.4%	61		79.0%	92.5%
57		85.7%	94.3%	62		83.6%	94.3%
58		90.1%	96.1%	63		88.5%	96.1%
59		94.8%	98.0%	64		94.0%	98.0%

### **Cost Neutral Early Retirement & Single Public Service Pension Scheme (Single Scheme)**

An employee who is a member of the Single Scheme must be 55 years of age or older to be eligible to apply for Cost Neutral Early Retirement (CNER). The employee must also have 2 years in the Single Scheme and must be in active employment. Please note that deferred members are ineligible to apply for the CNER retirement.

Retirement benefits are calculated up to the date of the early retirement and actuarially reduced in line with approved actuarial rates. Retirement benefits are reduced permanently to take into account the employee's age at retirement and the time remaining until the employee's Normal Retirement Age.

[Click here](#) to view DPER circular 18 of 2017 which sets out the tables for Cost Neutral Early Retirement.

### **The State Pension**

Eligibility to the Contributory State Pension is determined by your PRSI class and contributions during employment. In general, Teagasc staff recruited prior to 6 April '95, excluding Farm/Domestic grades pay class D1 PRSI, and Teagasc Farm/Domestic Grades & staff

recruited after 6 April 1995 pay A1 PRSI. If you have paid class A1 PRSI throughout your employment, you should qualify for the Contributory State Pension, depending on your total and average yearly number of contributions.

If you have paid class D1 PRSI throughout your employment, you will not qualify for any Contributory State Pension. You can apply for the Non-Contributory State Pension, but this is means tested. If you have mixed class PRSI contributions (i.e. worked in the private sector, or were self-employed for periods) you may be entitled to a Pro-rata State Pension. There are a number of pro-rata pensions for intermittent and mixed insurance and also EU service.

The Qualifying Age for the State Pension has changed, as follows:

Year	State pension payable from Age:	For those born on or after:
2014	66	01-Jan-1949
2021	*67	01-Jan-1955
2028	68	01-Jan-1961

*\*Please note that the increase in the state pension age in 2021 to age 67 has been deferred until further notice by the Government.*

Further comprehensive details relating to qualification requirements and future changes are available at <https://services.mywelfare.ie/>

### Teagasc Supplementary Pension (PRSI Class A Staff Entitlement)

A Supplementary Teagasc Pension is an additional amount of pension that may be paid by Teagasc to a person whose Teagasc pension is co-ordinated with the State Pension (i.e. a person paying A1 PRSI). All farm, domestic, general and ex-Private College staff and also staff in other categories who were recruited on or after 6 April 1995 pay A1 PRSI. A Supplementary Teagasc Pension may be paid to persons availing of the VER/VRS Scheme on reaching the relevant normal preserved pension age (60), if Social Welfare entitlements have been exhausted.

A Supplementary Teagasc Pension will be paid only if the following conditions are met:

- A person must be in receipt of a Teagasc pension **and**
- cannot be employed **and**
- due to causes outside his/her own control either fails to qualify for Social Welfare benefit **or** qualifies for Social Welfare benefit at a rate which is less than the maximum personal rate of contributory old age pension,

For as long as these conditions are met, the person concerned shall be paid a supplementary pension by Teagasc. The maximum amount payable is the difference between:

- the pension he/she would receive if the Teagasc pension was calculated on a non co-ordinated basis (as for D1 staff) and
- the person's actual Teagasc Pension plus Social Welfare benefits if applicable.

**NB:** Failure to claim Social Welfare benefits that the person would otherwise be entitled to would be regarded as a cause within the person's own control and supplementary pension

would not be payable in these circumstances i.e. it is only after Social Welfare benefits come to an end that the supplementary pension can be paid by Teagasc.

A retiree can claim a supplementary pension from Teagasc by providing a letter from the Department of Employment Affairs and Social Protection (Social Welfare) verifying that he/she fails to qualify for Social Welfare benefit or qualifies for Social Welfare benefit at a rate which is less than the maximum personal rate of contributory old age pension due to causes outside his/her own control. The amount of supplementary pension payable will vary depending on the amount of a retiree's pension and whether he/she is entitled to any Social Welfare benefit. As it is paid by Teagasc, it is **not** means tested.

For example, a person who paid A1 PRSI and decided to retire at age 57 under the VER/VRS scheme, will not be entitled to the State pension until age 66. At age 60 however he/she may be entitled to a Supplementary Teagasc Pension, if for reasons outside his/her own control, as outlined above, the Teagasc pension plus Social Welfare benefits, if any, are less than the pension he/she would receive if the Teagasc pension was calculated as for D1 staff.

Please note the following:

- Social Insurance records can be ordered online through your MyGovID account, or requested by writing to the Records Section in Buncrana. Please note that you must have a MyGovID account set up before you can make a request online through MyGovID – see the following link: <https://services.mywelfare.ie/en/topics/statements-and-refunds/contribution-statement/>
- Information is also available at local Social Welfare Offices or Citizens Information Centres
- Contact details for the State Pension Section, Dept of Employment Affairs and Social Protection, College Road, Sligo: LoCall 1890 500 000

### **Transferring Service – Public Sector Transfer Network Scheme**

Teagasc employees that are in the Teagasc Draft Superannuation Scheme (Pre-2013 Pension Scheme) can have prior public sector service transferred to Teagasc under the Public Sector Transfer Network. This Transfer Scheme enables employees to transfer pensionable service within the Civil/Public Service i.e. between the civil service and the majority of state and semi-state organisations e.g. Teagasc to the Health Services or Agriculture to Teagasc, Finance, Garda Síochána etc. This can be useful as it means that pension benefits can be combined and at times maximised.

Any employee who wishes to transfer service should contact the Pensions Office, providing exact details (if possible) of any previous employment in the Civil/Public Service, or alternatively, in the case of staff leaving Teagasc, details of his/her prospective new employer, so that reckonable service can be transferred if appropriate. Details should include Maiden Name, if applicable; exact location; type of grade (technical, administrative, research, farm, etc.) and employment status (temporary/permanent).

For Teagasc employees who were in a pre-existing public service scheme (pre-2013 pension scheme) that are now in the Single Public Service Pension Scheme (Single Scheme, Post-2013 Pension Scheme), there is currently no facility available to transfer accrued benefits from one public sector organisation to another under the Single Scheme, however it is our understanding that DPER will provide clarity on this aspect of the scheme. Please note the Public Sector Transfer Network Scheme is applied in keeping with government policy as it applies to Teagasc.

## Transfer Value

A staff member, who has left an occupational pension scheme with an entitlement to Deferred Benefits, or who is a member of an AVC Scheme, may have the option of transferring his/her benefits to Teagasc by means of a **Transfer Value payment** i.e. cashing in your benefits and purchasing Notional Service. You might want to do this in order to avoid future risk, especially in times of economic uncertainty, as AVC Schemes or Private Pension Schemes usually depend on fund performance, whereas our pension scheme does not. The Teagasc scheme is a defined benefit scheme, i.e. one where the benefit entitlement is defined by a formula, with final pay and length of service being the variants. If you wish to check this out further you should enquire from your pension provider whether you can move your funds by the Transfer Value payment method and provide the Pensions Office with the details you receive. Please note a Transfer Value is applied in keeping with government policy as it applies to Teagasc.

## Purchasing Notional Service

### Purchasing Notional Service in the Teagasc Draft Superannuation Scheme

The Purchase of Notional Service Scheme allows Civil and Public Sector employees to purchase service either by lump sum or by periodic agreement, and by reference to retirement at age 60 or at age 65. The purpose of this is to allow staff who would not otherwise have maximum service to increase their pension benefits at retirement. It only applies to members who will have less than full 40 years' service at retirement age, having taken account of Private Pension Scheme entitlements. The rate charged depends on a member's age, their salary and PRSI class.

The Age 65 purchase facility is available to all members of the Staff Superannuation Scheme whereas the Age 60 facility is applicable to all staff who were Public Service employees prior to 1<sup>st</sup> April 2004. Lump sum purchase can take place at any time. Purchase by periodic agreement commences from a member's next birthday and ceases at either Age 60 or 65. Contributions paid under this scheme are always based on full pay. Therefore if a member decides to job-share or reduce their hours the purchase deduction will remain as of full salary. Tax relief is applicable within Revenue limits and makes the scheme more attractive.

Full details are provided in [Circular 4 2006 – Purchase of Notional Service](#), which is also available on [Workvivo](#). Queries relating to the Scheme should be addressed to [pensions@teagasc.ie](mailto:pensions@teagasc.ie)

### Purchasing Notional Service in the Single Scheme:

There is also a Purchase Scheme for employees in the Single Scheme. The Department of Public Expenditure & Reform (DPER) Circular 15 of 2019 enables Single Scheme members to purchase additional retirement benefits (also referred as 'referable amounts' or 'money amounts') and also provides a facility for members to transfer retirement benefits accrued in certain other Revenue approved Schemes and PRSAs into the Single Scheme.

[Click here](#) for further details on the Purchase Scheme for employees in the Single Scheme.

Please also [click here](#) to access the 'Member Purchase Calculation Tool' which enables employees to calculate the estimated cost of purchasing extra referable amounts towards their pension and lump sum:

## **Professional added Years**

A Scheme for the grant of " Professional Added Years" for superannuation purposes to staff of State Bodies was introduced with effect from 1 July 1987 and notification issued to all Personnel Officers on the 9 May 1988. The scheme was amended in November 2004 and could apply to employees who were serving at any time between 1 April 1997 and 31 December 2004. Serving employees to whom the original scheme (May 1988) already applied, could continue to have their cases dealt with under that scheme, if more favourable. In 2005, a new scheme was introduced for new entrants recruited to a professional, technical or specialist post in the civil and public service by competition advertised on or after 1 April 2005 (Ref - Circular 8/2005).

The underlying aim of the schemes is to provide for the grant of a limited number of added years of notional service, for superannuation purposes, in cases where the minimum preconditions for appointment to a post are such as to preclude an appointee from acquiring full superannuation entitlements by pension age of 65. The entitlements under the scheme are assessed by reference to the minimum requirements of the competition for appointment to the post and not by reference to the individual circumstances of the appointee. Furthermore a distinction is made between qualifications required (i.e. deemed essential) for the post and those which are merely desirable. Further details are provided in the relevant circulars.

Staff recruited and made permanent by a Local Authority, prior to joining ACOT may be entitled to an award of professional added years under the Local Authority Professional Added Years Scheme. The scheme provides for a notional service award of one-third of actual service, up to a maximum of 10 years, effective from minimum retirement age (60). However this award would fall to be reduced on a year-for-year basis, if an employee retires (voluntarily) before age 65. Please note Professional Added Years Transfer will be considered in keeping with government policy as it applies to Teagasc. Please note that there is no Professional Added Years scheme for employees in the Single Scheme.

## **Public Service Pension Reduction (PSPR)**

PSPR is a reduction of certain public service pensions introduced on 1 January 2011 under FEMPI 2010 legislation and significantly extended (deeper reductions in some cases, more pensions affected) on 1 July 2013 under FEMPI 2013. Substantial amelioration (reversal, roll-back) of the PSPR has been legislated and has been occurring over the last number of years.

Please note that all pensions awarded in respect of retirements after the FEMPI 2013 grace period, which expired on 1 April 2019, will not be subject to PSPR.

## **Application of PSPR from 2020**

Effective from 1 January 2020, the legislated PSPR liability position is as follows:

(i) Pensions awarded in respect of retirements up to end-February 2012 - only those pensions in this category which have a pre-PSPR value in excess of €54,000 are liable to PSPR from 1 January 2020. PSPR is imposed on such pensions by reference to the following table:



<b>PSPR from 2020 (pre-March 2012 pensions)</b>	
<i>Annualised amount of public service pension</i>	<i>Reduction</i>
Up to €54,000	Exempt
Any amount over €54,000 but not over €60,000	12%
Any amount over €60,000 but not over €100,000	17%
Any amount over €100,000	28%

(ii) Pensions awarded in respect of retirements from 1 March 2012 to 1 April 2019 (the expiry date of the FEMPI 2013 grace period) - only those pensions in this category which have a pre-PSPR value in excess of €60,000 are liable to PSPR from 1 January 2020. PSPR is imposed on such pensions by reference to the following table:

<b>PSPR from 2020 (post-February 2012 pensions)</b>	
<i>Annualised amount of public service pension</i>	<i>Reduction</i>
Up to €60,000	Exempt
Any amount over €60,000 but not over €100,000	1%
Any amount over €100,000	6%

### **Ministerial order on PSPR to be issued by end-2020**

When the PSPR amelioration provisions in the 2017 Act are fully in place from 1 January 2020, only a small number of public service pensions and new pension awards will remain affected by PSPR. Section 27 of the 2017 Act states that the Minister for Public Expenditure and Reform will, no later than 31 December 2020, issue an order which will specify a date for the full removal of PSPR from that residual group of PSPR-affected pensions. The date so specified in the order will effectively be the date of complete abolition of PSPR. The 2017 Act does not restrict the Minister in terms of what abolition date he specifies in the order.

### **Additional Voluntary Contributions (AVC's)**

Additional Voluntary Contributions are an alternative means of increasing pension benefits on retirement. Other options available include PRSAs and AVC PRSAs, or the Purchase of Notional Service (for Superannuation purposes) Scheme for Civil/Public Servants. Joining an AVC Scheme is essentially a private arrangement between the individual and a private pension provider. The benefit is generally in the form of an additional cash amount of pension or lump sum rather than the additional notional years of service under the purchase scheme. The cash benefit is ultimately dependent on the performance of the fund in which the AVC contributions are invested. Contributions are allowable against income tax, subject to revenue rules.

There are two AVC Schemes currently in place for Teagasc Staff – membership is voluntary. These schemes are not endorsed by Teagasc i.e. the role of Teagasc in relation to AVC schemes for Teagasc Staff is the deduction of AVC contributions at source, if requested, and

the payment of these contributions to the scheme administrators. Contact details for the Providers are as follow:

**Cornmarket Financial Services Ltd**

(formerly Gregan McGuinness Life and Pensions Ltd)

Christchurch Square

Dublin 8

**Tel: 01 4084162**

**Irish Pensions & Finance**

Suites 3 and 4 Gowna Plaza

Bracetown Business Park

Clonee

Co Meath

**Tel: 01 8298500**

Version	Revision Date	Summary of Changes	Policy Owner
2.0	October 2020	Updated contact details for Pensions Office	HR - Pensions
2.0	October 2020	Notice Period of 3 months	HR – Pensions
2.0	October 2020	Removal of information on 'Grace Period' which has passed	HR – Pensions
2.0	October 2020	Purchase Scheme for Single Scheme	HR – Pensions
2.0	October 2020	Inclusion of 2020 PSPR tables and Ministerial Order on PSPR	HR – Pensions
2.0	October 2020	State Pension Information updated	HR - Pensions