**TRANSFER – EXAMPLES**

Note: the referable amount figures used in these example calculations are for illustrative purposes only. It is assumed that the person’s salary has not changed over time.

**EXAMPLE 1: Transfer - full time member**

John has benefits in a PRSA that conforms with the conditions set out in Para 5 of the Circular. These benefits have a transfer value of €15,000. He wants to transfer this value into the Single Scheme.

* Date of birth: 1 January 1956
* Date of application: 5 January 2018
* Age on date of application: 62
* Normal Retirement Age [NRA]: 67 (born between 1 January 1955 and 31 December 1960)
* Work pattern: 100%
* FTE Salary: €30,000
* Previously purchased referable amounts: None
* Date of entry to Single Scheme: 1 December 2016

1. Eligibility

John is not vested, but he is eligible to transfer benefits into the Scheme. There is no requirement for a Scheme member to be vested at the time of transfer, but they must have the potential to become vested before reaching their NRA. There is also no requirement for a Scheme member who wishes to purchase by way of transfer to have the potential to complete 9 FTE years as a Scheme member.

|  |  |
| --- | --- |
| Eligibility Condition for Transfer | |
| Does the member have the potential to become vested in the Scheme? | Yes |
| Is the member in one of the excluded categories (Section 20 or 26(1) (b) of the 2012 Act)? | No |

1. Limits

Figures A - G are based on the “most recent year”. As John is applying in January 2018, the “most recent year” is Jan-Dec 2017.

|  |  |  |
| --- | --- | --- |
| Information Needed to Calculate Transfer Limits | | |
| A | Scheme member’s annual pensionable remuneration, calculated on a full time basis (FTE) | €30,000 |
| B | Annual maximum personal rate of the Contributory State Pension payable to a person who has no adult or child dependent | €12,434.49 on 31/12/17 |
| C | Total of pension referable amounts (both accrued and previously purchased) by scheme member | €188.50 |
| D | Pension referable amount accrued by scheme member in most recent year | €174 |
| E | Total of lump sum referable amounts (both accrued and previously purchased) by scheme member | €1,218.75 |
| F | Lump sum referable amount accrued by scheme member in most recent year | €1,125 |
| G | Period of time **from end of most recent year** to the member’s NRA (whole years only). This is not an FTE figure. | 5 years |

*Calculating limit of pension referable amounts:*

In the case of purchase by way of transfer of pension referable amounts, only one formula applies.

A/2 - B - C - (D x G)   
30,000 / 2 - 12,434.49 - 188.50 - (174 x 5) = €1,507.01

*Calculating limit of lump sum referable amounts:*

In the case of purchase by way of transfer of lump sum referable amounts, only one formula applies.

(A x 1.5) - E - (F x G)   
(30,000 x 1.5) - 1,218.75 - (1,125 x 5) = €38,156.25

On this occasion, John is eligible to use his transfer payment to purchase up to a maximum of €1,507.01 in pension referable amounts **and** up to a maximum of €38,156.25 in lump sum referable amounts.

1. Cost of referable amounts

|  |  |
| --- | --- |
| Factors that determine cost | |
| NRA of Scheme member | 67 |
| Age next birthday | 63 |

To calculate the cost of purchasing pension and lump sum referable amounts for John, we refer to the appropriate purchase tables in the appendices to this Circular, which in John’s case are tables 3 & 4.

1. *Cost of purchasing pension referable amounts:*

From Table 3 we can see that the cost of purchasing €1 pension referable amount for a member with NRA 67, who is 63 at next birthday, is €23.17.

The cost of calculating any amount, X, of pension referable amounts for John is X x23.17

1. *Cost of purchasing lump sum referable amounts:*

From Table 4 we can see that the cost of purchasing €1 lump sum referable amount for a member with NRA 67, who is 63 at next birthday, is €0.99.

The cost of calculating any amount, Y, of lump sum referable amounts for John is Y x 0.99

1. Convert the transfer payment into Single Scheme referable amounts

John must transfer the whole benefit - €15,000 - from the PRSA into the Single Scheme in one transaction.

What is the value of John’s €15,000 transfer payment in terms of Single Scheme referable amounts?

**Pension**  
Transfer value/ Cost of €1 pension referable amount = 15,000/ 23.17 = €647.39\*  
\* less than the limit of €1,507.01 calculated above for John **Lump Sum**  
Transfer value/ Cost of €1 lump sum referable amount = 15,000/ 0.99 = €15,151.52\*  
\*Less than the limit of €38,156.25 calculated above for John

John can choose to use the transfer payment to purchase only pension referable amounts, only lump sum referable amounts, or a combination of both (e.g. use €5,000 to purchase pension and €10,000 to purchase lump sum).

**EXAMPLE 2: Transfer - part time member**

Jack has benefits in a Revenue approved pension scheme that conforms with the conditions set out in Para 5 of the Circular. These benefits have a transfer value of €42,000. He wants to transfer this value into the Single Scheme.

* Date of birth: 1 June 1984
* Date of application: 15 December 2019
* Age on date of application: 35
* Normal Retirement Age [NRA]: 68 (born between 1 January 1955 and 31 December 1960)
* Work pattern: 50%
* FTE Salary: €75,000
* Previously purchased referable amounts: None
* Date of entry to Single Scheme: 1 November 2014

1. Eligibility

|  |  |
| --- | --- |
| Eligibility Condition for Transfer | |
| Does the member have the potential to become vested in the Scheme? | Yes |
| Is the member in one of the excluded categories (Section 20 or 26(1) (b) of the 2012 Act)? | No |

1. Limits

Figures A - G are based on the “most recent year”. As Jack is applying in December 2019, the “most recent year” is Jan-Dec 2018.

|  |  |  |
| --- | --- | --- |
| Information Needed to Calculate Transfer Limits | | |
| A | Scheme member’s annual pensionable remuneration, calculated on a full time basis (FTE) | €75,000 |
| B | Annual maximum personal rate of the Contributory State Pension payable to a person who has no adult or child dependent | €12,695.39 on 31/12/18 |
| C | Total of pension referable amounts (both accrued and previously purchased) by scheme member | €1,321.30 |
| D | Pension referable amount accrued by scheme member in most recent year | €310.45 |
| E | Total of lump sum referable amounts (both accrued and previously purchased) by scheme member | €5,903.06 |
| F | Lump sum referable amount accrued by scheme member in most recent year | €1,406.25 |
| G | Period of time **from end of most recent year** to the member’s NRA (whole years only). This is not an FTE figure. | 33 years |

*Calculating limit of pension referable amounts:*

In the case of purchase by way of transfer of pension referable amounts, only one formula applies.

A/2 - B - C - (D x G)   
75,000 / 2 - 12,695.39 - 1,321.30 - (310.45 x 33) = €13,238.46

*Calculating limit of lump sum referable amounts:*

In the case of purchase by way of transfer of lump sum referable amounts, only one formula applies.

(A x 1.5) - E - (F x G)   
(75,000 x 1.5) - 5,903.06 - (1,406.25 x 33) = €60,190.69

On this occasion, Jack is eligible to use her transfer payment to purchase up to a maximum of €13,238.46 in pension referable amounts **and** up to a maximum of €60,190.69 in lump sum referable amounts.

1. Cost of referable amounts

|  |  |
| --- | --- |
| Factors that determine cost | |
| NRA of Scheme member | 68 |
| Age next birthday | 36 |

To calculate the cost of purchasing pension and lump sum referable amounts for Jack, we refer to the appropriate purchase tables in the appendices to this Circular, which in Jack’s case are tables 1 & 2.

1. *Cost of purchasing pension referable amounts:*

From Table 1 we can see that the cost of purchasing €1 pension referable amount for a member with NRA 68, who is 36 at next birthday, is €23.26.

The cost of calculating any amount, X, of pension referable amounts for Jack is X x23.26

The maximum value of pension referable amounts that can be purchased by Jack is €13,238.46*.* This would cost 13,238.46 x 23.26 = **€307,926.58**

1. *Cost of purchasing lump sum referable amounts:*

From Table 2 we can see that the cost of purchasing €1 lump sum referable amount for a member with NRA 68, who is 36 at next birthday, is €0.92.

The cost of calculating any amount, Y, of lump sum referable amounts for Jack is Y x 0.92

The maximum value of lump sum referable amounts that can be purchased by Jack is €60,190.69*.* This would cost 60,190.69 x 0.92 = **€55,375.43**

1. Convert the transfer payment into Single Scheme referable amounts

Jack must transfer the whole benefit - €42,000 - from the Revenue approved occupational pension scheme into the Single Scheme in one transaction.

What is the value of Jack’s transfer payment in terms of Single Scheme referable amounts?

**Pension**  
Transfer value/ Cost of €1 pension referable amount = 42,000/ 23.26 = 1,805.67\*  
\* less than the limit of €13,238.46 calculated above for Jack  
 **Lump Sum**  
Transfer value/ Cost of €1 lump sum referable amount = 42,000/ 0.92 = €45,652.17\*  
\*less than the limit of €60,190.69 calculated above for Jack

Jack can choose to use his €42,000 transfer value to purchase pension referable amounts only, lump sum referable amounts only