

Presentation on social welfare pension entitlements

NUI Galway

Friday, 15th May 2020



Main topics covered in this presentation

1. Social insurance contributions
2. State Pension (Contributory)
3. Proposed future changes to State Pension (Contributory)
4. Public Services Card
5. MyGovID
6. How to get a copy of your social insurance contribution record.

Important Question

Will you work your entire career in the public sector?

- If you started working in public sector employment before 6/4/95 and
- you have spent all your career to date in the public sector and
- you intend to remain in public sector employment for the remainder of your career

then the only SW payment that may apply in your case is **Widow/er's or Surviving Civil Partner's (Contributory) Pension.**

Part 1

Social Insurance Contributions

Social Insurance Contributions

There are 3 types of social insurance contributions;

Contribution type	These contributions are
Paid	paid by people who are in insurable employment.
Credits	credited by the Department to the social insurance records of insurable workers who cannot work due to illness or unemployment.
Voluntary	paid on a voluntary basis by people who decide to give up work (<i>e.g. those who retire early, take a career break</i>).

Types of social insurance contributions

All contributions (**Paid**, **Credited** and **Voluntary**) are divided into classes: -

- Classes **A**, E, F, G, H, N, S (as well as ‘Ordinary’ contributions before 06/04/79) are known as full-rate contributions.
- Classes B, C & **D** are reduced-rate contributions.

Each Class of contribution gives entitlement to different social welfare benefits.

Class A Contributions

Provide cover for 14 benefits including

- **State Pension (Contributory)**
- **Widow/er's or Surviving Civil Partner's (Contributory) Pension.**
- **Illness Benefit**
- **Invalidity Pension**
- **Treatment Benefit**
- **Maternity/Adoptive/Paternity Benefits**
- **Jobseeker's Benefit**
(previously known as Unemployment Benefit)



Class D Contributions

Provide cover for 4 benefits as follows: -

- Widow/er's or Surviving Civil Partner's Contributory Pension
- Guardian's Payment (Contributory)
- Occupational Injuries Benefit
- Carer's Benefit

Note:

Class D does not provide cover for a standard State Pension (Contributory) or for Jobseeker's Benefit.

Who pays the different types of contributions?



Class A are paid by

- People in private sector employment
- civil and public servants recruited on or after 6/4/95.



Classes B & D are paid by

- Civil & Public servants recruited before 6/4/95

Voluntary Contributions

VCs help those who exit the workforce to protect their **current level of entitlement** to State Pension (Contributory), Widow/er's Contributory Pension and Guardian's Contributory Payment.

To become a voluntary contributory, you must be

- under pension age and
- no longer covered by compulsory PRSI in Ireland and
- no longer covered by PRSI on a compulsory or voluntary basis in another EU State.

Voluntary Contributions

You must

- Have ≥ 520 PRSI contributions paid as an employee or self-employed person
- apply within 5 years of the end of the year in which you last paid a contribution or were awarded a credit.
- agree to pay the cost of the VCs to the Department annually either in a lump sum or by agreed instalments.

To apply to become a voluntary contributor, complete form VC1 and submit it to the Department.

Voluntary Contributions – how much do they cost?

	High rate (Classes A, E, H)	Low rate (Classes B, C, D)	Special rate (Class S)
% of previous year's reckonable income	6.6% (Min. €500)	2.6% (Min. €250)	€500 (flat fee)
VCs are reckonable for	SP(C)		SP(C)
	WCP	WCP	WCP
	GP(C)	GP(C)	GP(C)

Payment must be made to the Department within 12 months of the billing date either by lump sum or by agreed instalments.

Part 2

State Pension (Contributory)

Main types of social welfare contributory pensions

- A Standard State Pension (Contributory)
(Entitlement is based upon full-rate contributions only)
- State Pension (Contributory Pro-Rata)
(Based upon a mixture of full-rate and reduced rate contributions)
- Widow/er's or Surviving Civil Partner's
(Contributory) Pension.
(Based upon a full-rate, reduced rate or a mixture of the two)

Standard State Pension (Contributory) – Qualifying conditions

Applicant must

- be pension age (currently age 66 years)
- have started paying insurance contributions before age 56
- have at least 520 full-rate (e.g. Class A) contributions paid before reaching pension age.

(or if at least 260 full-rate cons paid, the balance can be made up of full-rate voluntary contributions).

- satisfy a yearly average test

State Pension (Contributory) - Yearly Average Text

You must have an a yearly average of at least

- 10 full-rate cons paid or credited from year of entry into insurable employment to end of tax year before reaching pension age
- or
- 48 full-rate cons paid or credited from 6/4/79 to end of tax year before reaching pension age.

State Pension (Contributory) weekly payment rates from 29/03/19

Yearly Average	Personal rate (EUR)	QA < age 66 (EUR)	QA age 66+ (EUR)
48 or over	248.30	165.40	222.50
40 – 47	243.40	157.40	211.40
30 - 39	223.20	149.80	200.50
20 – 29	211.40	140.10	188.70
15 – 19	161.80	107.80	144.50
10 - 14	99.20	65.70	89.50

Example of SP(C) payment entitlement using the yearly average test



Date of entry into insurable employment	25/07/75
John reached pension age (66) on	27/04/17
1975 - 2016	42 years
Full-Rate contributions (paid/credited)	1,358
Yearly Average (1,358 / 42)	32
Yearly average band	30 – 39
Personal weekly rate of SP(C)	€223.20

Homemakers



- A homemaker is a person who at anytime since 6/4/94 has taken care of a disabled person or, child/ren under age 6 (*or under age 12 from 6/4/95*) at home.
- Years spent homemaking are disregarded when calculating the yearly average for State Pension (Contributory), subject to a maximum disregard of 20 years.
- This provision applies equally to men and women.



Example of how the Homemaker provision operates

In a **40 year** period, a person (i) worked in insurable employment for **30 years** and (ii) spent **10 years** caring for young children at home.

	Yearly average	Weekly personal pension rate
<u>Without</u> Homemaker provision		
30 years X 52 weeks = 1560 cons / 40 years	39	€223.20
<u>With</u> Homemaker provision		
30 years X 52 weeks = 1560 cons / 30 years	52	€248.30

Pro-rata contributory pensions

If you do not qualify for a Standard SP(C) based upon full-rate contributions alone then, you may qualify for either a

- **Mixed Insurance Pro-Rata SP(C)** if you have a mixture of full-rate and reduced rate contributions

or

- **EU Pro-Rata SP(C)** if you worked in Ireland and worked/lived in a country covered by EC Regs or in a country with which Ireland has a bilateral social security agreement.

Mixed Insurance Pro-Rata Contributory Pension

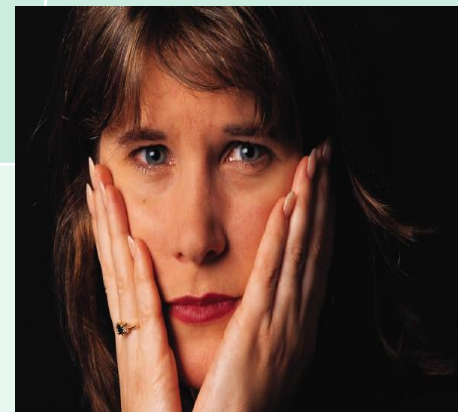
To qualify you must

- be pension age (*currently 66 years*)
- have started paying ins cons before age 56
- have at least 520 contributions paid - (*of which at least 260 must be full rate.*)
- have paid reduced rate contributions (e.g. Class D)
- have a yearly average no. of contributions paid or credited.

Employed	Period	No. of Cons	Type
BoI	1975 - 1980	280	Class A
NUI Galway	1981 - 2004	<u>1,170</u>	Class D
	Total	1,450	

Reached age 66 on 15/04/2005.

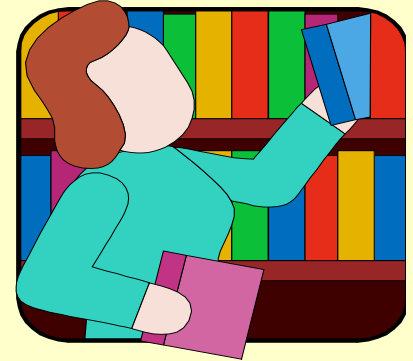
Reckonable years (1975 – 2004) = 30



Example contd.

Step 1 (Calculate notional pension rate)

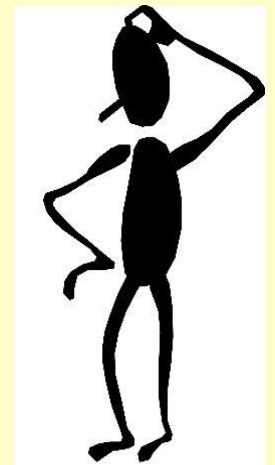
$$\frac{280 \text{ full-rate} + 1,170 \text{ reduced rate}}{30 \text{ years}} = 48$$



If all her cons were full-rate, Anne would get max rate pension of €248.30 per week. This is known as her “notional” pension rate.

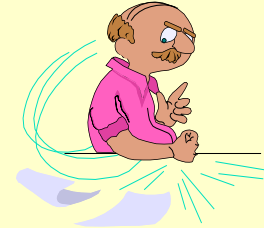
Step 2 (Calculate her actual pension rate)

$$\frac{€248.30 \times 280}{1450} = €47.94. \text{ Rounded to €48.}$$



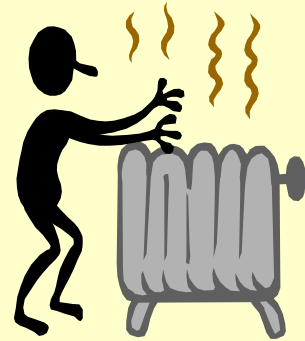
Points to note about SW contributory pensions

- You do not have to give up work to get a contributory pension.
- All pensions are taxable.
- You can get a SW contributory pension and an occupational pension at the same time (- *subject to integration*).
- You will only get one SW pension even if you satisfy the conditions for receipt of two or more pensions.
- You do not have to live in Ireland.

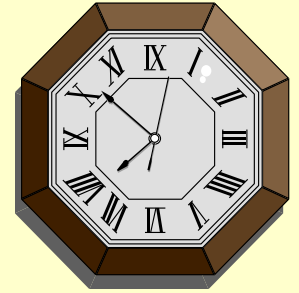


Extra benefits that may be paid with SW pension

- Living Alone Increase – *€14 per week*
- Household Benefits
(*electricity allowance (€35 pm), free TV licence*)
- Over-80 allowance – *€10 pw*
- Telephone Support Allowance - *€2.50 pw*
- Fuel/All. *€24.50 pw x 32 wks (means-tested)*
- Increase for qualified adult (*means-tested*)
- Increase for qualified child/ren (*€36/€40 pw*)



Apply for pension on time

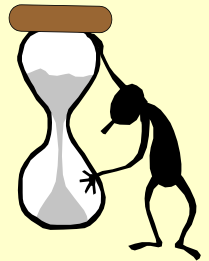


Please apply for your SW pension on time i.e.
THREE months before you reach pension age

or

SIX months before pension age if you worked in a country covered by EC Regulations or in a country with which Ireland has a bilateral agreement on Social Security.

In most cases, late claims may only be backdated for a maximum period of 6 months if there is ‘good cause’ to do so.



Aggregated Contributions Method (ACM)

It is an alternative way of calculating the rate of SPC payable.

It only applies to people who

- were born on or after 01/09/1946
- entered into insurable employment before age 56
- have at least 520 full-rate cons paid (*or 260 full-rate cons paid and the balance in high rate VCs*)

In calculating the rate of pension, the ACM makes provision for Home Caring Periods (HCPs).

HomeCaring Periods – What are they?

A period of time when you were not employed or signing-on for credits because you were providing full-time care for

- a child/ren under age 12 years or for any other person who needed an increased level of care.

HCPs can only be used in calculating the rate of pension payable using the Aggregated Contributions Method.

HCPs don't apply to periods of self-employment or periods spent outside the State.

Aggregated Contributions Method

Under the ACM, the weekly rate of pension is determined by the actual number of reckonable contributions and Home Caring Periods (HCPs) which you have.

A minimum of 2,080 contributions is needed to get the max weekly personal pension rate (€248.30).

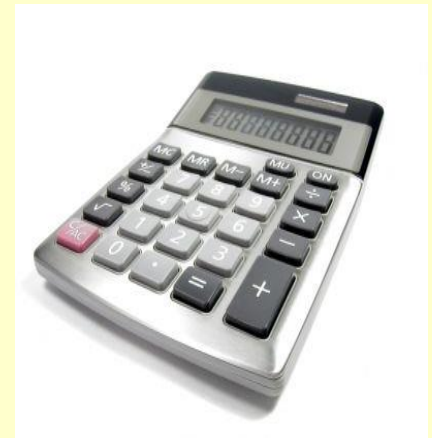
The 2,080 contributions may include a maximum of

- 1,040 HCPs (i.e. 20 years) and
- 520 credits (i.e. 10 years)
- However, the maximum number of combined HCPs and credits is 1,040 (subject to a max of 520 credits).

Example of Aggregated Calculation Method

- A person has 1,399 paid contributions, 36 credits and 397 HomeCaring periods. Total 1,832.
- Their personal weekly rate of SP(C) will be calculated as follows;

$$\frac{1,832 \times \text{€}248.30}{2,080} = \text{€}218.70$$



Part 3

Proposed future changes to State Pension (Contributory)

Why the need for change?

Over the next 40 years

- the number of pensioners is set to more than double;
- the ratio of working age people to pensioners will fall from 4:1 to 2.3:1

The Social Insurance Fund is forecast to accumulate a potential deficit of up to €400 billion over the next 50 years.

Proposed future changes to SW contributory pensions.



In its **National Pensions Framework (2010)** and **A Roadmap for Pensions Reform 2018 – 2023**, the Government announced changes to future pension entitlement, including the following;

- State pension age will increase to 67 in 2021 and to 68 in 2028.
- The State Pensions system will be simplified with a move to a total contributions approach from Q3, 2020.
- The amount of pension payable will be directly proportional to the no. of years that a person has contributed.
- People will be able to
 - make up contribution shortfalls.
 - postpone receipt of State pension thereby giving them entitlement to an actuarially increased pension when they retire.
- Government will seek to keep the pension rate at 34% of average weekly earnings.
- Link future changes in SPC to life expectancy.

Part 4

Public Services Card



YOUR PERSONAL ACCESS TO YOUR PUBLIC SERVICES

How to get a Public Services Card

Make an appointment for a face-to-face registration meeting with a staff member in your nearest Intreo Centre.



You can do this by either

- phoning the Intreo Centre (*e.g. Sean Duggan Centre, Fairgreen Road, Galway. Tel: 091-500-800*)

or

- Booking an appointment online (*To use this option, you must have a MyGovID online account*).

Public Service Card registration meeting

It takes about 15 minutes.

You will need certain identity documents i.e.

1. **evidence of address** (*e.g. utility bill, official letter/document, financial statement, property lease/tenancy agreement*) – not older than 3 months.
2. **photo ID** (*driving licence or passport*)
3. **Birth Cert** (*if born outside of Ireland*)
4. **mobile phone.**

- Your photograph will be taken.
- Your signature will be recorded.
- You will be asked for answers to some security questions.



Your PS Card will be posted to you in 5-7 working days.

Part 5

MyGovID

MyGovID

MyGovID is an online identity service to provide you with access to Government online services in a safe/secure manner.





mygovid

- mygovid
- mygovid **verify**
- mygovid **revenue**
- mygovid **app**
- mygovid **verification code**
- mygovid **help**
- mygovid **faq**
- mygovid **verify account**
- mygov account**
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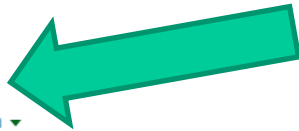
About 31,700 results (0.31 seconds)

MyGovID

<https://www.mygovid.ie/>

No information is available for this page.

Learn why



MyGovID - Login - MyWelfare

<https://www.mywelfare.ie/account/signin>

This website uses cookies to give you the very best user experience. By using this site you're agreeing to our privacy statement. You're using an out-of-date web browser. Updating your browser will improve your browsing experience and increase your security. Okay. Unfortunately MyGovID is not compatible with Safari ...

Use MyGovID to access myAccount - Revenue

<https://www.revenue.ie/en/online...for-an.../use-mygovid-to-access-myaccount.aspx>

Jun 20, 2017 - Instructions on how to use MyGovID to access myAccount.

MyGovid - Welfare.ie

<https://www.welfare.ie/en/Pages/MyGovid.aspx>

Mar 8, 2017 - MyGovID is a secure online identity verification service that the Department of Social Protection (DEASP) carries out on behalf of bodies providing public services online. In order to use this service, you must first register with MyGovID. The registration requirements are: an email address as a username, ...

[PDF] Public Services Card (PSC) and MyGovID - Welfare.ie

<https://www.welfare.ie/en/.../DigitalGovernment2017-PSC-MyGovID-1Jun2017.pdf>

Department of Social Protection. Elements of ID Management in Irish Public Service. • Public Service Identity (PSI) Dataset. • Standard Authentication Framework Environment. (SAFE). • Public Services Card (PSC). • MyGovID ...

New to My Welfare - Welfare.ie

www.welfare.ie/en/Pages/MyWelfarePage1.aspx

Mar 26, 2018 - 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 the jobseeker's services and some Treatment Benefits services on MyWelfare.ie you need a verified account. To verify your ...

- Government launches MyGovID - a safe secure online identity for ...

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[Okay](#)

You have been transferred here from MyWelfare so you can login with MyGovID.



EMAIL ADDRESS

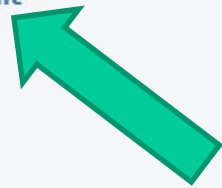
PASSWORD

By pressing login I agree to sharing my personal details and contact information with this government body.

[Having trouble logging in?](#)

[What details will be shared with MyWelfare?](#)

[Create Account](#)





Congratulations dan!

You are now fully verified.

You can now access the following services...



MyWelfare



Jobs Ireland

WHERE JOBBEERS GO

Part 6

How to get a copy of your Social Insurance Contribution record

To request a copy of your social insurance contribution record you must have a MyGovID account.

Access MyGovID

Enter your email address and password

Click on 'Login with MyGovID'


A verification code will then be sent to your mobile phone

Enter this code in the sign-on page of MyGovID

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ONLINE SERVICES

NEW TO MYWELFARE?




View information on what MyWelfare has to offer.

MY CLAIMS & BENEFITS




View details of your claims and benefits.

APPOINTMENTS




Book and view appointments with your personalised calendar.

I WANT TO APPLY FOR...




Apply for certain payments. More application services to follow.

MY STATEMENTS




Request a statement such as payment and contributions.

PREPARING FOR WORK




Submit details of your education, work history and skills.

REQUEST TRACKER



Keep an eye on the progress and outcome of any welfare-related requests you make.

DENTAL, OPTICAL, AND MEDICAL APPLIANCES



Check if you're eligible to get a free eye exam, dental care or medical appliance.

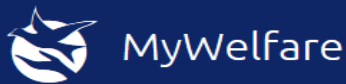
<https://www.mywelfare.ie/ClaimsBenefits/>

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- HOMEPAGE
- SERVICES
- MY DETAILS
- NOTIFICATIONS

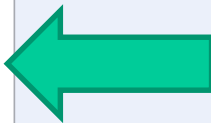
MY STATEMENTS

PAYMENT STATEMENT

Request a statement of payments made to you by the Department.

CONTRIBUTIONS STATEMENT

View Statement Online
Send Statement to MyWelfare Notifications

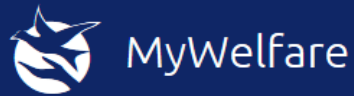


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- HOME PAGE
- SERVICES
- MY DETAILS
- NOTIFICATIONS

MY STATEMENTS

Thanks Fintan



We are processing your statement. It will be available in your MyWelfare Notifications soon. You will also receive an email to your personal address. You can print your statement if you need a hard copy, as this service does not offer postal communications.

[Go to Homepage](#)

Sample Social Insurance Contribution Record

Year	Paid contributions	Credited contributions	Reckonable Paid Contributions for Pension	Reckonable Credited Contributions for Pension
1975	20 ORD		20	
1976	52 ORD		52	
1977	52 ORD		52	
1978	25 ORD	27	25	27
1978/79	10 ORD		10	
1979/80	25 A1		25	
1980/81	52 A1		52	
1981/82	30 A1, 22 D		30	
1982/83	52 D		-	
1983/84	52D		-	

Still confused? Need more information?



- See our website www.gov.ie/deasp
- Contact me at fintan.hanson@welfare.ie

Dept. of Employment Affairs and Social Protection,
Government Offices,
Cranmore Road, Sligo.
Tel: 071-9140532

End of Presentation

