Update on State Contributory Pensions post 2012 Budget

Qualifying Criteria for State Contributory Pension:

- An individual must**:**
  - Be aged **66 or over**; (this will raise to **67 in 2021** (affecting those born between 1st Jan 1955 & 31st Dec 1960) and **68 in 2028** (affecting those born on or after 1st Jan 1961).
  - Have **started paying contributions before reaching 56 years**.
  - Have made at least **520** full rate social insurance contributions (if you turn 66 before 6th April 2012 you still only need 260 paid full rate contributions)
  - Have a yearly **average contribution of 10** (i.e. 520 full rate contributions) for minimum pension and 48 for maximum pension paid.

Changes to State Pension (Contributory) Rates:

- Changes in the rate bands for the Contributory Pension will come into effect from **1st September 2012.**
- Changes in the rate bands will **not affect anyone already receiving a pension**.

Contribution types for Self-employed:

- ***Class S contributions*** which have been paid by the self-employed from 6th April 1988 are counted as 'full rate'. Anyone who has consistently paid these from that date will have their contributions averaged from then. However, they must satisfy the other conditions for pension and **ensure any PRSI liabilities are paid on time** to avoid reduction in payment.
- ***Voluntary contributions***** - where a self-employed person under the age of 66 ceases to be covered by compulsory PRSI, they may qualify to pay voluntary contributions at a flat rate of €253.00.
- A farmer in receipt of **Farm Assist** is required to pay PRSI, either through Class 'S' contributions or voluntary contributions, depending on income.

Making a late claim for the contributory pension:

- From April 2012, where you apply for your pension after the date that you qualified, the **backdating of payments** will be for a maximum of 6 months (e.g. you will receive a maximum of 6 months of backdated payments, even if you qualified for the pension more than 6 months ago).
- This has no impact on your pension payments going forward.
- In order to get your pension on time, apply **at least 3 months in advance of your qualifying age**.

Widow(er)'s Contributory Pension:

- The total number of paid PRSI contributions needed to qualify for Widow(er)'s Contributory Pension and Surviving Civil Partner's Contributory Pension will increase from 156 to 260 contributions with effect from **December 2013**.

(***** It is not always necessary to pay voluntary contributions if you leave work due to illness or to care for someone. You may be due credited contributions or 'credits' instead which will also keep your social insurance up to date).

IMPORTANT!

Confirm how many contributions you have made by contacting:

Central Records,
Department of Social Protection, McCarter's Road,
Ardarvan,
Buncrana,
Co. Donegal
or Locall 1890 690 690

You will need to provide them with as much of the following information:

- PPS Number
- Name
- Address
- Date of birth
- Birth Surname
- Mother's Birth surname
- Pre-1979 insurance number
- Telephone number

MORE INFORMATION

Voluntary Contributions Section
Social Welfare Services Office
Department of Social Protection
Cork Road
Waterford

Tel: (051) 356000

www.welfare.ie

Locall Welfare Office
1890 500 0000

Or contact your local **Citizens Information Centre**

Questions and Answers

How many PRSI contributions must I make to qualify for a contributory pension?

From April 2012, the minimum number of PRSI contributions required to qualify for a contributory pension is 520.

What are the rate changes for the contributory pension outlined in the Budget?

From September 2012, for new claimants of the Contributory Pension, the rate of weekly pension payment will change, if the average number of contributions they have made falls below 40/year.

There is **no change** to the weekly payments that are received by **individuals currently in receipt** of the contributory pension.

The rate changes are outlined below:

Yearly Average Contributions	**Current Personal rate (weekly) €**	**New Personal Rate** (from September 2012) **(weekly) €**
48 or over	230.30	230.30
40-47	225.80	225.80
30-39	225.80	207.00
20-29	225.80	196.00
15-19	172.70	150.00
10-14	115.20	92.00

I am a self-employed farmer and have been paying my PRSI contributions since 1988. Will my pension be affected by the rate changes if I reach retirement age after September 2012?

No – If you have made **full** contributions since entering the PRSI system in 1988, you will still be entitled to a full pension..

However, if you have not made full contributions (e.g. a missed year, lower contributions than required), your average contribution may be less than 40/year, and therefore, you may receive a reduced pension rate if you reach retirement age after September 2012**.**

How can I find out the number of contributions I have made?
You can apply to the Central Records Department, Department of Social Protection, McCarter's Road, Ardarvan, Buncrana, Co. Donegal, for a full record of your PRSI contributions.

Can I do anything to increase the number of contributions I can make?
If you do not pay compulsory PRSI, you may be able to make a **voluntary contribution of €253/year**. Voluntary contributions should be paid before the end of the contribution year to which they relate. However, payments can be only accepted **up to five months late, or exceptionally up to a year late** where the contributor shows good cause for the delay.