INFORMATION LEAFLET TO ASSIST IN COMPLETION OF APPLICATION FORM IN RESPECT OF COST NEUTRAL EARLY RETIREMENT

N.B. In order to enable processing of your application for retirement benefits in a timely manner, please return completed application form to Department of Education and Skills 3 months in advance of your chosen retirement date.

To avail of Cost Neutral Early Retirement benefits a teacher must, on Retirement, have reached age 50 years (or age 55 years in the case of “new entrants” (for new entrants see Circular 10/04)) Cost Neutral Early Retirement is an option which provides for the immediate payment of an actuarially reduced pension and actuarially reduced lump sum. (the alternative, where the teacher resigns/retires without entitlement to immediate pension payment is to Defer/Preserve Benefits, in which case a pension and lump sum, without actuarial reduction, would only become payable on reaching age 60 (or age 65 in the case of “new entrants”). See Circular Letter Pen 07/05 for details of the Cost Neutral Early Retirement Scheme.

PART 1 – YOUR DETAILS
Please complete all contact details, personal information and retirement date.

PART 2 – COMPLETION BY CHAIRPERSON/MANAGER
This part of the form must be completed by your school Chairperson/Manager and must be stamped with the school stamp.

PART 3 – YOUR SERVICE HISTORY
Outline details of your service and additional details in relation to service. Additional information may be outlined on a separate sheet which must be attached to Form Ret –CNER1.

PART 4 – YOUR QUALIFICATIONS
Provide details of your teaching qualifications.

PART 5 – OTHER INFORMATION
Complete as appropriate.

PART 6 – DECLARATION FOR APPLICATION FOR BENEFITS
This portion of the form must be signed and dated in order for the application to be processed.

PART 7A, B & C - SPOUSE AND CHILDREN SCHEME
Prior to your pension entitlements being processed, it is mandatory to complete and sign part 7A or 7B and 7C (if applicable) relating to the Spouses and Children’s Pension Scheme. Please note that completion of this part of the application form for pension benefits does not constitute an invitation to join the Spouses’ and Children’s Pension scheme.

Part 7A is for completion by non-members of the Spouses’ and Children’s Pension Scheme.
Part 7B is for completion by members of the Spouses’ and Children’s Pension Scheme.
Part 7C (if applicable) must be signed by your spouse/civil partner.

It is essential that Original State (civil) marriage certificate, civil partnership certificate and death certificate as appropriate are provided for inspection. For your information, an original civil marriage certificate and death certificate may be obtained by contacting the General Register Office (G.R.O.) at +353 (0) 90 6632900 or LoCall: 1890 252076.

Where appropriate, please supply a certified copy of your Decree Absolute and Pension Adjustment Order All legal documents provided by you will be copied for record purposes and returned to you.
PART 8 A, B & C - REVENUE PENSIONS DECLARATION INFORMATION


Section 14, Finance Act 2006, introduced a new limit on the amount of an individual’s tax relieved pension fund and capped the amount of tax free cash that can be taken. Both these limits are personal life time limits and apply to benefits taken or which come into payment on or after 06 December 2005.

Section 787R(4) of the Act provides that a person with retirement benefits (from any source, including all public sector superannuation schemes, but excluding social welfare benefits) with an aggregate capital value on drawdown above a specified threshold is liable for tax on the amounts above the threshold. Where the threshold is exceeded, an up-front income tax charge of 41% on the excess arises.

In order to assess potential liability to the tax, if any, every teacher claiming benefits from a Teachers Pension Scheme, must complete the attached Revenue Declaration Form. The form is divided into three, Part A is in effect a NIL declaration and part B is required only in the event that the teacher claiming benefits from a Teachers Pension Scheme has relevant pension entitlements from other sources. Part C must be completed and signed in all cases.

PART 9 – AGGREGATION OF PUBLIC SERVICE PENSIONS FOR PSPR PURPOSES

The Public Service Pension Reduction (PSPR) was introduced under the Financial Emergency Measures in the Public Interest Act 2010 and was effective from 1st January 2011. It was extended and amended by the Financial Emergency Measures in the Public Interest Act 2013. The reduction is applied to a pensioner’s gross annual rate of pension using a set of rates and income bands. Since 1 September 2013, where a person is in receipt of two or more public service pensions with a combined value of over €32,500 per annum, PSPR will be applied to the combined or aggregated value. For a recipient of more than one public service pension, the amendment of their PSPR from 1 September 2013 will put them in the same position as a pensioner who has just one pension equal to the combined value of their pensions.

NEW ENTRANTS AND COST NEUTRAL EARLY RETIREMENT

The Public Services Superannuation (Miscellaneous Provisions) Act 2004 provides that the minimum pension age is age 65 for most “new entrants” to the public service, including teachers. The definition of “new entrant” in the Act is quite complex and is not confined to persons who take up employment in the public service for the very first time on or after 1 April 2004. It also embraces, in general, persons who commence new employment from that date but whose previous public service employment terminated more than 26 weeks prior to the date of the new employment.

Cost Neutral Early Retirement benefits are available from age 50 (where a preserved pension age of 60 applies) and in the case of “new entrants” from age 55 (where a preserved pension age of 65 years).

The preserved pension age of 60 applies to all persons employed by schools other that those who are “new entrants” to the public service. The preserved pension age of 65 applies to “new entrants”. (Preserved pension is the deferred pension that becomes payable at age 60 (or age 65 if a new entrant) where the person resigns, before reaching normal retirement age and decides against, or is not eligible to make, the option for Cost Neutral Early Retirement benefits).

ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVC)

AVC are provided by private companies. If you have an AVC and wish to affect a transfer value (purchase additional service/pay for deductions) this Department recommends that you first consult with your AVC provider. To ensure payment of pension benefits in a timely manner, you must inform the Department of Education and Skills, Pensions Section, Cornamaddy, Athlone, County Westmeath, in advance of your retirement date that you intend to transfer your AVC. There is no facility to transfer an AVC once payment of lump sum has been made. Please provide a separate letter stating clearly that you wish to affect a transfer value of your AVC fund.

DATA PROTECTION

The Department of Education and Skills will treat all personal data you provide on this form as confidential and will use it solely for the purpose intended. The information will only be disclosed as permitted by law or for the purposes listed in the Department’s registration with the Data Protection Commissioner (DPC) - REF 10764/A. If the information you have provided is to be used for purposes other than outlined in the Department’s registration with the DPC, your permission will be sought.

Completed form and relevant documents to be forwarded to:

Pension Unit, Department of Education and Skills, Cornamaddy, Athlone, County Westmeath
Email: pensions@education.gov.ie Web: www.education.ie