An Roinn Caiteachais Phoiblí Bonneagair
Athchóiriúcháin Seirbhíse Poiblí agus Digitiúcháin
Department of Public Expenditure Infrastructure
Public Service Reform and Digitalisation

To: All HR Managers

12 August 2026

Ref. P018-083-2002

RE: Purchase of Notional Service (Revised Rates and Scope)

Dear HR Manager,

I am directed by the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation to refer to the purchase of notional service scheme in the civil and public service in respect of pre-existing public service pension schemes[1] and the following:

1. Revised rates of contribution in respect of the purchase of notional service for superannuation purposes and actuarial reduction factors in pre-existing public service pension schemes (non-Single Scheme) in respect of all civil and service public service bodies.
2. Consolidated purchase of notional service circular in the civil service.
3. Transitional arrangements.

1. Revised purchase rates and actuarial reduction factors

Please be advised that revised rates and actuarial reduction factors apply to **ALL civil and public service bodies** from the effective date (1 January 2027) of *Circular 26/2026 Purchase of Notional Service (Revised Rates and Scope) – "The Purchase Circular," which issued on 12 August 2026.* The revised rates are outlined in Part 1 of that circular. Further information may be found in the Appendix to this letter.

All Departments and Offices/Bodies in the Civil **and** Public Service are hereby instructed to adopt the revised rates of contributions as per Part 1 of the Purchase Circular in relation to all staff who wish to enter into a Certified Purchase Agreement.

HR Managers are instructed to circulate The Purchase Circular in the normal way to all bodies operating under the aegis of their Department/Office and to ensure the revised rates as set out in *Appendix 1 of the Purchase Circular* are adopted from the effective date of that circular (1 January 2027).

[1] As defined in the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

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2. **Consolidated purchase of notional service circular ([The Purchase Circular](#))**
   In addition to the revised rates, the Purchase Circular consolidates and supersedes all provisions relating to the civil service purchase of notional service scheme as set out in previous circulars and LPOs, **with the exception of the provisions in respect of purchase rates**. (see Appendix 3 of the Purchase Circular for a list of those circulars/LPOs).

   HR Managers in government Departments/Offices receiving this letter are asked to bring this letter to the attention of all officers, including officers who are currently on any form of leave.

3. **Transitional Arrangements**
   The effective date of the revised purchase rates within the Purchase Circular is **1 January 2027,** with transitional arrangements in place until 31 December 2026. These transitional arrangements are set out in part 2 of the Appendix to this letter below. There are no exceptions in respect of the transitional arrangements.

   HR Managers in government Departments/Offices receiving this letter are asked to bring this letter to the attention of all officers, including officers who are currently on any form of leave.

4. **Queries**
   i. Queries from pre-existing pension scheme members regarding this letter, or the purchase of notional service should be directed to their Local HR unit in the first instance.

   ii. Queries from Local HR units or public service bodies should be directed to their parent department.

   iii. Queries from parent departments can be directed to this department via pensions@per.gov.ie.

5. **HR Managers are also asked to bring the contents of this letter to the attention of all civil and public service bodies under the aegis of their department.**

Yours sincerely

Máiréad McCarthy

Principal Officer

Work and Pensions Division

Appendix

Part 1- Revised Purchase Rates and actuarial reduction factors

1. I refer to Part 1 of Purchase Circular, which states;

   "It is a basic principle of the Purchase Scheme that it shall be self-financing. The purchase rates were last reviewed and updated in 2005/06. Actuarial analysis of these purchase rates has shown that the current purchase rates require adjustment to ensure that the Purchase Scheme continues to be self-financing."

2. The purchase rates applicable to members of the pre-existing public service pension schemes were last set in 2006. Changes in economic factors, including increased life expectancy, means that the cost of purchase must increase to ensure that purchase schemes continue to be cost-neutral to the Exchequer. This results in an increase in the cost of purchase under the Purchase Scheme.

3. Tables of revised purchase contribution rates, and the associated actuarial reduction factors applicable in certain circumstances, are now outlined in *Appendix 1 "Rates of Contribution and Actuarial Reduction Factors"* of the Purchase Circular.

4. The new rates will not affect any purchase agreement already in place.

5. Effective dates and transitional arrangements associated with these revised rates are outlined in the 'Commencement and Transitional Arrangements' section below.

Part 2- Consolidation of Rules and Scope

6. Heretofore, the provisions in relation to the purchase of notional service were provided for in several circulars and Letters to Personnel Officers as listed in *Appendix 3 "Circulars and LPOs…"* of the Purchase Circular.

7. Please note that the Purchase Circular consolidates and supersedes all provisions in the circulars and LPOs, as listed in *Appendix 3 "Circulars and LPOs…"* of the Purchase Circular, **with the exception of the provisions in respect of purchase rates.**

   - The purchase rates in respect of all purchase agreements that have commenced before the effective date (1 January 2027) of the Purchase Circular continue to apply in respect of those agreements.
   - The purchase rates in respect of all purchase agreements- termed Certified Purchase Agreements (CPAs) under the Purchase Circular - finalised on or after the effective date of that circular (1 January 2027) are contained in Appendix 1 "*Rates of Contributions...*" of the Purchase Circular.

Commencement & Transitional Arrangements

8. The effective date of the purchase rates within the Purchase Circular is **1 January 2027,** with transitional arrangements in place until 31 December 2026. These transitional arrangements are set out in paragraphs 9, 10 and 11 below.

9. An eligible scheme member, who wishes to enter a purchase agreement – either via periodic CPA or lump sum CPA - with reference to the purchase rates as set out under *Circular 04/2006 'Purchase of notional service for superannuation purposes by Established Civil Servants and by Non-Established State Employees*', may do so subject to the relevant rules and eligibility criteria applicable to that scheme, where:

   For periodic purchase agreements:
   (i) the eligible scheme member has a signed purchase agreement in place with the administrator of the relevant purchase of notional service scheme, on or before 31 December 2026,
   (ii) notwithstanding that such an agreement may not commence (i.e. purchase contributions deducted from pay) - until the date of their next birthday in 2027.

   For lump sum purchase agreements:
   (i) the eligible scheme member has a signed purchase agreement in place with the administrator of the relevant purchase of notional service scheme, on or before 31 December 2026, and
   (ii) the receipt of the lump sum payment in respect of that purchase agreement is received by the relevant Local HR Unit before 1 January 2027.

10. **Any CPA's entered into on or after 1 January 2027** shall be based on purchase rates as set out in the Purchase Circular, notwithstanding that such an eligible scheme member's next birthday may also fall within 2027. There are no exceptions to the above.

11. These transitional arrangements ensure fairness of application across eligible scheme members by affording them the opportunity to avail of the outgoing purchase rates.

Other relevant guidance

12. The following guidance and supporting information can be found on the Public Service Pensions website;
    - DPER Circular 26/2026 – "The Purchase Circular"
    - A FAQ Document: to support the Purchase Circular
    - Examples Document: to support the Purchase Circular
    - Historical Purchase Rates: This document provides an appendix of the periodic contribution rates, lump sum rates and actuarial reduction factors applicable to scheme members who entered into a purchase of notional service agreement from 1 April 1979 to 31 December 2026.