

Qualifying for State pension (contributory)

Frequently Asked Questions

1. At what age can I qualify for State pension contributory?

From January 2014, pension age in Ireland became 66. This means that if you were born between 1st January 1949 and 31st December 1954 inclusive, the minimum qualifying State Pension age will be 66.

If you were born between 1st January 1955 and 31st December 1960 inclusive, the minimum qualifying State pension age will be 67

If you were born on or after 1st of January 1961 the minimum qualifying State pension age will be 68.

2. What are the 2018 weekly rates of State pension (contributory)?

Yearly Average	Personal Rate (weekly)	Increase for Qualified Adult aged under 66* (maximum weekly rate)	Increase for Qualified Adult aged 66 or over* (maximum weekly rate)
48 or over	€243.30	€162.10	€218.00
40-47	€238.50	€154.20	€207.10
30-39	€218.70	€146.80	€196.50
20-29	€207.10	€137.30	€184.90
15-19	€158.50	€105.60	€141.60
10-14	€97.20	€64.40	€87.70

*Increase for Qualified Adult is a means-tested payment

3. What is State pension (contributory)?

State pension (contributory) is a social insurance payment made when you reach age 66. It is based on your social insurance (PRSI) record.

The pension is not means-tested. Your personal rate is not affected by other income you may have such as an occupational pension.

Note: Increase for a Qualified Adult is a means-tested payment.

You qualify for State pension (contributory) if you:

- are aged 66 or over

and

- satisfy certain social insurance contribution conditions.

You can continue to work fulltime after age 66 and collect your State pension (contributory).

If you are getting Invalidity Pension, you automatically transfer to State pension (contributory) when you are aged 66.

4. What are the social insurance conditions I must satisfy to qualify for State pension (contributory)?

To qualify for State pension (contributory) you must have

- started paying social insurance before reaching age 56
- and**
- **paid** at least 520 full rate social insurance contributions (if you turn 66 before 6th April 2012 you need 260 **paid** full rate contributions)
- and**
- a yearly average of at least 48 **paid and/or credited** full rate contributions from 1979 to the end of the contribution year before you reach age 66
- or**
- a yearly average of at least 10 **paid and/or credited** full rate contributions from 1953 (or the year you started insurable employment, if later) to the end of the contribution year before you reach age 66.

Note: You need a yearly average of 10 full rate contributions to get the minimum payment rate of State pension (contributory). You need a yearly average of 48 full rate contributions to get the maximum payment rate. Please see Question 2 for weekly rates of payment.

5. How do I know what type of contribution I am paying?

The type of contribution, or PRSI Class, you pay is shown on your P60. See Questions 38 and 39 for an explanation of the different PRSI Classes.

6. What is a “Contribution Year”?

A “contribution year” is a year of assessment within the meaning of the Income Tax Acts, and is generally referred to as the “tax year”.

7. What are “full rate contributions”?

For State pension (contributory) calculation purposes, full rate social insurance contributions are PRSI contributions at Classes A, E, F, G, H, N and S. This category also covers contributions paid at the ‘ordinary’ rate before 6th April 1979.

8. What are “modified contributions”?

Modified rate social insurance contributions are PRSI contributions at Classes B, C and D. This category also covers contributions for Widow’s, Widower’s or Surviving Civil Partner’s Contributory Pension before 6th April 1979.

9. What are “self-employed contributions”?

Self-employed rate social insurance contributions are PRSI contributions at Class S. These contributions are counted as full rate contributions for State pension (contributory) purposes.

- If you were self-employed and started paying Class S PRSI contributions **on** the 6th April 1988, your entitlement to State pension (contributory) may be calculated based on your social insurance record from that date, provided you satisfy the other conditions for State pension (contributory).
- If you started paying Class S PRSI contributions **after** the 6th of April 1988, your entitlement will be calculated from the date your first reckonable contribution was paid. See Q38& Q39 for additional information on the classes of contributions that are reckonable for State pension contributory.
- You must have paid self-employment contributions for at least one year before reaching the age of 66.

It is important to ensure all self-employment liabilities are paid on time, to avoid possible loss of pension payment.

10. **I have less than 520 full rate social insurance contributions paid, but I have also paid modified rate contributions. Can these be used to satisfy the 520 paid contributions requirement?**

Modified rate social insurance contributions can be used to satisfy this requirement, provided you have **paid** at least 260 full rate contributions. If so, you may be assessed for what we call a ‘mixed insurance’ pension.

11. I do not have 520 paid Irish social insurance contributions, but I have worked abroad. Can my social insurance contributions from another country be used to satisfy the 520 paid contributions requirement?

Social insurance in a country covered by EC Regulations or a country with which Ireland has a Bilateral Social Security Agreement can be used to satisfy the 520 paid contributions requirement. For a list of these countries, see Question 37.

12. I am resident in Ireland, but I have worked or lived abroad. Do I need to contact the social insurance authorities abroad to help sort out my pension?

You do not need to contact the foreign social insurance authorities directly. When you apply for your Irish pension, once you have informed the Department of the country/countries in which you previously worked or lived, we will contact the relevant foreign authorities on your behalf in relation to your pension entitlements. You do not need to make a separate pension claim to those countries.

13. Do the social insurance contributions I have paid in a country or countries covered by EC Regulations or with which Ireland has a Bilateral Social Security Agreement count towards State pension (contributory)?

If you do not qualify for State pension (contributory) based on your Irish social insurance record alone, contributions paid abroad may help you qualify for a pro-rata State pension (contributory) under EC Regulations or under Bilateral Social Security Agreements. You may also qualify for a pension from the other country or countries.

When applying for your Irish pension, you should give details on your application form of any periods of employment or residence abroad. We will send the required papers, including details of your Irish contribution history, to the authorities in the other country or countries involved, on your behalf, if among the countries listed at Question 37.

EU rules on social security coordination enable you to move around Europe and not lose out on your social security rights. You can watch a short video online at:

<http://ec.europa.eu/avservices/video/player.cfm?sitelang=en&ref=1072535>

This video explains what will happen to your right to an old-age pension if you live and work in more than one country of the European Union or in Iceland, Liechtenstein, Norway and Switzerland.

14. I have less than 520 full rate social insurance contributions paid, but I have also paid voluntary rate contributions. Can the voluntary contributions be used to satisfy the 520 paid contributions requirement?

High rate and special rate voluntary contributions can be used to satisfy this requirement provided you have **paid** at least 260 full rate contributions.

For further information on voluntary contributions, visit the Departments website at www.welfare.ie or contact:

Voluntary Contributions
Department of Employment Affairs & Social Protection
Cork Road
Waterford
LoCall 1890 690 690

15. I have a gap in my social insurance record because I spent time caring for a child aged under 12 or for an ill person. Will this gap affect my State pension contributory entitlement?

From 6th April 1994, any period spent as a homemaker caring for either a child under 12 or an ill person may be disregarded when calculating your 'yearly average'. (see Question 19) A maximum of 20 years can be disregarded. This disregard does not apply to the Alternative Contributions Test (ACT).(see Question 20).

This means that the fact that you do not have any contributions in those years will not reduce your entitlement to pension. Additional information on Homemaker periods and how to apply for same can be found on the Homemaker page on www.welfare.ie

16. How can I get a copy of my social insurance record?

You can request a copy of your social insurance record at mywelfare.ie

MyWelfare can be accessed if you Login using your MyGovID Username (email address) and password. To register and learn more about a MyGovID, visit MyGovID.

To access services on MyWelfare.ie you need a verified account.

To verify your account, you must register for a MyGovID account

17. Can I qualify for social insurance credits if I retire before reaching age 66?

You may be entitled to Jobseeker's Credits or Illness Benefit credits if you satisfy the conditions for these schemes. Please contact your local Social Welfare Local Office for further information.

Otherwise, voluntary contributions may be an option for you to protect your social welfare entitlements.

For further information on voluntary contributions, see www.welfare.ie or contact:

Voluntary Contributions Section
Department of Employment Affairs & Social Protection
Cork Road
Waterford.
LoCall: 1890 690 690

18. I am self-employed and was not liable to pay social insurance for the last contribution year. What can I do to maintain my social insurance record?

You may be able to pay voluntary contributions to maintain your social insurance record.

For further information on voluntary contributions, see www.welfare.ie or contact:

Voluntary Contributions Section
Department of Employment Affairs & Social Protection
Cork Road
Waterford
LoCall: 1890 690 690

19. How do I calculate my 'Yearly Average'?

Count your number of contribution years, beginning with the year you first started paying social insurance up to and including the last full contribution year before you reach age 66. Call this '*Total Contribution Years*'.

Count all your full rate paid contributions and credits over the same period (see Question 7 above). Call this '*Contributions and Credits*'.

Your '*Yearly Average*' is calculated as follows:

$$\text{Yearly Average} = \frac{\text{Contributions and Credits}}{\text{Total Contribution Years}}$$

Use your yearly average to get your rate band and your corresponding weekly rate of pension as set out in the table at Question 2.

Example:

A person is paying social insurance since 7th August 1963. They reach age 66 on 12th March 2013. The last full contribution year before they turn 66 is 2012. They have a total of 1,260 contributions and credits which count towards State pension (contributory).

Total Contribution Years = 50 (1963 to 2012 inclusive)

Contributions and Credits = 1,260

$$\text{Yearly Average} = \frac{\text{Contributions and Credits}}{\text{Total Contribution Years}} = \frac{1,260}{50} = 25$$

In this example using the rates table from Question 2, this would qualify a person to a weekly personal rate of €207.10

20. How do I calculate my 'Yearly Average' using the Alternative Contribution Test (ACT)?

If you have a 'Yearly Average' of at least 48 full rate contributions (paid or credited) from April 1979, you may qualify for a maximum rate pension.

Count your number of contribution years, from 1979/80 up to and including the last full contribution year before you reach age 66. Call this 'Total Contribution Years'.

Count all your full rate paid contributions and credits over the same period (see Questions 7 above). Call this '*Contributions and Credits*'.

Your '*Yearly Average*' is calculated as follows:

$$\text{Yearly Average} = \frac{\text{Contributions and Credits}}{\text{Total Contribution Years}}$$

Example: A person reaches age 66 on 28th November 2009. The last full contribution year before they turn 66 was 2008. They have a total of 1,434 contributions and credits which count towards State pension (contributory).

Total Contribution Years (1979/80 to 2008 inclusive) = 30

Contributions and Credits = 1,434

$$\text{Yearly Average} = \frac{\text{Contributions and Credits}}{\text{Total Contribution Years}} = \frac{1,434}{30} = 47.8 \text{ (rounded to 48)}$$

In this example, using the rates table from Question 2, this would qualify a person to a weekly personal rate of €243.30

21. How do I calculate my Mixed Insurance Contributory Pension Entitlement?

Step 1

First calculate the Theoretical rate of pension. The Theoretical rate of pension is the personal rate of pension that you would qualify for if all your social insurance contributions and credits (full and modified) were treated as full-rate contributions. You add your full-rate and modified rate contributions and credits together and divide the total by the number of years since you started insurable employment to get your (Theoretical) yearly average. This yearly average determines what rate band of pension you qualify for and this gives you your Theoretical weekly pension amount.

Step 2

The following formula is then used:

$$\frac{\text{Theoretical personal rate of pension} \times \text{Number of full-rate contributions} + \text{credit}}{\text{Total number of full and modified rate contributions} + \text{credits}}$$

Example:

A person has 445 full-rate contributions (paid + credited) and 1546 modified rate contributions (paid + credited), over a 49 year period since they first entered insurable employment. They do not qualify for standard State pension (contributory), as they only have a yearly average of 9, based on $445 \text{ full rate contributions} \div 49 \text{ years}$.

An entitlement to Mixed Insurance Pro-Rata State pension (contributory) is then assessed.

Their theoretical yearly average is calculated by adding their 445 full rate contributions (paid and credited) to their 1546 modified contributions (paid and credited) and dividing by 49 years.
i.e. $445 + 1546 = 1991 \div 49 \text{ years} = 41$. This means they fall into the 40-47 yearly average rate band and their Theoretical personal rate of pension entitlement is €238.50 per week.

To get the actual rate of pension payable, the following calculation is carried out;

Theoretical personal weekly rate multiplied by the total number of full rate contributions, divided by the total number of full and modified rate contributions.

$$\frac{(\text{€}238.50 \text{ Theoretical personal weekly rate}) \times (445, \text{ number of full-rate})}{(1991 \text{ total full rate} + \text{modified})} = \text{€}53.30$$

The person qualifies for a Mixed Insurance pro rata State pension (contributory) at the weekly rate of €53.30.

22. Can my spouse, civil partner or cohabitant get a State pension (contributory) based on my record?

No. A person can only qualify for a State pension (contributory) based on their own social insurance record.

23. Can I get paid on my pension for my spouse, civil partner or cohabitant?

You can apply for an Increase for a Qualified Adult on your pension. A qualified adult is your spouse, civil partner or cohabitant. This increase is subject to a means test.

You will not get this increase if your spouse, civil partner or cohabitant

- has gross weekly means of more than €310
- or**
- is getting a higher rate social welfare payment in their own right (except Disablement Pension, Supplementary Welfare Allowance, Guardian's Payment, Half Rate Carers Allowance or Child Benefit)
- or**
- is disqualified from getting Jobseeker's payments while taking part in a trade dispute
- or**
- is taking part in either a full-time SOLAS non-craft training course or a VTOS course.

If your spouse, civil partner or cohabitant has gross weekly means of €100 or less you will receive the full increase for them.

If they have gross weekly means of between €100 and €310, you will get a reduced rate of increase. Where joint means exist (e.g. a joint bank account), half of such means is assessable.

If you are already in receipt of State pension contributory and you wish to apply for an Increase for a qualified adult, you can do so using the **SPCQA1** form which can be found on www.welfare.ie

24. Is my Increase for qualified adult allowance affected if my spouse, civil partner or cohabitant transfers or disposes of income or property?

If your spouse, civil partner or cohabitant has gross weekly means of €100 or less you will receive the full increase for them.

If they have gross weekly means of between €100 and €310, you will get a reduced rate of increase. Where joint means exist (e.g. a joint bank account), half of such means is assessable.

You should always notify the Department if there is a change in your qualified adult's means.

If your spouse, civil partner or cohabitant deprives themselves of income or property (including money) in order for you to qualify for the increase, or improve your weekly rate of payment, we will include that income or property in the means test if transfer of asset has taken place on or after 29 November 2011.

(This may not apply in the case of a farm transfer)

25. What other benefits or allowances can I claim for?

In addition to your pension and Increase for Qualified Adult if relevant, you may also qualify for some of the following weekly increases in payment:

- Increase for a Qualified Child –for a child normally living with you and aged under 18 or aged up to 22 if they are in full time education and are being supported by you. Since July 2012, if you are not in receipt of Increase for Qualified Adult, your claim for half rate increase for qualified child is a means tested payment.

If a person claims State pension (contributory) on or after 6th July 2012, they are not entitled to receive half-rate Increase for a Qualified Child, if their spouse, civil partner or cohabitant has income of over €400.00 a week.

- Living Alone Increase – if you are aged 66 or over and live alone or mainly alone;
- Island Allowance – if you are aged 66 or over and live on certain Irish offshore islands;
- Age 80 Allowance – automatically paid weekly once you reach age 80;
- Fuel Allowance – a means-tested payment, payable if you live alone or with certain other people;
- Household Benefits – Electricity or Gas Allowance and Free TV Licence. Available to people aged 70 or over resident in the State and to people aged under 70 resident in the State, in certain circumstances. Only one person in a household can qualify for the package at any time.

For more information on increases payable, see www.welfare.ie.

26. When and how do I apply for my pension?

If you are getting Invalidity Pension, you automatically transfer to State pension (contributory) when you are aged 66. The weekly amount of pension you get will increase to the State pension contributory rate.

If you are not in receipt of Invalidity Pension, you should apply for State pension (contributory) 3 months before your 66th birthday.

If you worked in one of the countries covered by EU Regulations or a country with which Ireland has a Bilateral Social Security Agreement, as listed at Question 37, you should apply for pension 6 months before reaching pension age. When making your claim, ensure you include details of your employment and residential addresses in the county or countries on your application form. The additional time is to allow the other country or countries time to provide details of your social insurance and to examine your possible entitlement to foreign pension.

Important: If you do not apply for your pension within 6 months of reaching pension age, you could lose some payment.

To apply for pension, complete the application form SPC1 and send it together with any relevant supporting documentation to:

State pension (contributory)
Department of Employment Affairs & Social Protection
College Road
Sligo
LoCall 1890 500 000

For more information, see www.welfare.ie

27. How will I know that my pension application has been safely received?

If you provide a mobile phone number on your application form, you will receive an SMS message confirming safe receipt of your claim.

28. I am not happy with the decision made by the Department on my application for pension. What can I do next?

You can request a review by a Deciding Officer by writing in to us and telling us why you think the decision we made was incorrect, and enclosing any relevant documents. The address you should write to is:

State pension (contributory)

Department of Employment Affairs & Social Protection
College Road
Sligo

If, following the review, you are still unhappy with the decision, you can appeal the decision by contacting the Appeals Office, within 21 days of the date of the review, at:

Social Welfare Appeals Office
D'Olier House
D'Olier Street
Dublin 2

29. How will I get my payment?

State pension (contributory) is paid weekly:

- By direct payment into your current, deposit or savings account in a financial institution
- or**
- At your local Post Office by using your Social Service Card / Public Services Card.

You must notify the Department immediately of any change in your circumstances.

30. If I go to live abroad, what happens to my State pension (contributory)?

If you live or intend to live outside the State, you can get your pension by direct payment to your account in a financial institution either in Ireland or in the country you choose to live in.

If you intend going abroad to live please write to us with details of your new address, together with any change you want made to your payment arrangements to:

Maintenance Section (SPC)
Department of Employment Affairs & Social Protection
College Road
Sligo

Important: If you move abroad, please remember that you must notify this Department immediately of any change in your circumstances while there.

31. Does the Department of Social Protection deduct income tax from my State Pension?

No. The Department does not deduct income tax from your pension.

However, your pension, including Increase for a Qualified Adult, Increase for Qualified Child, Living Alone Increase, Island Allowance and Age 80 Allowance, is regarded as income for income tax purposes and your liability for tax will depend on your overall circumstances.

You should contact your local tax office or online at www.revenue.ie if you have any questions about your tax liability.

32. Can I arrange to have my Local Property Tax deducted in weekly instalments from my State pension (contributory)?

Yes. If you wish to enter into such an arrangement with Revenue, you must contact your local tax office directly to make the necessary arrangements. Revenue will notify this Department directly, on your behalf, if such an agreement has been entered into.

You do not need to contact us. Any questions you have about Local Property Tax should be directed to Revenue through your local tax office.

33. I do not satisfy some of the qualifying conditions for State pension (contributory) at age 66. What can I do?

You can apply for State Pension (Non-Contributory), which is a **means-tested** payment for people aged 66 or over who do not qualify for State pension (contributory) based on their social insurance record. Your means are any income/capital belonging to you or your spouse, civil partner or cohabitant and property (except your own home) or an asset that could provide you with an income. You will qualify for a State Pension (non-Contributory) if your weekly means are at or below €245.00

This pension is taxable but you are unlikely to pay tax if it is your only income. Your means are assessed using specific rules under the following headings:

Cash income (including income from work) which you or your spouse, civil partner or cohabitant may have e.g. earnings from employment, self-employment, an occupational pension, a British or other foreign pension. If you are in employment, there is a disregard of €200.00 per week of your earnings:

Value of capital refers to savings, investments, cash-on-hands and property (excluding your own home) that you have. The value of all these items is added together and a special formula (see table below) is applied to their total value to calculate your weekly means. If you are married, in a civil partnership or cohabiting with another person, then each of you will be assessed with half of your joint capital, using the following formula:

Capital Weekly Means Assessed

Amount of savings and investments	Weekly means assessment
First €20,000.00	Nil
Next €10,000.00	€1.00 per €1,000.00
Next €10,000.00	€2.00 per €1,000.00
Balance	€4.00 per €1,000.00

You should apply for State pension (non-contributory) three months before your 66th birthday.

For more information on this pension, see www.welfare.ie or contact:

State Pension (Non-Contributory)
Department of Employment Affairs & Social Protection
College Road
Sligo
LoCall 1890 500 000

34. I am late applying for my pension, can my pension be backdated?

Since the 6th April 2012 late claims for State pension (contributory) may be backdated for a maximum period of 6 months.

35. Are there any circumstances where the Department will backdate a claim for more than 6 months?

In certain circumstances it may be possible to backdate claims for a period beyond six months:

- Where you failed to claim at the date of entitlement because of false or misleading information given to you, or a person acting on your behalf, by staff of the Department. If this is the case, you must give full details of the false or misleading information you got, including the name of the officer who gave the incorrect information (if known), the office where they gave the incorrect information and the date they gave it.
- Where you failed to claim at the date of entitlement because you were so incapacitated by illness or infirmity that you could not apply or instruct another person to apply on your behalf. If this is the case, you must supply medical evidence from your doctor explaining why the illness or incapacity prevented you from applying yourself or appointing someone to apply for you.

Where illness or incapacity is claimed, your claim to pension must have been made before or within 6 months of the date you ceased to be ill or incapacitated.

Important: Your lack of knowledge of entitlement to pension or the lack of knowledge of entitlement to pension of an agent/person acting for you is not regarded as satisfying the criteria to backdate your claim.

The lack of knowledge by third parties, incorrect information or advice which is supplied to you, or failure to act by an individual or agency other than an employee of the Department will not be regarded as a basis for a further backdating of pension payment.

36. Where can I get more information on State pension (contributory)?

For more information on State pension (contributory) or State pension (non-contributory):

- See the Retired and older people section of www.welfare.ie
- Contact your local Citizens Information Centre or Social Welfare Local Office
- LoCall 1890 500 000

37. What countries are covered by either EC Regulations or a Bilateral Agreement with Ireland?



Australia	Greece	Norway
Austria	Hungary	Poland
Belgium	Iceland	Portugal
Bulgaria	Isle of Man	Republic of Cyprus (Cyprus South)
Canada	Italy	Republic of Korea
Channel Islands	Japan	Romania
Czech Republic	Latvia	Slovakia
Croatia	Liechtenstein	Slovenia
Denmark	Lithuania	Spain
Estonia	Luxembourg	Sweden
Finland	Malta	Switzerland
France	The Netherlands	The United Kingdom
Germany	New Zealand	The United States of America

38. What are the different PRSI Classes people pay?

PRSI Class	Who pays this Class PRSI?*	Does it count towards State pension (contributory)?
A	Most people working in the private sector; Civil and Public Servants recruited on or after 6 th April 1995	Yes
B	Doctors and dentists working in the Civil Service; permanent and pensionable Civil Servants and Gardaí recruited before 6 th April 1995	No
C	Commissioned Army Officers and members of the Army Nursing Service recruited before 6 th April 1995	No
D	Other permanent and pensionable employees in the public service recruited before 6 th April 1995	No
E	Ministers of Religion employed by the Church of Ireland Representative Body	Yes
H	Non-Commissioned Officers and enlisted personnel of the Defence Forces	Yes
J	People with reckonable pay of less than €38 per week; people aged over 66; people in subsidiary employment	No
K	People on occupational pensions; certain office holders; people aged over 66 who previously paid Class S	No
M	Employees under age 16; people within Class K who have no contribution liability	No
P (optional)	Share Fishermen/Fisherwomen already paying Class S	No
S	Self-employed people, including certain company directors and certain people with income from investments and rents	Yes

* This table shows a very general description of the PRSI Classes and who pays them. For more information, see www.welfare.ie.

39. What other PRSI Classes could people have paid?

PRSI Class	Who paid this Class PRSI?*	Does it count towards State pension (contributory)?
E	Up until 1991, part-time share fishermen/fisherwomen not employed under a contract of service.	Yes
F	Up until 1991, outworkers employed under a contract of service	Yes
G	Up until 1991, outworker male weavers not employed under a contract of service	Yes
N	Up until 1991, Seamen who are EC nationals employed aboard a ship flying the Irish flag which is either a foreign-going ship or a ship engaged in regular trade on foreign stations.	Yes

* This table shows a very general description of the PRSI Classes and who paid them. For more information, see www.welfare.ie

40. How do I assess my possible future SPC entitlement?

- The Department cannot provide information on possible future SPC entitlements, or comment on individual pension planning enquiries
- To assist you in calculating what your future State pension entitlements may be, it is recommended that along with your social insurance record you read the detailed information on the eligibility conditions and current payment rates for SPC
- You can request a copy of your social insurance record online at mywelfare.ie

MyWelfare can be accessed if you Login using MyGovID Username (email address) and password. To register and learn more about a MyGovID, visit MyGovID

To access services on MyWelfare.ie you need a verified account

To verify your account, you must register for a MyGovID account

It is important to note that SPC entitlements will be assessed on the basis of the eligibility conditions applicable on the date the claimant reaches pension age