

Resource Toolkit	Single Scheme Administration Project (Phase 1) Purchase and Transfer Resources
Resource Name	Transfer Guidelines
Resource Reference	SPS.PAT.TFR.G.01 (Phase 1)
Description	Suggested procedure outlining key steps that a Relevant Authority might take where a Single Scheme member expresses an interest in purchasing additional pension and/or lump sum referable amounts by way of a Transfer Value from an existing external Revenue approved benefit
Version	V1.0

PLEASE NOTE: Administrators may access legislation, Circulars or Letters to Personnel Officers noted in this procedure by accessing the Circulars & Legislation Section of the Single Scheme Website at www.singlepensionscheme.gov.ie/circulars

IMPORTANT: These processes have been prepared for the purchase of additional retirement benefits by way of a Transfer Value from an existing external Revenue approved benefit as part of the Single Public Service Pension Scheme for standard and certain fast accrual members (Gardaí, Prison Officers, and Firefighters). *Members of the Permanent Defence Forces are currently ineligible to purchase additional retirement benefits under the terms of the current Single Scheme transfer mechanism.* When preparing these processes it is assumed that there is no Pensions Adjustment Order against member benefits and no benefits are payable to a former Spouse/Civil Partner.

Key

 **Yes/No Decision Point**

Ref.	Step	Description of key activities / general guide
	<p>General Information</p>	<ul style="list-style-type: none"> • The regulations establishing the provisions of the Single Scheme purchase and transfer facility have been made under S.I. No. 252 of 2019. • In the first instance Circular 15 of 2019 should be referred to as it sets out important information on the operation of the Single Scheme purchase and transfer mechanism. • Pensions Administrators should ensure that the administration of the purchase and transfer facility adheres to Revenue regulations set out under Chapter 30 of the Taxes Consolidation Act 1997. • In line with Revenue rules, transfers into the Single Scheme of Revenue approved external pension benefit(s) are irrevocable. • Relevant Authorities should ensure that members are made aware of the potential to transfer-in external Revenue approved pension benefits to the Single Scheme. • Relevant Authorities should ensure that members are encouraged to seek <u>independent financial advice</u> when considering the purchase of additional retirement benefits by way of a transfer-in of benefits held under an external Revenue approved pension benefit. Relevant Authority administrators are not permitted to provide financial advice. <p>RA Notice Period</p> <ul style="list-style-type: none"> • As Scheme members can transfer-in external Revenue approved pension benefits at any time the implementation of a RA Notice Period is unsuitable as a means of managing the potential administration required in addressing enquiries from Scheme members. <p>12-Month Contract Period</p> <ul style="list-style-type: none"> • The 12-Month Contract Period is the period of time within which the Trustees/Administrator of the external pension benefit formally issue the Transfer Value payment to the Relevant Authority. A fixed 12-Month Contract Period does not apply in respect of transfers-in from Revenue approved pension benefits in determining which data is required to calculate individual member transfer limits and differs from the Single Scheme purchase mechanism in this way. The "most recent year" must be established in order to determine Factors A-G which are used to calculate the purchase limits. • For this purpose Administrators should evaluate when it is likely, once a member formally contracts to transfer-in external pension benefits, to receive the Transfer Value amount in respect of the external pension benefit. The "most recent scheme" year will be determined on the basis of when the Transfer Value is received by the Relevant Authority.

<p>0.0</p>	<p>Process Map</p>	<ul style="list-style-type: none"> • The recommended Process Map may be accessed in the Administrator Toolkit for this process. It is recommended that this is consulted when eligible Single Scheme members wish to use a Transfer Value to purchase scheme benefits where an external Revenue approved pension benefit can facilitate this. • A Transfer Value is an amount of money an external pension scheme may pay (in this case) to a Relevant Authority administering the Single Scheme in lieu of the benefits built up in that external pension scheme, assuming the constitution of the external scheme provides for the calculation and issue of a Transfer Value. Where these guidelines refer to “purchase” it is given to mean “<u>purchase by way of a Transfer Value</u>” from an external Revenue approved benefit. • There is one sub-process map related to the purchase of additional retirement benefits. This is: <p>1. Sub-Process Purchase Calculations</p>
<p>1.0</p>	<p>Member enquiry received regarding potential to transfer retained benefits held in respect of a former employment.</p>	<ul style="list-style-type: none"> • Progress to Step 1.1.
<p>1.1</p>	<p>Transfer Expression of Interest pack issued to Member for completion.</p>	<ul style="list-style-type: none"> • Member issued with Transfer Expression of Interest template form for completion and return. The purpose of the <i>Expression of Interest</i> form is to: <ul style="list-style-type: none"> ○ Highlight to Scheme members the general eligibility criteria on the operation of the Single Scheme purchase and transfer facility; ○ Set out important information on the application of the transfer facility (items 1 to 5 in the EOI template); ○ Validate certain, relevant Scheme member details; ○ Capture signed member declaration confirming <i>(i) active member status</i> and, <i>(ii) member capacity to complete 24-month Single Scheme vesting period</i>; ○ Capture information relating to the external benefit from which a Transfer Value to be potentially transferred-in may issue. Particular attention should be paid to the “<i>Type of Pension Arrangement</i>” set out in Section C of the template <i>Expression of</i>

		<p><i>Interest</i> form and in accordance with <i>Paragraph 5</i> of Circular 15 of 2019 to ensure that it is permitted under the provisions of the Single Scheme transfer regulations.</p> <ul style="list-style-type: none"> ○ Obtain member authority to permit the provision of information to the Relevant Authority by the administrator or agent for the external pension benefit. • Relevant Authorities may also wish to provide members with additional information on the Single Scheme purchase and transfer facility as they see fit when notifying members, which may include: <ul style="list-style-type: none"> ○ A copy of or link to Circular 15 of 2019 ○ Member Purchase Cost Calculation Tool available in the member area of www.singlepensionscheme.gov.ie. This tool allow members to input a monetary amount of their choosing and the tool outputs indicate how much in pension or lump sum referable amounts this will purchase. Note, the outputs of the <i>Member Purchase Cost Calculation Tool</i> are indicative only and do not take account of member purchase limits or member eligibility to purchase. ○ Any other material developed or additional information related to the Relevant Authority's operation of the purchase and transfer facility • Progress to Step 1.2.
<p>1.2</p>	<p>Member arranges for completion of RA Transfer documentation and returns to RA.</p>	<ul style="list-style-type: none"> • If further documentation is needed progress to Step 1.3. • If all required documentation is to hand progress to Step 1.4.
<p>1.3</p>	<p>Member request and RA documentation for completion received by Trustees of transferring pension scheme.</p>	<ul style="list-style-type: none"> • Member should notify transferring body of intention to potentially transfer benefits held into the Single Scheme and request that a Transfer Value amount be provided to facilitate the Relevant Authority issuing a member with a cost quotation. • It is important that members are aware that any Transfer Value provided in respect of an external Revenue approved pension benefit may be subject to change and the amount of the Transfer Value will increase or decrease from day-to-day. Members should also be made aware that should they decide to formally proceed with a transfer-in that it is likely the final Transfer Value amount issued will be greater or lesser than any amount(s) provided and upon which a purchase cost quotation is based.

		<ul style="list-style-type: none"> Members may already have received formal documentation from the administrators of the external pension benefit (e.g. annual benefit statement or leaving service options) with a Transfer Value provided. It is recommended, for the purposes of a cost quotation any Transfer Value provided by the transferring body is no greater than 3 months old. Where a Transfer Value provided is greater than 3 months old, members should be asked to seek a current, more up-to-date Transfer Value from the external pension benefit.
1.4	Receipt and validation of EOI submitted. High-Level eligibility check.	<ul style="list-style-type: none"> Relevant Authority administrators should check the <i>Retained Single Scheme Benefits Verification Form(s)</i> and other documentation returned by the member (if necessary) to verify member eligibility to transfer benefits into the Single Scheme and in line with Paragraph 3 of Circular 15 of 2019. Progress to Step 2.0.
2.0	Does the member have any prior Single Scheme employments with another RA?	<ul style="list-style-type: none"> If "yes" proceed to Step 2.1. If "no" proceed to Step 2.8.
2.1	Was prior Single Scheme employment(s) with an RA under your control?	<ul style="list-style-type: none"> If "yes" proceed to Step 2.7. If "no" proceed to Step 2.2.
2.2	Issue Retained Single Scheme Benefits Verification Form to Member for completion.	<ul style="list-style-type: none"> A completed Retained Single Scheme Benefits Verification Form is required to assist Relevant Authorities in calculating individual member purchase limits. This form may be used to capture information on earlier Single Scheme employments for which benefits have been retained. A template Retained Single Scheme Benefits Verification Form that organisations may wish to consider adopting is included in the Administrator Toolkit for this process. A separate form must be completed by each former employer(s).

		<ul style="list-style-type: none"> • In the absence of a completed <i>Retained Single Scheme Benefits Verification</i> form(s), Relevant Authorities will not be in a position to: <ul style="list-style-type: none"> ○ Accurately calculate the required purchase limits ○ Accurately determine whether a member will have achieved vesting status by prior to the commencement of the 12-Month Contract Period • Pension Administrators should ensure that the member is advised to complete Section A and arrange for Section B to be completed by the former Relevant Authority employer(s) before returning it to the current Relevant Authority for processing. • More than one form may need to be issued if the member has more than one prior Relevant Authority employer. A separate Form must be completed in respect of <i>each</i> prior Single Scheme employment. • Proceed to Step 2.6.
2.3	Retained SPS Benefits Form issued by Member to former RA(s).	
2.4	Former RA completes and returns Retained SPS Benefits Form to Member.	
2.5	Retained SPS Benefits Form completed and returned to HR (current RA).	
2.6	Retained SPS Benefits Form reviewed and validated.	<ul style="list-style-type: none"> • Retained Benefits information is verified and validated, progress to Step 2.8. • Retained Benefits information is incomplete, return to Step 2.4 and ensure all required information is collected.

2.7	RA verifies Member Service using their own records.	<ul style="list-style-type: none"> • Where a Relevant Authority or a Shared HR/Pensions/Payroll centre transacting on behalf of a Relevant Authority has responsibility for Single Scheme member records it should verify the information sought in the Retained Single Scheme Benefits Verification Form. • If there are outstanding queries, these are resolved in conjunction with the member or their former employer, as appropriate. • Progress to Step 2.8 once all queries are resolved.
2.8	Calculate overall period of SPS membership for which contributions retained.	<ul style="list-style-type: none"> • Period of pensionable employment with current Relevant Authority employer should be calculated and, if applicable, periods of pensionable employments for which contributions have been retained with any previous Relevant Authority employers should be recorded as verified on the Retained Single Scheme Benefits Verification Form. • Please note that a member who may have received a refund of contributions in respect of a prior Single Scheme employment may be eligible to repay those contributions plus compound interest and restore (a) referable amounts accrued to the year in which they were first accrued and (b) time towards the vesting period in line with Section 17 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. • Proceed to Step 3.0.
3.0	Based on verified information and contract of employment, does the member have the capacity to become vested in the scheme?	<ul style="list-style-type: none"> • Member's capacity to vest in the Single Scheme is assessed in line with Circular 12 of 2019 and a member's terms and conditions/contract of employment. • If "yes" proceed to Step 3.1 • If "no", the member is not eligible to purchase referable amounts by way of a transfer value. Proceed to Step 8.0.
3.1	Based on verified information, RA determines the MAX Referable Amount Pension, the	<ul style="list-style-type: none"> • Commence sub-process.

	MAX Referable Amount Lump Sum that can be transferred and the cost to the Member during this contract period.	
Sub-process		
3.2	Does the member wish to purchase referable amounts and/or lump sum?	<ul style="list-style-type: none"> • The member wishes to purchase pension referable amounts, progress to Step 3.2.1. • The member wishes to purchase lump sum referable amounts, progress to Step 3.3.1.
3.2.1	Pension Referable Amounts.	<ul style="list-style-type: none"> • Commence referable amounts purchase process, proceed to Step 3.2.2.

3.2.2 Establish factors A, B, C, D and G.

A	Member's Annual Pensionable Remuneration (<u>always</u> FTE 1.0 value) at the end of the "most recent year"
B	Annual State Pension (Contributory) rate at end of most recent Scheme Year*
C	Total Pension Referable Amounts accrued (and previously purchased) since membership of scheme commenced to end of most recent Scheme Year*
D	Total Pension Referable Amounts accrued in most recent Scheme Year
E	Total Lump Sum Referable Amounts accrued (and previously purchased) since membership of scheme commenced to end of most recent Scheme Year
F	Total Lump Sum Referable Amounts accrued in most recent Scheme Year
G	Time (in whole years) to NRA from end of most recent scheme year

- In determining what the most recent year is for this purpose Administrators should evaluate when it is likely, once a member formally contracts to transfer-in external pension benefits, to receive the Transfer Value amount from the external pension scheme. The "most recent scheme" year will be determined on the basis of when the Transfer Value amount is received by the Relevant Authority. Administrators will need to use their judgement and experience in making this assessment where the transfer-in process commences towards the end of the year.
- When these figures have been established proceed to **Step 3.2.3.**

3.2.3 MAX Pension Referable Amount Member can Purchase.

- The limits on the purchase of pension referable amounts, as set out in paragraph 8.3 of [Circular 15 of 2019](#), are determined on the basis of the formula below. Unlike the calculation of purchase limits there is one formula only when calculating a member's purchase limit by way of a Transfer Value. The output of the formula below is the maximum in pension referable amounts an eligible member may purchase by way of a Transfer Value. The limits are designed to ensure member compliance with Revenue rules which provide

		<ul style="list-style-type: none"> that annual pension cannot exceed 50% of a member’s final FTE 1.0 pensionable remuneration. To determine the maximum in pension referable amounts that an eligible member may purchase by way of a Transfer Value the limit is the output of the following formula: (A/2) – B – C – (D x G) This information is used to populate relevant fields in <i>Quote to Member template letter</i>. When the limit has been calculated proceed to Step 4.0. 														
3.3.1	Lump-Sum Referable Amounts.	<ul style="list-style-type: none"> Member has indicated on submitted EOI of request for cost to purchase lump sum referable amounts. Commence referable amounts purchase process, proceed to Step 3.3.2. 														
3.3.2	Establish factors A, E, F, and G.	<table border="1" data-bbox="913 751 2027 1385"> <tr> <td data-bbox="920 767 1003 847"> A </td> <td data-bbox="1003 767 2027 847"> Member’s Annual Pensionable Remuneration (<u>always</u> FTE 1.0 value) at the end of the “<i>most recent year</i>” </td> </tr> <tr> <td data-bbox="920 847 1003 927"> B </td> <td data-bbox="1003 847 2027 927"> Annual State Pension (Contributory) rate at end of most recent Scheme Year* </td> </tr> <tr> <td data-bbox="920 927 1003 1007"> C </td> <td data-bbox="1003 927 2027 1007"> Total Pension Referable Amounts accrued (and previously purchased) since membership of scheme commenced to end of most recent Scheme Year* </td> </tr> <tr> <td data-bbox="920 1007 1003 1086"> D </td> <td data-bbox="1003 1007 2027 1086"> Total Pension Referable Amounts accrued in most recent Scheme Year </td> </tr> <tr> <td data-bbox="920 1086 1003 1166"> E </td> <td data-bbox="1003 1086 2027 1166"> Total Lump Sum Referable Amounts accrued (and previously purchased) since membership of scheme commenced to end of most recent Scheme Year </td> </tr> <tr> <td data-bbox="920 1166 1003 1246"> F </td> <td data-bbox="1003 1166 2027 1246"> Total Lump Sum Referable Amounts accrued in most recent Scheme Year </td> </tr> <tr> <td data-bbox="920 1246 1003 1326"> G </td> <td data-bbox="1003 1246 2027 1326"> Time (in whole years) to NRA from end of most recent scheme year </td> </tr> </table>	A	Member’s Annual Pensionable Remuneration (<u>always</u> FTE 1.0 value) at the end of the “ <i>most recent year</i> ”	B	Annual State Pension (Contributory) rate at end of most recent Scheme Year*	C	Total Pension Referable Amounts accrued (and previously purchased) since membership of scheme commenced to end of most recent Scheme Year*	D	Total Pension Referable Amounts accrued in most recent Scheme Year	E	Total Lump Sum Referable Amounts accrued (and previously purchased) since membership of scheme commenced to end of most recent Scheme Year	F	Total Lump Sum Referable Amounts accrued in most recent Scheme Year	G	Time (in whole years) to NRA from end of most recent scheme year
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		<ul style="list-style-type: none"> When these figures have been established proceed to Step 3.3.3.
3.3.3	MAX Lump Sum Member can Purchase.	<ul style="list-style-type: none"> The limits on the purchase of lump sum referable amounts, as set out in paragraph 8.3 of Circular 15 of 2019, are determined on the basis of the formula below. Unlike the calculation of purchase limits <u>there is one formula only</u> when calculating a member's purchase limit by way of a Transfer Value. The limits are designed to ensure member compliance with Revenue rules which provide that a member's final lump-sum retirement benefit cannot exceed 150% of a member's final FTE 1.0 pensionable remuneration. The output of the formula below is the maximum in lump-sum referable amounts that an eligible member may purchase by way of a Transfer Value. <p style="text-align: center;">(A x 1.5) – E – (F x G)</p> <ul style="list-style-type: none"> This information is used to populate relevant fields in <i>Quote to Member template letter</i>. When these figures have been calculated proceed to Step 4.0.
Sub-process ends		
4.0	Issue quote, Acknowledgement Request Form, confirm RA has permission to engage with external pension provider and issue contract to Member	<ul style="list-style-type: none"> Template Cost Quotation and Acknowledgement Request templates that organisations may wish to consider adopting are available in the Administrator Toolkit for this purpose Proceed to Step 4.1.
4.1	Member reviews quote.	<ul style="list-style-type: none"> Proceed to Step 4.2.

<p>4.2</p>	<p>Member sends completed Acknowledgement Request Form and permission for RA Pension Administrator to engage with Members former pension scheme administrator.</p>	<ul style="list-style-type: none"> • Proceed to Step 5.0.
<p>5.0</p>	<p>Following review of documentation RA confirms member eligibility to formally transfer benefits into Single Scheme?</p>	<ul style="list-style-type: none"> • Member is not eligible, proceed to Step 8.0. • Member is eligible, progress to Step 5.1.
<p>5.1</p>	<p>RA contacts transferring pension scheme administration and exchanges required information including value of transferring benefits.</p>	<ul style="list-style-type: none"> • Proceed to Step 5.2.
<p>5.2</p>	<p>Transferring scheme administrator exchanges information with RA administrator. This must include pension and AVC's associated with the scheme the member is transferring from.</p>	<ul style="list-style-type: none"> • A transfer payment should relate to the whole of an employee's benefits. Split transfers are not permitted. A member who holds an external, Revenue approved benefit (e.g. under an occupational pension scheme) and who holds an additional benefit (an AVC for an example) must transfer-in all benefits to the Single Scheme. It is not permissible, for example, to transfer-in the benefits held under an external occupational pension scheme benefit and leave the associated AVC (for example). • Proceed to Step 6.0.

6.0	Based on review of info provide by transferring pension scheme does quote need to be reissued?	<ul style="list-style-type: none"> • If "yes" proceed to Step 6.1. • If "no" proceed to Step 8.0.
6.1	Member completes contract, acknowledging estimated value of benefits to be transferred in and % of transferred benefits to be used to purchase referable amounts (pension and/or lump-sum).	<ul style="list-style-type: none"> • A template Transfer Contract that organisations may wish to consider adopting is available in the Administrator Toolkit for this purpose. • Proceed to Step 6.2.
6.2	RA validates member request against quotation and initiates transfer.	<ul style="list-style-type: none"> • Proceed to Step 6.3.
6.3	Transferring scheme releases Transfer Value.	<ul style="list-style-type: none"> • Proceed to Step 7.0.
7.0	Has Transfer Value been received by RA?	<ul style="list-style-type: none"> • If "no" proceed to Step 7.3. • If "yes" progress to Step 7.1.

7.1	RA remits payment under normal remittance process.	<ul style="list-style-type: none"> • RA remits one-off payment to DPER / PMG identifying aggregate purchase payments separately. • Proceed to Step 7.2.
7.2	RA updates member details and records contract type, date of contract and date of receipt of payment. RA adds contract contributions and referable amounts details to member Single Scheme record.	<ul style="list-style-type: none"> • End process.
7.3	Contact Pension Administrator of transferring scheme.	<ul style="list-style-type: none"> • When Transfer Value has been received progress to Step 7.0.
8.0	Issue Non-Eligibility Template letter setting out reason(s).	<ul style="list-style-type: none"> • End process.

Disclaimer: This Recommended Scheme Procedure has been designed by the DPER Single Pension Project Team for straightforward cases that administrators might expect to encounter on a day-to-day basis. It does not purport to cover all eventualities and no liability is accepted by the Minister for Public Expenditure & Reform for any omissions or errors arising. Administrators should carefully consult the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 and associated regulations that, at all times, have precedence.