

Circular 13/2020:

Explanatory examples for application of the Pensions Benefit Cap under s.52 Single Pension Scheme Act

EXAMPLE 1: GARDA (PRE-6 APRIL 1995 ENTRANT), LATER JOINS CIVIL SERVICE (MODIFIED PRSI)			
<i>Garda 1982 - 2012 (30 yrs); Civil Service 2012 - 2027 (15 yrs)</i>			
Step 1 - Benefits without applying benefit cap			
Establish all pension scheme entitlements in financial terms, assuming no benefit cap	Final Pensionable remuneration	Pension	Lump sum
Garda pension (30 years' service), modified PRSI, lump sum paid 2012	€ 63,000.00	€ 31,500.00	€ 94,500.00
Civil service pension (15 years' service), modified PRSI, benefits payable 2029	€ 107,000.00	€ 20,062.50	€ 60,187.50
Total benefits, assuming no benefit cap		€ 51,562.50	€ 154,687.50
Step 2 - Allowable service for financial limit calculation			
<i>Confirm pensionable service is greater than 40 years, converting any service in atypical/ pension schemes into standard 40 year terms if necessary.</i>			
<i>Confirm allowable service by establishing if 52(6) or (7) applies. If service > 40 years on 28.07.2012, use that higher service years total to determine the benefit cap under s.52(7). Otherwise, service allowable is 40 years under 52(6).</i>			
<i>Establish Total service in 40 year terms</i>		S.52 pension cap (years)	S.52 lump sum cap (years)
Total Garda service = 30 years, 40 years standard scheme		40.00	40.00
Total Civil Service service (Standard scheme)		15.00	15.00
Total service in all schemes > 40 years therefore benefit cap applies		55.00	55.00
<i>Establish Service at cut off</i>			
Garda service at cut off		40.00	40.00
Civil service (standard scheme) at cut-off		0.00	0.00
Total service at cut of is < 40 years so 52.6 applies		40.00	40.00
Allowable service for benefit cap per S.52(6)		40.00	40.00
Step 3 - Financial limit calculation of benefit cap			
<i>Calculate the pension cap as a financial limit by applying the standard public service pension calculation methodology for each year of allowable service.</i>			
S.52 financial benefit cap is applied to Civil Service salary as it is 'Best Final Pensionable Remuneration'. As in modified PRSI class, for pension cap, apply 1/80th accrual formula to (BFPR). Lump sum is 150% x BFPR.		50%	150%
Financial benefit cap. Pension cap = accrual formula applied to BFPR; Lump sum cap = 150% x BFPR		€ 53,500.00	€ 160,500.00
Compare lump sum benefit cap with the total benefits at Step one to establish if there is any excess lump sum cap that can be converted into extra pension cap			
Step 4 - Benefits after applying benefit cap			
Determine benefits from current scheme which may be paid within benefit cap		Pension	Lump sum
Total benefits (above) do not exceed the benefit cap			
Garda benefits, in full		€ 31,500.00	€ 94,500.00
Civil service benefits, in full		€ 20,062.50	€ 60,187.50
Reduction in civil service benefits to comply with benefit cap		€ -	€ -
Total benefits payable		€ 51,562.50	€ 154,687.50

EXAMPLE 2: GARDA (PRE-6 APRIL 1995 ENTRANT), LATER JOINS HSE (MODIFIED PRSI)

<i>Garda 1975- 2005 (30 yrs); HSE 2005 - 2020 (15 yrs)</i>			
Step 1 - Benefits without applying benefit cap			
Establish all pension scheme entitlements in financial terms, assuming no benefit cap	Final Pensionable remuneration	Pension	Lump sum
Garda pension (30 years' service), modified PRSI, lump sum paid 2005	€ 63,000.00	€ 31,500.00	€ 81,000.00
HSE pension (15 years' service), modified PRSI, benefits payable 2020	€ 75,000.00	€ 14,062.50	€ 42,187.50
Total benefits, assuming no benefit cap		€ 45,562.50	€ 123,187.50
Step 2: Allowable service for financial limit calculation			
<i>Confirm pensionable service is greater than 40 years, converting any service in atypical/ pension schemes into standard 40 year terms if necessary.</i>			
<i>Confirm allowable service by establishing if 52(6) or (7) applies. If service > 40 years on 28.07.2012, use that higher service years total to determine the benefit cap under s.52(7). Otherwise, service allowable is 40 years under 52(6).</i>			
<i>Establish Total service in 40 year terms</i>		S.52 pension cap (years)	S.52 lump sum cap (years)
Total Garda service = 30 years, 40 years standard scheme		40.00	40.00
Total HSE service (standard scheme)		15.00	15.00
Total service in all schemes > 40 years therefore benefit cap applies		55.00	55.00
<i>Establish Service at cut off</i>			
Garda service at cut off		40.00	40.00
HSE service at cut off		7.00	7.00
Total service at cut-off, is > 40 years so 52(7) applies		47.00	47.00
Allowable service for benefit cap at cut-off per S.52(7)		47.00	47.00
Step 3 - Financial limit calculation of benefit cap			
<i>Calculate the pension cap as a financial limit by applying the standard public service pension calculation methodology for each year of allowable service.</i>			
S.52 financial benefit cap is applied to HSE salary as it is 'Best Final Pensionable Remuneration'. As in modified PRSI class, for pension cap, apply 1/80th accrual formula to (BFPR). Lump sum is 176% x BFPR.		59%	176%
Financial benefit cap. Pension cap = accrual formula applied to BFPR; Lump sum cap = 176% x BFPR		€ 44,062.50	€ 132,187.50
Compare lump sum benefit cap with the total benefits at Step one to establish if there is any excess lump sum cap that can be converted into extra pension cap			
Convert 'unused' lump sum into pension cap, i.e. divide by 9 and add result to pension cap		€ 1,000.00	-€ 9,000.00
Adjusted pension and lump sum cap		€ 45,062.50	€ 123,187.50
Step 4 - Benefits after applying benefit cap			
Determine benefits from current scheme which may be paid within benefit cap			
Total benefits (above) exceed the adjusted benefit cap		Pension	Lump sum
Garda benefits, in full		€ 31,500.00	€ 81,000.00
HSE benefits (reduced)		€ 13,562.50	€ 42,187.50
Reduction in HSE benefits to comply with benefit cap		-€ 500.00	€ -
Total benefits payable		€ 45,062.50	€ 123,187.50

EXAMPLE 3: HEALTH SERVICE EMPLOYEE, LATER JOINS CIVIL SERVICE (FULL PRSI)

<i>HSE 1978 - 1995 (17 yrs); Civil Service 1995 - 2021 (26 yrs)</i>			
Step 1 - Benefits without applying benefit cap			
Establish all pension scheme entitlements in financial terms, assuming no benefit cap	Final Pensionable remuneration	Pension	Lump sum
HSE pension (17 years), full PRSI, preserved, payable 2020	€ 38,438.00	€ 3,267.23	€ 24,504.23
Civil service pension (26 years), full PRSI, payable 2021	€ 40,620.00	€ 5,280.60	€ 39,604.50
Total benefits, assuming no benefit cap		€ 8,547.83	€ 64,108.73
<i>Supplementary pension not included in calculation in step 4 as the pension cap assumes entitlement to full State Pension</i>		€ 5,000.00	
Step 2: Allowable service for financial limit calculation			
<i>Confirm pensionable service is greater than 40 years, converting any service in atypical/ pension schemes into standard 40 year terms if necessary.</i>			
<i>Confirm allowable service by establishing if 52(6) or (7) applies. If service > 40 years on 28.07.2012, use that higher service years total to determine the benefit cap under s.52(7). Otherwise, service allowable is 40 years under 52(6).</i>			
<i>Establish Total service in 40 year terms</i>			
Total HSE service (Standard scheme)		17.00	17.00
Total Civil Service service (Standard scheme)		26.00	26.00
Total service in all schemes > 40 years therefore benefit cap applies		43.00	43.00
<i>Establish Service at cut off</i>			
HSE service at cut off		17.00	17.00
Civil service service at cut off		17.00	17.00
Total service at cut of is < 40 years so 52.6 applies		34.00	34.00
Allowable service for benefit cap per S.52(6)		40.00	40.00
Step 3 - Financial limit calculation of benefit cap			
<i>Calculate the pension cap as a financial limit by applying the standard public service pension calculation methodology for each year of allowable service.</i>			
S.52 financial benefit cap is applied to Civil Service salary as it is 'Best Final Pensionable Remuneration'. As in full PRSI class, for pension cap, apply 1/200th & 1/80th accrual formula to (BFPR). Lump sum is 150% x BFPR.		Apply accrual formula	150%
Financial benefit cap. Pension cap = accrual formula applied to BFPR; Lump sum cap = 150% x BFPR		€ 8,124.00	€ 60,930.00
Compare lump sum benefit cap with the total benefits at Step one to establish if there is any excess lump sum cap that can be converted into extra pension cap			
Step 4 - Benefits after applying benefit cap			
Determine benefits from current scheme which may be paid within benefit cap		Pension	Lump sum
Total benefits (above) exceed the benefit cap			
HSE benefits, payable in full		€ 3,267.23	€ 24,504.23
Civil service benefits (reduced)		€ 4,856.77	€ 36,425.78
Reduction in civil service benefits to comply with benefit cap		-€ 423.83	-€ 3,178.73
Total benefits payable		€ 8,124.00	€ 60,930.00
<i>Supplementary pension not included in calculation</i>		€ 5,000.00	
		State Pension	€ 248.30
		Annual	€ 12,956.29
		3.333333 x SPC	€ 43,187.64

EXAMPLE 4: PERMANENT DEFENCE FORCE (ENLISTED, PRE-1/4/2004 ENTRANT), LATER JOINS CIVIL SERVICE (FULL PRSI)

PDF 1973 - 2006 (33 yrs); Civil Service AP 2006 - 2020 (14 yrs)			
Step 1 - Benefits without applying benefit cap			
Establish all pension scheme entitlements in financial terms, assuming no benefit cap	Final Pensionable Remuneration	Pension	Lump sum
Enlisted PDF Sergeant pension (31 year pension, actual service = 33yrs), full PRSI, lump sum paid 2006	€ 43,938.17	€ 21,567.06	€ 50,347.05
Exclude (for step 4): (i) temporary pension supplement as this is an additional increment for service between 21 & 31 years and ceases at state pension age; (ii) 10% addition to MSA pension for service of 31 years or more, as this ceases at State Pension age.		€ 5,369.17	
Total PDF benefits, excl. temporary pension supplement & MSA addition		€ 16,197.89	€ 50,347.05
Civil Service AP Service (14 years), full PRSI	€ 74,657.00	€ 8,530.27	€ 39,194.93
Total benefits, assuming no benefit cap		€ 30,097.33	€ 89,541.98
Total benefits, excl. PDF temporary pension supplement & MSA addition		€ 24,728.16	€ 89,541.98
Step 2: Allowable service for financial limit calculation			
Confirm pensionable service is greater than 40 years, converting any service in atypical/ pension schemes into standard 40 year terms if necessary.			
Confirm allowable service by establishing if 52(6) or (7) applies. If service > 40 years on 28.07.2012, use that higher service years total to determine the benefit cap under s.52(7). Otherwise, service allowable is 40 years under 52(6).			
Conversion of PDF pension to standard 40 year terms	A	Conversion	40 year terms
PDF pension conversion: $A = 1/200\text{th}$ accrual formula applied to PDF final pensionable remuneration (€43,938.17)	€ 8,787.63	(PDF pension of €21,567.06 ÷ A) X 40 yrs	98.17
Lump sum conversion: $A = 150\% \times$ PDF final pensionable remuneration (€43,938.17)	€ 65,907.25	(PDF gratuity of €50,347.05 ÷ A) X 40 yrs)	30.56
		S.52 pension cap (years)	S.52 lump sum cap (years)
<i>Establish Total service in 40 year terms</i>			
Total PDF service, converted to standard 40 year terms (calculation above)		98.17	30.56
Total AP service (standard scheme)		14.00	14.00
Total service in all schemes > 40 years therefore benefit cap applies		112.17	44.56
<i>Establish Service at cut off</i>			
PDF Service converted to standard 40 year terms at cut off		98.17	30.56
AP service (standard scheme) at cut-off		6.00	6.00
Total service at cut-off, is > 40 years so 52(7) applies		104.17	36.56
Allowable service for benefit cap at cut-off per S.52(7)		104.17	36.56
Step 3 - Financial limit calculation of benefit cap			
Calculate the pension cap as a financial limit by applying the standard public service pension calculation methodology for each year of allowable service.		S.52 pension cap (€)	S.52 lump sum cap (€)
S.52 financial benefit cap is applied to Civil Service salary as it is 'Best Final Pensionable Remuneration'. As in full PRSI class, for pension cap, apply 1/200th & 1/80th accrual formula to (BFPR). Lump sum is 150% x BFPR.		Apply accrual formula	150%
Financial benefit cap. Pension cap = accrual formula applied to BFPR; Lump sum cap = 150% x BFPR		€ 63,471.35	€ 111,985.50
Compare lump sum benefit cap with the total benefits at Step one to establish if there is any excess lump sum cap that can be converted into extra pension cap			

<u>Step 4 - Benefits after applying benefit cap</u>			
<i>Determine benefits from current scheme which may be paid within benefit cap</i>		Pension	Lump sum
Total benefits (in Step 1 above) do not exceed the benefit cap			
PDF benefits, payable in full (Note: this figure does not include the temporary supplement as this is not permanent and ceases at state pension age therefore is not included in this Step)		€ 16,197.89	€ 50,347.05
Civil service benefits payable in full		€ 8,530.27	€ 39,194.93
Reduction in civil service benefits to comply with benefit cap		€ -	€ -
<i>Total benefits payable</i>		€ 24,728.16	€ 89,541.98
		State Pension	€ 248.30
		Annual	€ 12,956.29
		3.333333 x SPC	€ 43,187.64

EXAMPLE 5: PERMANENT DEFENCE FORCE (ENLISTED, PRE-1 APRIL 2004 ENTRANT), LATER JOINS HSE (FULL PRSI)

<i>PDF 1980 - 2006 (26 yrs); HSE Care Assistant 2006 - 2020 (14 yrs)</i>			
Step 1 - Benefits without applying benefit cap			
Establish all pension scheme entitlements in financial terms, assuming no benefit cap	Final Pensionable Remuneration	Pension	Lump sum
Enlisted PDF pension (26 year pension), full PRSI, lump sum paid 2006	€ 38,113.84	€ 17,181.45	€ 29,590.65
Exclude (for step 4): (i) temporary pension supplement as this is an additional increment for service between 21 & 31 years and ceases at state pension age; (ii) 10% addition to MSA pension for service of 31 years or more, as this ceases at State Pension age (not relevant here).		€ 2,353.32	
Total PDF benefits, excl. temporary pension supplement		€ 14,828.13	€ 32,869.35
HSE Care Assistant pension (14 years), full PRSI	€ 38,438.00	€ 2,690.66	€ 20,179.95
Total benefits, assuming no benefit cap		€ 19,872.11	€ 53,049.30
Total benefits, excl. PDF temporary pension supplement		€ 17,518.79	€ 53,049.30
Step 2: Allowable service for financial limit calculation			
<i>Confirm pensionable service is greater than 40 years, converting any service in atypical/ pension schemes into standard 40 year terms if necessary.</i>			
<i>Confirm allowable service by establishing if 52(6) or (7) applies. If service > 40 years on 28.07.2012, use that higher service years total to determine the benefit cap under s.52(7). Otherwise, service allowable is 40 years under 52(6).</i>			
Conversion of PDF pension to standard 40 year terms	A	Conversion	40 year terms
PDF pension conversion: A = 1/200th accrual applied to PDF final pensionable remuneration	€ 7,622.77	(PDF pension of €171,181.45 ÷ A) X 40 yrs	90.16
Lump sum conversion: A = 150% X PDF final pensionable renum.	€ 57,170.76	(PDF gratuity of €29,590.65 ÷ A) X 40 yrs)	20.70
		S.52 pension cap (years)	S.52 lump sum cap (years)
<i>Establish Total service in 40 year terms</i>			
Total PDF service, converted to standard 40 year terms (calculation above)		90.16	20.70
Total HSE Care Assistant service (standard scheme)		14.00	14.00
Total service in all schemes > 40 years therefore benefit cap applies		104.16	34.70
<i>Establish Service at cut off</i>			
PDF service, converted to standard 40 year terms at cut off		90.16	20.70
HSE Care Assistant service (standard scheme) at cut-off		6.00	6.00
Total service at cut-off, is > 40 years so 52(7) applies		96.16	26.70
Allowable service for benefit cap at cut-off per S.52(7)		96.16	26.70
Step 3 - Financial limit calculation of benefit cap			
Calculate the pension cap as a financial limit by applying the standard public service pension calculation methodology for each year of allowable service.		S.52 pension cap (€)	S.52 lump sum cap (€)
S.52 financial benefit cap is applied to HSE salary as it is 'Best Final Pensionable Remuneration'. As in full PRSI class, for pension cap, apply 1/200th & 1/80th accrual formula to (BFPR). Lump sum is 150% x BFPR.		Apply accrual formula	150%
Financial benefit cap. Pension cap = accrual formula applied to BFPR; Lump sum cap = 150% x BFPR		€ 18,480.72	€ 57,657.00
Compare lump sum benefit cap with the total benefits at Step one to establish if there is any excess lump sum cap that can be converted into extra pension cap			

<u>Step 4 - Benefits after applying benefit cap</u>			
<i>Determine benefits from current scheme which may be paid within benefit cap</i>		Pension	Lump sum
Total benefits (above) do not exceed the benefit cap			
PDF benefits, payable in full (Note: this figure does not include the temporary supplement as this is not permanent and ceases at state pension age therefore is not included in this Step)		€ 14,828.13	€ 32,869.35
HSE benefits payable in full		€ 2,690.66	€ 20,179.95
Reduction in HSE benefits to comply with benefit cap		€ -	€ -
<i>Total benefits payable</i>		€ 17,518.79	€ 53,049.30
		State Pension	€ 248.30
		Annual	€ 12,956.29
		3.333333 x SPC	€ 43,187.64

EXAMPLE 6: PERMANENT DEFENCE FORCE (ENLISTED, PRE-1 APRIL 2004 ENTRANT), LATER JOINS HSE (FULL PRSI)

PDF 2002 - 2023 (21 yrs); HSE Care Assistant 2023 - 2038 (22 yrs)			
Step 1 - Benefits without applying benefit cap			
Establish all pension scheme entitlements in financial terms, assuming no benefit cap	Final Pensionable Remuneration	Pension	Lump sum
Enlisted PDF pension (21 year pension), full PRSI, payable 2023	€ 38,113.84	€ 14,828.13	€ 18,260.75
Exclude (for step 4): (i) temporary pension supplement as this is an additional increment for service between 21 & 31 years and ceases at state pension age (not relevant here); (ii) 10% addition to MSA pension for service of 31 years or more, as this ceases at State Pension age (not relevant here).		€ -	
Total PDF benefits, excl. temporary pension supplement		€ 14,828.13	€ 18,260.75
HSE Care Assistant pension (22 years), full PRSI, payable 2038	€ 38,438.00	€ 3,843.80	€ 28,828.50
Total benefits, assuming no benefit cap		€ 18,671.93	€ 47,089.25
Total benefits, excl. PDF temporary pension supplement		€ 18,671.93	€ 47,089.25
Step 2: Allowable service for financial limit calculation			
<i>Confirm pensionable service is greater than 40 years, converting any service in atypical/ pension schemes into standard 40 year terms if necessary.</i>			
<i>Confirm allowable service by establishing if 52(6) or (7) applies. If service > 40 years on 28.07.2012, use that higher service years total to determine the benefit cap under s.52(7). Otherwise, service allowable is 40 years under 52(6).</i>			
Conversion of PDF pension to standard 40 year terms	A	Conversion	40 year terms
PDF pension conversion: A = 1/200th accrual applied to PDF final pensionable remuneration	€ 7,622.77	(PDF pension of €14,823.13 ÷ A) X 40 yrs	77.81
PDF service at cut-off = 10/21 of equivalent 40 year total for pension		77.81 x 10 ÷ 21	37.05
Lump sum conversion: A = 150% X PDF final pensionable renum.	€ 57,170.76	(PDF gratuity of €18,260.75 ÷ A) X 40 yrs)	12.78
PDF service at cut-off = 10/21 of equivalent 40 year total for gratuity		12.78 x 10 ÷ 21	6.08
		S.52 pension cap (years)	S.52 lump sum cap (years)
<i>Establish Total service in 40 year terms</i>			
Total PDF service, converted to standard 40 year terms (calculation above)		77.81	12.78
Total HSE Care Assistant service (standard scheme)		22.00	22.00
Total service in all schemes > 40 years therefore benefit cap applies		99.81	34.78
<i>Establish Service at cut off</i>			
PDF service at cut-off, converted to standard 40 year terms		37.05	6.08
HSE service (standard scheme) at cut-off		0.00	0.00
Total service at cut-off is < 40 years so 52(6) applies		37.05	6.08
Allowable service for benefit cap per S.52(6)		40.00	40.00
Step 3 - Financial limit calculation of benefit cap			
Calculate the pension cap as a financial limit by applying the standard public service pension calculation methodology for each year of allowable service.		S.52 pension cap (€)	S.52 lump sum cap (€)
S.52 financial benefit cap is applied to HSE salary as it is 'Best Final Pensionable Remuneration'. As in full PRSI class, for pension cap, apply 1/200th & 1/80th accrual formula to (BFPR). Lump sum is 150% x BFPR.		Apply accrual formula	150%
Financial benefit cap. Pension cap = accrual formula applied to BFPR; Lump sum cap = 150% x BFPR		€ 7,687.60	€ 57,657.00

Compare lump sum benefit cap with the total benefits at Step one to establish if there is any excess lump sum cap that can be converted into extra pension cap			
Convert 'unused' lump sum into pension cap, i.e. divide by 9 and add result to pension cap		€ 1,174.19	-€ 10,567.75
Adjusted pension and lump sum cap		€ 8,861.79	€ 47,089.25
<u>Step 4 - Benefits after applying benefit cap</u>			
<i>Determine benefits from current scheme which may be paid within benefit cap</i>		Pension	Lump sum
Total benefits (above) exceed the benefit cap			
PDF benefits payable in full, even if pension amount exceeds pension cap (Note: this figure does not include the temporary supplement as this is not permanent and ceases at state pension age therefore is not included in this Step).		€ 14,828.13	€ 18,260.75
HSE benefits (reduced)		€ -	€ 28,828.50
Reduction in HSE benefits to comply with benefit cap		-€ 3,843.80	€ -
Total benefits payable		€ 14,828.13	€ 47,089.25
		State Pension	€ 248.30
		Annual	€ 12,956.29
		3.333333 x SPC	€ 43,187.64

EXAMPLE 7: PERMANENT DEFENCE FORCE (COMMISSIONED OFFICER, PRE-6 APRIL 1995 ENTRANT), LATER JOINS CIVIL SERVICE (MODIFIED PRSI)

<i>PDF Commandant 1973 - 1996 (23 yrs); Civil Service 1996 - 2020 (24 yrs)</i>			
Step 1 - Benefits without applying benefit cap			
Establish all pension scheme entitlements in financial terms, assuming no benefit cap	Final Pensionable remuneration	Pension	Lump sum
PDF Commandant pension (23 years service), modified PRSI, lump sum paid 1996	€ 71,856.00	€ 35,928.00	€ 27,613.92
Civil Service PO Pension (24 years service), modified PRSI	€ 96,189.00	€ 28,856.70	€ 86,570.10
Total benefits, assuming no benefit cap		€ 64,784.70	€ 114,184.02
Step 2: Allowable service for financial limit calculation			
<i>Confirm pensionable service is greater than 40 years, converting any service in atypical/ pension schemes into standard 40 year terms if necessary.</i>			
<i>Confirm allowable service by establishing if 52(6) or (7) applies. If service > 40 years on 28.07.2012, use that higher service years total to determine the benefit cap under s.52(7). Otherwise, service allowable is 40 years under 52(6).</i>			
Conversion of PDF pension to standard 40 year terms	A	Conversion	40 year terms
PDF pension conversion: A = 1/80th accrual applied to PDF final pensionable remuneration (40/80ths = 50%)	€ 35,928.00	(PDF pension of €35,928 ÷ A) X 40 yrs	40.00
Lump sum conversion: A = 3/80ths accrual applied to PDF final pensionable remuneration (120/80ths = 150%)	€ 107,784.00	(PDF gratuity of €27,613.92 ÷ A) X 40 yrs)	10.25
		S.52 pension cap (years)	S.52 lump sum cap (years)
<i>Establish Total service in 40 year terms</i>			
Total PDF service, converted to standard 40 year terms (calculation above)		40.00	10.25
Total Civil service service (standard scheme)		24.00	24.00
Total service in all schemes > 40 years therefore benefit cap applies		64.00	34.25
<i>Establish Service at cut off</i>			
PDF service at cut-off, converted to standard 40 year terms		40.00	10.25
Civil service at cut-off		16.00	16.00
Total service at cut-off, is > 40 years so 52(7) applies		56.00	26.25
Allowable service for benefit cap at cut-off per S.52(7)		56.00	40.00
Step 3 - Financial limit calculation of benefit cap			
Calculate the pension cap as a financial limit by applying the standard public service pension calculation methodology for each year of allowable service.		S.52 pension cap (€)	S.52 lump sum cap (€)
S.52 financial benefit cap is applied to Civil Service salary as it is 'Best Final Pensionable Remuneration'. As in modified PRSI class, for pension cap, apply 1/80th accrual formula to (BFPR). Lump sum is 150% x BFPR.		70%	150%
Financial benefit cap. Pension cap = accrual formula applied to BFPR; Lump sum cap = 150% x BFPR		€ 67,332.30	€ 144,283.50
Compare lump sum benefit cap with the total benefits at Step one to establish if there is any excess lump sum cap that can be converted into extra pension cap			
Step 4 - Benefits after applying benefit cap			
Determine benefits from current scheme which may be paid within benefit cap		Pension	Lump sum
Total benefits (above) do not exceed the benefit cap			
PDF benefits, in full		€ 35,928.00	€ 27,613.92
Civil service benefits, in full		€ 28,856.70	€ 86,570.10
Reduction in civil service benefits to comply with benefit cap		€ -	€ -
Total benefits payable		€ 64,784.70	€ 114,184.02

EXAMPLE 8: PERMANENT DEFENCE FORCE (COMMISSIONED OFFICER, PRE-6 APRIL 1995 ENTRANT), LATER JOINS CIVIL SERVICE (MODIFIED PRSI)

<i>PDF 1973 - 1996 (23 yrs); Civil Service 1996 - 2020 (24 yrs)</i>			
Step 1 - Benefits without applying benefit cap			
Establish all pension scheme entitlements in financial terms, assuming no benefit cap	Final Pensionable remuneration	Pension	Lump sum
PDF Captain pension (23 years service), modified PRSI, lump sum paid 1996	€ 58,263.00	€ 27,745.52	€ 25,573.40
Civil Service HEO (24 years service), modified PRSI	€ 54,652.00	€ 16,395.60	€ 49,186.80
Total benefits, assuming no benefit cap		€ 44,141.12	€ 74,760.20
Step 2: Allowable service for financial limit calculation			
<i>Confirm pensionable service is greater than 40 years, converting any service in atypical/ pension schemes into standard 40 year terms if necessary.</i>			
<i>Confirm allowable service by establishing if 52(6) or (7) applies. If service > 40 years on 28.07.2012, use that higher service years total to determine the benefit cap under s.52(7). Otherwise, service allowable is 40 years under 52(6).</i>			
Conversion of PDF pension to standard 40 year terms	A	Conversion	40 year terms
PDF pension conversion: A = 1/80th accrual applied to PDF final pensionable remuneration (40/80ths = 50%)	€ 29,131.50	(PDF pension of €27,745.52 ÷ A) X 40 yrs	38.10
Lump sum conversion: A = 3/80ths accrual applied to PDF final pensionable remuneration (120/80ths = 150%)	€ 87,394.50	(PDF gratuity of €25,573.40 ÷ A) X 40 yrs)	11.70
		S.52 pension cap (years)	S.52 lump sum cap (years)
<i>Establish Total service in 40 year terms</i>			
Total PDF service, converted to standard 40 year terms (calculation above)		38.10	11.70
Total Civil service (standard scheme)		24.00	24.00
Total service in all schemes > 40 years therefore benefit cap applies		62.10	35.70
<i>Establish Service at cut off</i>			
PDF service at cut-off, converted to standard 40 year terms		38.10	11.70
Civil service at cut-off		16.00	16.00
Total service at cut-off, is > 40 years so 52(7) applies		54.10	27.70
Allowable service for benefit cap at cut-off per S.52(7)		54.10	40.00
Step 3 - Financial limit calculation of benefit cap			
<i>Calculate the pension cap as a financial limit by applying the standard public service pension calculation methodology for each year of allowable service.</i>			
S.52 financial benefit cap is applied to PDF salary as it is 'Best Final Pensionable Remuneration'. As in modified PRSI class, for pension cap, apply 1/80th accrual formula to (BFPR). Lump sum is 150% x BFPR.		68%	150%
Financial benefit cap. Pension cap = accrual formula applied to BFPR; Lump sum cap = 150% x BFPR		€ 39,398.12	€ 87,394.50
Compare lump sum benefit cap with the total benefits at Step one to establish if there is any excess lump sum cap that can be converted into extra pension cap			
Convert 'unused' lump sum into pension cap, i.e. divide by 9 and add result to pension cap		€ 1,403.81	-€ 12,634.30
Adjusted pension and lump sum cap		€ 40,801.93	€ 74,760.20

Step 4 - Benefits after applying benefit cap			
Determine benefits from current scheme which may be paid within benefit cap		Pension	Lump sum
Total benefits (above) exceed the adjusted benefit cap			
PDF benefits, payable in full		€ 27,745.52	€ 25,573.40
Civil service benefits (reduced)		€ 13,056.41	€ 49,186.80
Reduction in civil service benefits to comply with benefit cap		-€ 3,339.19	€ -
Total benefits payable		€ 40,801.93	€ 74,760.20

**EXAMPLE 9: PERMANENT DEFENCE FORCE (COMMISSIONED OFFICER, 6 APRIL 1995 - PRE-1 APRIL 2004 ENTRANT),
LATER JOINS CIVIL SERVICE (FULL PRSI)**

<i>PDF 1995 -2018 (23 yrs); Civil Service 2018 - 2034 (16 yrs)</i>			
Step 1 - Benefits without applying benefit cap			
Establish all pension scheme entitlements in financial terms, assuming no benefit cap	Final Pensionable remuneration	Pension	Lump sum
PDF Captain pension (23 years service), full PRSI, lump sum pd. 2018	€ 65,650.00	€ 19,869.00	€ 29,159.33
Civil Service HEO (16 years service), full PRSI, benefits payable 2034	€ 57,429.00	€ 6,303.28	€ 34,457.40
Total benefits, assuming no benefit cap		€ 26,172.28	€ 63,616.73
Step 2: Allowable service for financial limit calculation			
<i>Confirm pensionable service is greater than 40 years, converting any service in atypical/ pension schemes into standard 40 year terms if necessary.</i>			
<i>Confirm allowable service by establishing if 52(6) or (7) applies. If service > 40 years on 28.07.2012, use that higher service years total to determine the benefit cap under s.52(7). Otherwise, service allowable is 40 years under 52(6).</i>			
Conversion of PDF pension to standard 40 year terms	A	Conversion	40 year terms
PDF pension conversion: A = 1/200th accrual applied to PDF final pensionable remuneration	€ 19,868.71	(PDF pension of €19,869 ÷ A) X 40 yrs	40.00
PDF service at cut-off = 17/23 of equivalent 40 year total for pension		40 x 17 ÷ 23	29.57
Lump sum conversion: A = 150% X PDF final pensionable renum.	€ 98,475.00	(PDF gratuity of €29,159.33 ÷ A) X 40 yrs)	11.84
PDF service at cut-off = 17/23 of equivalent 40 year total for gratuity		11.84 x 17 ÷ 23	8.75
		S.52 pension cap (years)	S.52 lump sum cap (years)
<i>Establish Total service in 40 year terms</i>			
Total PDF service, converted to standard 40 year terms (calculation above)		40.00	11.84
Total Civil service service (standard scheme)		16.00	16.00
Total service in all schemes > 40 years therefore benefit cap applies		56.00	27.84
<i>Establish Service at cut off</i>			
PDF service at cut-off, converted to standard 40 year terms		29.57	8.75
Civil service (standard scheme) at cut-off		0.00	0.00
Total service at cut of is < 40 years so 52.6 applies		40.00	11.84
Allowable service for benefit cap per S.52(6)		40.00	40.00
Step 3 - Financial limit calculation of benefit cap			
Calculate the pension cap as a financial limit by applying the standard public service pension calculation methodology for each year of allowable service.		S.52 pension cap (€)	S.52 lump sum cap (€)
S.52 financial benefit cap is applied to PDF salary as it is 'Best Final Pensionable Remuneration'. As in full PRSI class, for pension cap, apply 1/200th and 1/80th accrual formula to (BFPR). Lump sum is 150% x BFPR.		Apply accrual formula	150%
Financial benefit cap. Pension cap = accrual formula applied to BFPR; Lump sum cap = 150% x BFPR		€ 19,868.71	€ 98,475.00
Compare lump sum benefit cap with the total benefits at Step one to establish if there is any excess lump sum cap that can be converted into extra pension cap			
Convert 'unused' lump sum into pension cap, i.e. divide by 9 and add result to pension cap		€ 3,873.14	-€ 34,858.27
Adjusted pension and lump sum cap		€ 23,741.85	€ 63,616.73

Step 4 - Benefits after applying benefit cap			
Determine benefits from current scheme which may be paid within benefit cap		Pension	Lump Sum
Total benefits (above) exceed the adjusted benefit cap			
PDF benefits, in full		€ 19,869.00	€ 29,159.33
Civil service benefits (reduced)		€ 3,872.85	€ 34,457.40
Reduction in civil service benefits to comply with benefit cap		-€ 2,430.43	€ -
Total benefits payable		€ 23,741.85	€ 63,616.73
		State Pension	€ 248.30
		Annual	€ 12,956.29
		3.333333 x SPC	€ 43,187.64

**EXAMPLE 10: PERMANENT DEFENCE FORCE (COMMISSIONED OFFICER, PRE-6 APRIL 1995 ENTRANT, MODIFIED PRSI),
LATER JOINS CIVIL SERVICE FOLLOWING A BREAK IN SERVICE (NOW FULL PRSI)**

PDF 1973 - 1996 (23 yrs); Civil Service 1996 - 2020 (24 yrs)			
Step 1 - Benefits without applying benefit cap			
<i>Establish all pension scheme entitlements in financial terms, assuming no benefit cap</i>	Final Pensionable remuneration	Pension	Lump sum
PDF Captain pension (23 years service), modified PRSI, lump sum paid 1996	€ 58,263.00	€ 27,745.52	€ 25,573.40
Civil Service HEO (24 years service), full PRSI	€ 54,652.00	€ 8,621.82	€ 49,186.80
Total benefits, assuming no benefit cap		€ 36,367.34	€ 74,760.20
Step 2: Allowable service for financial limit calculation			
<i>Confirm pensionable service is greater than 40 years, converting any service in atypical/ pension schemes into standard 40 year terms if necessary.</i>			
<i>Confirm allowable service by establishing if 52(6) or (7) applies. If service > 40 years on 28.07.2012, use that higher service years total to determine the benefit cap under s.52(7). Otherwise, service allowable is 40 years under 52(6).</i>		S.52 pension cap (years)	S.52 lump sum cap (years)
<i>Establish Total service in 40 year terms</i>			
Total PDF service, converted to standard 40 year terms		38.10	11.70
Total Civil service (standard scheme)		24.00	24.00
Total service in all schemes > 40 years therefore benefit cap applies		62.10	35.70
<i>Establish Service at cut off</i>			
PDF service at cut-off, converted to standard 40 year terms		38.10	11.70
Civil service at cut-off		16.00	16.00
Total service at cut-off, is > 40 years so 52(7) applies		54.10	27.70
Allowable service for benefit cap at cut-off per S.52(7)		54.10	40.00
<i>Note: see Example 8 for conversion of PDF service</i>			
Step 3 - Financial limit calculation of benefit cap			
<i>Calculate the pension cap as a financial limit by applying the standard public service pension calculation methodology for each year of allowable service.</i>			
<i>Apply allowable service to generate benefit cap. Use pro-rata calculation of pension cap to allow for modified & full PRSI service</i>		S.52 pension cap (€)	S.52 lump sum cap (€)
S.52 benefit cap is applied to PDF salary as it is 'Best Final Pensionable Remuneration'; lump sum cap 150%			150%
Pension cap if all allowable service valued at modified PRSI accrual rate of 1/80th, applied to PDF salary	€ 39,400.35		
Include in pension cap in ratio that modified service is to total pensionable service (38.1 years/62.1 years)		€ 24,173.16	
Pension cap if all allowable service valued at full PRSI rate accrual rates (1/200 th & 1/80 th), applied to PDF salary	€ 21,876.97		
Include in pension cap in ratio that full PRSI service is to total pensionable service (24 years/62.1 years)		€ 8,454.87	
S.52 pension cap, following pro-rata calculation		€ 32,628.03	
S.52 benefit cap applied to PDF salary		€ 32,628.03	€ 87,394.50
Compare lump sum benefit cap with the total benefits at Step one to establish if there is any excess lump sum cap that can be converted into extra pension cap			
Convert 'unused' lump sum into pension cap, i.e. divide by 9 and add result to pension cap		€ 1,403.81	-€ 12,634.30
Adjusted pension and lump sum cap		€ 34,031.84	€ 74,760.20

<u>Step 4 - Benefits after applying benefit cap</u>			
<i>Determine benefits from current scheme which may be paid within benefit cap</i>		Pension	Lump sum
Total benefits (above) exceed the adjusted benefit cap			
PDF benefits, in full		€ 27,745.52	€ 25,573.40
Civil service benefits (reduced)		€ 6,286.32	€ 49,186.80
Reduction in civil service benefits to comply with benefit cap		-€ 2,335.50	€ -
Total benefits payable		€ 34,031.84	€ 74,760.20
		State Pension	€ 248.30
		Annual	€ 12,956.29
		3.333333 x SPC	€ 43,187.64

EXAMPLE 11: ETB LECTURER, LATER IS ELECTED TD AND APPOINTED AS A MINISTER (CLASS K PRSI)

<i>ETB lecturer 1990 - 2001 (11 yrs); TD 2002 - 2022 (20 yrs); Minister 2012 - 2022 (10 yrs)</i>			
Step 1 - Benefits without applying benefit cap			
Establish all pension scheme entitlements in financial terms, assuming no benefit cap	Final Pensionable Remuneration	Pension	Lump sum
Education sector (ETB) benefits, 11 years' service, payable 2020	€ 100,000.00	€ 13,750.00	€ 41,250.00
TD - 20 years' service (max)	€ 96,189.00	€ 48,094.50	€ 144,283.50
Minister - 10 years (max) (Pension = 60% of pension. remun., no lump sum)	€ 79,510.00	€ 47,706.00	€ -
Total TD + Ministerial pension, payable 2022 (& total pensionable remuneration)	€ 175,699.00	€ 95,800.50	€ 144,283.50
Total benefits, assuming no benefit cap		€ 109,550.50	€ 185,533.50
Step 2: Allowable service for financial limit calculation			
<i>Confirm pensionable service is greater than 40 years, converting any service in atypical/ pension schemes into standard 40 year terms if necessary.</i>			
<i>Confirm allowable service by establishing if 52(6) or (7) applies. If service > 40 years on 28.07.2012, use that higher service years total to determine the benefit cap under s.52(7). Otherwise, service allowable is 40 years under 52(6).</i>			
<i>Establish Total service in 40 year terms</i>		S.52 pension cap (years)	S.52 lump sum cap (years)
Total ETB service (standard scheme)		11.00	11.00
Total TD service = 20 years (max), doubled to give 40 years standard scheme		40.00	40.00
Total service in all schemes > 40 years therefore benefit cap applies		51.00	51.00
<i>Establish Service at cut off</i>			
ETB service at cut-off		11.00	11.00
TD service at cut-off = 10 years, doubled for standard scheme		20.00	20.00
Total service at cut of is < 40 years so 52.6 applies		31.00	31.00
Allowable service for benefit cap per S.52(6)		40.00	40.00
Step 3 - Financial limit calculation of benefit cap			
<i>Calculate the pension cap as a financial limit by applying the standard public service pension calculation methodology for each year of allowable service.</i>			
<i>S.52 financial benefit cap is applied to TD/Minister's salary as it is 'Best Final Pensionable Remuneration'. As in PRSI class K, apply 1/80th accrual to BFPR per year of allowable service for pension cap, 3/80ths for lump sum cap. Express as % of BFPR.</i>			
Financial benefit cap. Pension cap = accrual formula applied to BFPR; Lump sum cap = 150% x BFPR		€ 87,849.50	€ 263,548.50
Compare lump sum benefit cap with the total benefits at Step one to establish if there is any excess lump sum cap that can be converted into extra pension cap			
Convert 'unused' lump sum into pension cap, i.e. divide by 9 and add result to pension cap		€ 8,668.33	-€ 78,015.00
Adjusted pension and lump sum cap		€ 96,517.83	€ 185,533.50
Step 4 - Benefits after applying benefit cap			
Determine benefits from current scheme which may be paid within benefit cap		Pension	Lump sum
Total benefits (above) exceed the benefit cap			
ETB benefits, in full		€ 13,750.00	€ 41,250.00
TD/Ministerial benefits (reduced)		€ 82,767.83	€ 144,283.50
Reduction in TD/Ministerial benefits to comply with benefit cap		-€ 13,032.67	€ -
Total benefits payable		€ 96,517.83	€ 185,533.50

EXAMPLE 12: TEACHER, LATER IS ELECTED TD AND APPOINTED AS A MINISTER (CLASS K PRSI)

<i>Teacher 1973 - 2003 (30 yrs); TD 1997 - 2020 (23 yrs); Minister 2007 - 2017 (10 yrs)</i>			
Step 1 - Benefits without applying benefit cap			
Establish all pension scheme entitlements in financial terms, assuming no benefit cap	Final Pensionable Remuneration	Pension	Lump sum
Teacher's benefits, 30 years' service, lump sum paid 2003	€ 85,333.00	€ 31,999.88	€ 90,000.00
TD - 20 years' service (max)	€ 96,189.00	€ 48,094.50	€ 144,283.50
Minister - 10 years (max) (Pension = 60% of pension. remun., no lump sum)	€ 79,510.00	€ 47,706.00	€ -
Total TD + Ministerial pension, payable 2020 (& total pensionable remuneration)	€ 175,699.00	€ 95,800.50	€ 144,283.50
Total benefits, assuming no benefit cap		€ 127,800.38	€ 234,283.50
Step 2: Allowable service for financial limit calculation			
<i>Confirm pensionable service is greater than 40 years, converting any service in atypical/ pension schemes into standard 40 year terms if necessary.</i>			
<i>Confirm allowable service by establishing if 52(6) or (7) applies. If service > 40 years on 28.07.2012, use that higher service years total to determine the benefit cap under s.52(7). Otherwise, service allowable is 40 years under 52(6).</i>			
<i>Establish Total service in 40 year terms</i>			
Total Teacher service (standard scheme)		30.00	30.00
Total TD service = 20 years (max), doubled to give 40 years standard scheme		40.00	40.00
Total service in all schemes > 40 years therefore benefit cap applies		70.00	70.00
<i>Establish Service at cut off</i>			
Teacher service at cut-off		30.00	30.00
TD service at cut-off = 15 years, doubled for standard scheme		30.00	30.00
Total service at cut-off, is > 40 years so 52(7) applies		60.00	60.00
Allowable service for benefit cap at cut-off per S.52(7)		60.00	60.00
Step 3 - Financial limit calculation of benefit cap			
<i>Calculate the pension cap as a financial limit by applying the standard public service pension calculation methodology for each year of allowable service.</i>			
<i>S.52 financial benefit cap is applied to TD/Minister's salary as it is 'Best Final Pensionable Remuneration'. As in PRSI class K, apply 1/80th accrual to BFPR per year of allowable service for pension cap, 3/80ths for lump sum cap. Express as % of BFPR.</i>			
Financial benefit cap. Pension cap = accrual formula applied to BFPR; Lump sum cap = 225% x BFPR		75%	225%
		€ 131,774.25	€ 395,322.75
<i>Compare lump sum benefit cap with the total benefits at Step one to establish if there is any excess lump sum cap that can be converted into extra pension cap</i>			
Step 4 - Benefits after applying benefit cap			
Determine benefits from current scheme which may be paid within benefit cap		Pension	Lump sum
Total benefits (above) do not exceed the benefit cap			
Teacher's benefits, payable in full		€ 31,999.88	€ 90,000.00
TD/ministerial benefits, payable in full		€ 95,800.50	€ 144,283.50
Reduction in TD/Ministerial benefits to comply with benefit cap		€ -	€ -
Total benefits payable		€ 127,800.38	€ 234,283.50

EXAMPLE 13: CIVIL SERVANT (PRE-6 APRIL 1995 ENTRANT), LATER JOINS ETB (MODIFIED PRSI)

<i>Civil Service 1972 - 2012 (40 yrs); ETB 2012 - 2020 (8 yrs)</i>	<i>DOB: 1952</i>		
Step 1 - Benefits without applying benefit cap			
Establish all pension scheme entitlements in financial terms, assuming no benefit cap	Final Pensionable remuneration	Pension	Lump sum
Civil service pension (40 years' service), modified PRSI, lump sum paid 2012	€ 63,000.00	€ 31,500.00	€ 94,500.00
ETB pension (8 years' service), modified PRSI, benefits payable 2020	€ 70,000.00	€ 7,000.00	€ 21,000.00
Total benefits, assuming no benefit cap		€ 38,500.00	€ 115,500.00
Step 2: Allowable service for financial limit calculation			
<i>Confirm pensionable service is greater than 40 years, converting any service in atypical/ pension schemes into standard 40 year terms if necessary.</i>			
<i>Confirm allowable service by establishing if 52(6) or (7) applies. If service > 40 years on 28.07.2012, use that higher service years total to determine the benefit cap under s.52(7). Otherwise, service allowable is 40 years under 52(6).</i>			
<i>Establish Total service in 40 year terms</i>		S.52 pension cap (years)	S.52 lump sum cap (years)
Total Civil service (standard scheme)		40.00	40.00
Total ETB Service (standard scheme)		8.00	8.00
Total service in all schemes > 40 years therefore benefit cap applies		48.00	48.00
<i>Establish Service at cut off</i>			
Civil service at cut off		40.00	40.00
ETB service (standard scheme) at cut-off		0.00	0.00
Total service at cut of is < 40 years so 52.6 applies		40.00	40.00
Allowable service for benefit cap per S.52(6)		40.00	40.00
Step 3 - Financial limit calculation of benefit cap			
<i>Calculate the pension cap as a financial limit by applying the standard public service pension calculation methodology for each year of allowable service.</i>			
S.52 financial benefit cap is applied to ETB salary as it is 'Best Final Pensionable Remuneration'. As in modified PRSI class, for pension cap, apply 1/80th accrual formula to (BFPR). Lump sum is 150% x BFPR.		50%	150%
Financial benefit cap. Pension cap = accrual formula applied to BFPR; Lump sum cap = 150% x BFPR		€ 35,000.00	€ 105,000.00
Compare lump sum benefit cap with the total benefits at Step one to establish if there is any excess lump sum cap that can be converted into extra pension cap			
Step 4 - Benefits after applying benefit cap			
Determine benefits from current scheme which may be paid within benefit cap		Pension	Lump sum
Total benefits (above) exceed the benefit cap			
Civil service benefits, payable in full		€ 31,500.00	€ 94,500.00
ETB benefits (reduced)		€ 3,500.00	€ 10,500.00
Reduction in ETB benefits to comply with benefit cap		-€ 3,500.00	-€ 10,500.00
Total benefits payable		€ 35,000.00	€ 105,000.00
ON DEATH OF MEMBER			
Assume death in retirement (in 2030)			
Spouse's pension cap = 25% of BFPR		€ 19,500.00	
Assume BFPR in 2030 is ETB final remuneration, now €78,000			
Civil service spouse's pension, if no benefit cap		€ 17,500.00	
(i.e. half of member's pension, assume €35,000 in 2030)			

ETB spouse's pension, if no benefit cap		€ 3,900.00	
(i.e. half of member's pension, assume €7,800 in 2030)			
Total of spouse's pensions, if no benefit cap		€ 21,400.00	
Apply benefit cap			
Civil service spouse's pension, in full		€ 17,500.00	
ETB spouse's pension, reduced		€ 2,000.00	
Reduction in ETB spouse's pension to comply with benefit cap		-€ 1,900.00	
Total spouse's pensions payable		€ 19,500.00	
<u>Assume death while in employment with ETB (over age 65)</u>			
Assume death in second half of 2020, Age = 68			
Spouse's pension cap = 25% of BFPR (ETB salary €70,000)		€ 17,500.00	
Civil service spouse's pension (death in retirement), if no benefit cap		€ 15,750.00	
(i.e. half of member's pension from Step 1, €31,500)			
ETB spouse's pension (death in service), if no benefit cap		€ 3,500.00	
(i.e. half of member's pension from Step 1, no notional added years)			
Total of spouse's pensions, if no benefit cap		€ 19,250.00	
Apply benefit cap			
Civil service spouse's pension, in full		€ 15,750.00	
ETB spouse's pension, reduced		€ 1,750.00	
Reduction in ETB spouse's pension to comply with benefit cap		-€ 1,750.00	
Total spouse's pensions paid		€ 17,500.00	
<u>Gratuity entitlements, following death in second employment</u>			
Lump sum cap, from Step 3		€ 105,000.00	
Civil service retirement lump sum from Step 1, already paid		€ 94,500.00	
Death gratuity under ETB scheme			
One year's salary or gratuity that would be payable if retired on ill health grounds. Here, one year's salary.		€ 70,000.00	
Total of retirement and death gratuities, if no benefit cap		€ 164,500.00	
Apply benefit cap			
Civil service retirement lump sum, already paid		€ 94,500.00	
ETB death gratuity, reduced		€ 10,500.00	
Reduction in ETB death gratuity to comply with benefit cap		-€ 59,500.00	
Total gratuities payable		€ 105,000.00	

EXAMPLE 14: CIVIL SERVANT (PRE-6 APRIL 1995 ENTRANT), LATER JOINS ETB (MODIFIED PRSI)

Civil Service 1975 - 2017 (42 yrs); ETB 2017 - 2025 (8 yrs)	DOB: 1957		
Step 1 - Benefits without applying benefit cap			
Establish all pension scheme entitlements in financial terms, assuming no benefit cap	Final Pensionable remuneration	Pension	Lump sum
Civil service pension (40 years' service), modified PRSI, lump sum paid 2017	€ 63,000.00	€ 31,500.00	€ 94,500.00
ETB pension (8 years' service), modified PRSI, benefits payable 2025	€ 74,000.00	€ 7,400.00	€ 22,200.00
Total benefits, assuming no benefit cap		€ 38,900.00	€ 116,700.00
Step 2: Allowable service for financial limit calculation			
Confirm pensionable service is greater than 40 years, converting any service in atypical/ pension schemes into standard 40 year terms if necessary.			
Confirm allowable service by establishing if 52(6) or (7) applies. If service > 40 years on 28.07.2012, use that higher service years total to determine the benefit cap under s.52(7). Otherwise, service allowable is 40 years under 52(6).			
Establish Total service in 40 year terms		S.52 pension cap (years)	S.52 lump sum cap (years)
Total Civil service (standard scheme)		40.00	40.00
Total ETB service (standard scheme)		8.00	8.00
Total service in all schemes > 40 years therefore benefit cap applies		48.00	48.00
Establish Service at cut off			
Civil service at cut off		40.00	40.00
ETB service (standard scheme) at cut-off		0.00	0.00
Total service at cut of is < 40 years so 52.6 applies		40.00	40.00
Allowable service for benefit cap per S.52(6)		40.00	40.00
Step 3 - Financial limit calculation of benefit cap			
Calculate the pension cap as a financial limit by applying the standard public service pension calculation methodology for each year of allowable service.			
S.52 financial benefit cap is applied to ETB salary as it is 'Best Final Pensionable Remuneration'. As in modified PRSI class, for pension cap, apply 1/80th accrual formula to (BFPR). Lump sum is 150% x BFPR.		50%	150%
Financial benefit cap. Pension cap = accrual formula applied to BFPR; Lump sum cap = 150% x BFPR		€ 37,000.00	€ 111,000.00
Compare lump sum benefit cap with the total benefits at Step one to establish if there is any excess lump sum cap that can be converted into extra pension cap			
Step 4 - Benefits after applying benefit cap			
Determine benefits from current scheme which may be paid within benefit cap		Pension	Lump sum
Total benefits (above) exceed the benefit cap			
Civil service benefits, payable in full		€ 31,500.00	€ 94,500.00
ETB benefits (reduced)		€ 5,500.00	€ 16,500.00
Reduction in ETB benefits to comply with benefit cap		-€ 1,900.00	-€ 5,700.00
Total benefits payable		€ 37,000.00	€ 111,000.00
ON DEATH OF MEMBER			
Assume death in retirement (in 2030)			
Spouse's pension cap = 25% of BFPR		€ 19,500.00	
Assume BFPR in 2030 is ETB final remuneration, now €78,000			
Civil service spouse's pension, if no benefit cap		€ 17,500.00	
(i.e. half of member's pension, assume €35,000 in 2030)			

ETB spouse's pension, if no benefit cap (i.e. half of member's pension, assume €7,800 in 2030)		€ 3,900.00	
Total of spouse's pensions, if no benefit cap		€ 21,400.00	
Apply benefit cap			
Civil service spouse's pension, in full		€ 17,500.00	
ETB spouse's pension, reduced		€ 2,000.00	
Reduction in ETB spouse's pension to comply with benefit cap		-€ 1,900.00	
Total spouse's pensions payable		€ 19,500.00	
<u>Assume death while in employment with ETB (under age 65)</u>			
Assume death in 2019, Age = 62			
Spouse's pension cap = 25% of BFPR (ETB salary in 2019, €70,000)		€ 17,500.00	
Civil service spouse's pension (death in retirement), if no benefit cap (i.e. half of member's pension from Step 1, €31,500)		€ 15,750.00	
ETB spouse's pension (death in service), if no benefit cap (i.e. half of what member's pension would have been based on service to age 65, i.e. with 3 notional added years, & calculated on salary of €70,000)		€ 2,187.50	
Total of spouse's pensions, if no benefit cap		€ 17,937.50	
Apply benefit cap			
Civil service spouse's pension, in full		€ 15,750.00	
ETB spouse's pension, reduced		€ 1,750.00	
Reduction in ETB spouse's pension to comply with benefit cap		-€ 437.50	
Total spouse's pensions paid		€ 17,500.00	
<u>Gratuity entitlements, following death in second employment</u>			
Lump sum cap based on ETB salary in 2019 (i.e. €70,000)		€ 105,000.00	
Civil service retirement lump sum from Step 1, already paid		€ 94,500.00	
Death gratuity under ETB scheme			
One year's salary or gratuity that would be payable if retired on ill health grounds. Here, one year's salary.		€ 70,000.00	
Total of retirement and death gratuities, if no benefit cap		€ 164,500.00	
Apply benefit cap			
Civil service retirement lump sum, already paid		€ 94,500.00	
ETB death gratuity, reduced		€ 10,500.00	
Reduction in ETB death gratuity to comply with benefit cap		-€ 59,500.00	
Total gratuities payable		€ 105,000.00	

Public Service Pensions Policy Unit
Department of Public Expenditure and Reform

17 September 2020