State Pension (Contributory)

Introduction

The State Pension (Contributory) is paid to people from the age of 66 who have enough Irish social insurance contributions. It is not means-tested. You can have other income and still get a State Pension (Contributory). This pension is taxable but you are unlikely to pay tax if it is your only income.

As the social insurance conditions are very complex you should apply for a State Pension (Contributory) if you have ever worked and have any contributions (stamps) paid at any time. There are a number of *pro-rata pensions* available to people who paid different types of social insurance contributions or who did not pay contributions because of various reasons (see below). Changes are proposed to the current system in 2020 (see 'Further information' below).

If you retire early, you should ensure that you continue to pay PRSI contributions or get credited contributions (if eligible) to maintain your entitlement to a pension. If you are getting Jobseeker's Benefit (JB) and are aged between 65 and 66 when your JB would normally end, you may continue to receive it until the age of 66, provided you meet the PRSI requirements.

The Department of Employment Affairs and Social Protection (DEASP) has published FAQs on Qualifying for the State Pension (Contributory) which can help you to work out whether you qualify for a State Pension (Contributory).

Changes to State Pension (Contributory) rules

From 30 March 2018, changes to how the State Pension (Contributory) is calculated will be introduced. A new Total Contributions Approach (TCA) means that a person’s total social insurance contributions paid, rather than when they were paid, are taken into account when assessing their entitlement to a pension.

A new HomeCaring Credit will provide credited contributions for up to 20 years of homemaking and caring duties. The changes will benefit those who spent time outside the paid workplace, while raising families or in caring roles.

If you reached pension age after 1 September 2012, the Department will invite you to have your pension recalculated under TCA. Invitations are expected to be sent out in late 2018. **You do not need to contact the Department or do anything else until you get a letter from the Department nearer the end of 2018.**

The first payments will be made in early 2019, with payment backdated to 30 March 2018. You can read FAQs on the changes (pdf), see examples of how the changes affect pensioners (pdf) and read the Policy Options Report (pdf) on the changes at welfare.ie.

Rules

To qualify for a State Pension (Contributory) you must be aged 66 or over and have enough Class A, E, F,G, H, N or S social insurance contributions.

You need to:

1. Have paid social insurance contributions before a certain age
2. Have a certain number of social insurance contributions paid and
3. Have a certain average number over the years since you first started to pay

1. Paid insurance before a certain age

You must have started to pay social insurance before the age of 56. (The age limit is higher for people born before 1922.)

Entry into insurance

Your *entry into insurance* means the date on which you first started to pay social insurance.

The rules that determine when you entered into insurance are quite complex for those with mixed insurance, that is, full social insurance for some of the time and modified at other times.

Normally the date of starting insurable employment is taken as the date of the first paid employment contribution.

However, if you have a mixture of full- and modified-rate contributions and paid your first full-rate employment contribution before 6 April 1991 and before you reached 56 years of age, your entry into insurance can be the date on which you first started to pay the full rate of insurance if that would be to your advantage.

If you started to pay full insurance after 6 April 1991, your entry into insurance is the time you first paid any social insurance.

There are also special entry into insurance rules for self-employed people. PRSI for the self-employed was first introduced on 6 April 1988. If you started to pay self-employed contributions on 6 April 1988 and had previously paid employee insurance at any time, then the date of entry into insurance can be either 6 April 1988 or the date on which you actually first paid insurance, whichever is to your advantage.

If you started to pay self-employed contributions after 6 April 1988, the date of entry into insurance will be the date your first reckonable contribution was paid.

2. Number of paid contributions

If you reach pension age **on or after 6 April 2012**, you need to have 520 full-rate contributions (10 years contributions). In this case, only 260 of the 520 contributions may be voluntary contributions.

However, if you were a voluntary contributor on or before 6 April 1997 and you have a yearly average of 20 contributions, you may meet the requirement if you have a total of 520 full-rate contributions (of which only 156 need to be compulsory paid contributions).

If you reached pension age on or after 6 April 2002, you needed to have 260 full-rate contributions (effectively 5 years contributions but they do not need to be consecutive).

If you reached pension age before 6 April 2002, you needed 156 qualifying full-rate contributions (a total of 3 years but they did not have to be consecutive).

Note that social insurance contributions fall into the four groups below.

- Full-rate social insurance contributions are PRSI contributions at Classes A, E, F, G, H, N and S or at the 'ordinary' rate before 6 April 1979.
- Modified-rate social insurance contributions are PRSI contributions at Classes B, C and D (paid by civil and public servants).
- Voluntary contributions are made by people under age 66 who are no longer covered by compulsory PRSI provided they satisfy certain conditions.
- Credited contributions ('credits') are similar to the social insurance contributions you pay while employed and are usually awarded at the same rate as your last paid social insurance contribution. You may get credits when you are claiming a social welfare payment. Credits are not allowed after self-employed contributions (Class S).

3. Average number of contributions per year

You must meet the average condition. This is probably the most complex aspect of qualifying for a State Pension (Contributory).

Normal average rule

The normal average rule states that you must have a yearly average of at least 10 appropriate contributions paid or credited from the year you first entered insurance or from 1953, whichever is later to the end of the tax year before you reach pension age (66). An average of 10 entitles you to a minimum pension; you need an average of 48 to get the maximum pension. Your yearly average will be rounded to the nearest number. For example, 9.4 is rounded down to 9 and 47.5 is rounded up to 48.

Alternative average rule

This alternative average only applies to people who reach pension age on or after 6 April 1992.

It requires that you have an average of 48 Class A, E, F, G, H, N or S contributions (paid or credited) for each contribution year from the 1979/80 tax year to the end of the tax year before you reach pension age (66). This average would entitle you to the maximum pension. There is no provision for a reduced pension when this alternative average is used.

So, if you reach the age of 66 on or after 6 April 1992, your average will be looked at in two ways - the usual average will be assessed and the alternative average will be assessed. Most employed or formerly employed people will be able to meet the alternative average. The alternative average will probably be looked at first because it is easier to assess. If you do not have an average of 48 contributions from 1979 then the normal method of assessing the average will be looked at and you may get a reduced pension (if you do not meet the alternative average, it is virtually impossible for you to have an average of 48 using the normal average rule).

Working in the home and State pensions

The Homemakers' Scheme makes it easier for people who stop working for a period to take care of children or adults to qualify for pensions. The scheme was introduced from 6 April 1994 and applies to anyone who provides full-time care for a child under age 12 or an ill or disabled person age 12 or over. It does not apply to time spent caring before the introduction of the scheme. It is most beneficial for people who work outside the home for a number of years and then spend a number of years as carers. It applies equally to women and men.

Since 6 April 1994, a contribution year spent as a homemaker may be disregarded in the calculation of the yearly average (see above) up to a maximum of 20 years. This has the effect of increasing your yearly average as the same number of total contributions are divided by a smaller number of years. So, the fact that you do not have any contributions in those years will not reduce your yearly average and will make it easier for you to qualify for a State Pension (Contributory).

Pro-rata pensions

There are a number of pro-rata pensions, which were introduced because of the exclusion of some people from the social insurance system at particular times.

Pro-rata pension for mixed insurance

Pro-rata pensions were introduced for people with mixed insurance records. Mixed insurance arises when a person spends part of his/her working life in the public service paying modified social insurance contributions and part in the private sector paying full rate social insurance contributions.

Many people have had a career in both the public and private sector but do not have mixed insurance. This is because no insurance was payable by people whose incomes were above certain limits before 1 April 1974. Certain groups who are now insured were outside the scope of the system - Gardaí are insurable since 1 April 1974; certain members of religious orders since 6 April 1988 and doctors and dentists in the civil service since 6 April 1988.

People with mixed insurance may have enough full-rate contributions to enable them to qualify for a State Pension (Contributory). This depends on the exact circumstances of each case. It could happen that one person would qualify while another, who might have more contributions, would not qualify.

Since 1991, a State Pension (Contributory) may be payable on a pro-rata basis to people with mixed insurance. If you reach pension age on or after 6 April 2012, you need to have a total of at least 520 full-rate and modified rate contributions paid.

You must also have:

- At least 260 paid contributions at the full rate since entry into insurance or 1953, whichever is later
- A mixture of full and modified contributions, which when added together give you a yearly average of 10 (for the State Pension Contributory) from the time you first entered insurance or 1953, whichever is later, to the end of the contribution year before your 66th birthday.
- Failed to qualify for a pension under EU regulations or under reciprocal arrangements with other countries or only qualified for a pension at a lower rate than this pro-rata pension would give you.

If you meet all these requirements, you may qualify for a pension proportionate to the number of contributions that you have at the full rate. To take a very simple example, if you worked for 40 years up to age 66 and 10 of those were in the private sector, you would get one-quarter of the normal pension.

The amount paid is in proportion to your full-rate contributions as a percentage of your overall contributions. To calculate your pension you add contributions at the full and modified rates together. The average is then measured in the normal way. If you have an average of at least 10 then you may qualify. Then the number of full rate contributions is divided by the total number of contributions to find out what proportion are full rate; you then get that proportion of the pension. The Increase for a Qualified Adult payable with this pension is proportional as well.

Pro-rata pension for intermittent insurance

This pension applied to people with intermittent insurance and who had a yearly average of under 10. It no longer applies to new applicants (from January 2013). This pro-rata pension was only payable to people who meet specific conditions. That is, they had to have a broken insurance record and have re-entered insurance in 1974 because of the removal of the income limit. Their average is measured in the usual way and if that average is 10 or more they got a pension in the normal way. However, if it was between 5 and 9 they got a special partial pension, which was one quarter of the maximum pension.

See **Further information** below for more information on other pro-rata pensions that no longer apply to many people (because most people who would qualify are now over 66).

Pro-rata EU pensions

If you have worked in Ireland and one or more EU states, your social insurance contributions from each EU state will be added to your Irish social insurance contributions to help you qualify for a social welfare payment. More information about combining your social insurance contributions to qualify for a State pension is available.

Increases for a qualified adult and pensioners over 80 years of age are calculated in the same way as the personal rate of pension. Increases for a qualified child are payable from one country only and, if from Ireland, are paid in full.

Bilateral social security agreements

Ireland has bilateral social security agreements with Canada, the USA, Australia, New Zealand, Austria, Japan, Republic of Korea and Quebec (which has a separate system from the rest of Canada). These agreements are broadly similar and they generally provide that social insurance paid in Ireland and the other country can be combined to help people qualify for old-age and retirement pensions. Again, in general, the method of calculation is similar to the EU rules.

Rates

State Pension (Contributory) rates from 30 March 2018

Yearly average PRSI contributions	Personal rate per week, €	Increase for a qualified adult* (under 66), €	Increase for a qualified adult* (over 66), €
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

*Increases for qualified adults are means-tested payments (see 'Adult dependants' below).

State Pension (Contributory) rates from 30 March 2018 for people who qualified for pensions before 1 September 2012

Yearly average PRSI contributions	Personal rate per week, €	Increase for a qualified adult (under 66), €	Increase for a qualified adult (aged 66 and over), €
48 or over	243.30	162.10	218.00
20 - 47	238.50	162.10	218.00
15 - 19	182.50	121.60*	163.50*
10 - 14	121.70	81.10*	109.00*

***These qualified adult rates apply to claims made from 6 April 2001.

From 1 September 2012, the rate band 20-47 was replaced by the bands 20-29, 30-39 and 40-47.

Extra benefits

You are automatically paid an extra allowance of €10 per week when you reach 80 years of age. This increase is not paid to qualified adults.

The Living Alone Increase may be payable to people who live completely alone. You may also be eligible for other benefits. Find out more about medical cards, the Household Benefits Package and Fuel Allowance.

Adult dependants

You can get an increase in your payment for an adult dependant (called a qualified adult).

Your income is **not** taken into account in the assessment for an Increase for a Qualified Adult. Any income your adult dependant has from employment, self-employment, savings, investments and capital (for example, any property except your own home) **is** taken into account. If you have joint savings or investments with your spouse, civil partner or cohabitant only half is taken into account.

If you are getting a State Pension (Contributory) the Increase for a Qualified Adult is automatically paid directly to your adult dependant. **This only applies to applications for State pensions received by the DEASP on or after 27 September 2007.**

Child dependants

You can also get an increase in your payment for child dependants (known as qualified children). However, you cannot claim an Increase for a Qualified Child (IQC) with your State Pension (Contributory) if your spouse, civil partner or cohabitant has an income of over €400 a week. You get a half-rate IQC if your spouse, civil partner or cohabitant earns between €310 and €400 a week. This only applies to claims made after 6 July 2012.

How to apply

You can request a copy of your social insurance record through MyWelfare.ie. To do this, you need your PPS (Personal Public Service) Number.

You can get a State Pension (Contributory) form (pdf) from your local post office and your Intreo Centre or Social Welfare Branch Office.

You should apply **3 months** before the age of 66. However, if you have paid social insurance contributions in more than one country, you should apply **6 months** before reaching 66.

If you are currently getting a State Pension (Contributory) and wish to apply for an Increase for a Qualified Adult for your spouse, civil partner or cohabitant you should fill out form SPCQA1(pdf). Note that any increase for a qualified adult that you may qualify for will be paid directly to your spouse, civil partner or cohabitant unless they state that they wish to have it paid to you.

You may qualify for Supplementary Welfare Allowance if there is a delay in processing your claim.

Late claims for contributory pensions can be backdated for a maximum of 6 months. This applies to State Pension (Contributory) and Widow's, Widower's or Surviving Civil Partner's (Contributory) Pension. Read more in our document about late claims.

Where to apply

Questions about your eligibility for a State Pension (Contributory) should be addressed to your Intreo Centre or Social Welfare Branch Office or:

Department of Employment Affairs and Social Protection

Social Welfare Services
College Road
Sligo
Ireland

Opening Hours: This office does not offer a service to personal callers. All queries must be made using the online enquiry form, by telephone or in writing.
Tel: (071) 915 7100 (If calling from outside the Republic of Ireland please call + 353 71 915 7100)
Locall: 1890 500 000 (Note: the rates charged for using 1890 (Lo-call) numbers may vary)
Homepage: http://www.welfare.ie/

You can email the State Pension (Contributory) section using the secure enquiry form. If you wish to talk to someone face-to-face about your pension entitlements, you can visit your local Citizens Information Centre, Social Welfare Branch Office or Intreo Centre.

When you have received a copy of your PRSI contribution record through MyWelfare.ie, any queries you have regarding your record should be addressed to:

PRSI Records

Department of Employment Affairs and Social Protection
McCarter's Road
Ardaravan
Buncrana
Donegal
Ireland

Tel:(01) 471 5898 (If calling from outside the Republic of Ireland please call +353 1 471 5898)
Locall:1890 690 690 (Note: the rates charged for using 1890 (Lo-call) numbers may vary)
Homepage: http://www.welfare.ie/

Further information

Changes to the State Pension (Contributory)

The Social Welfare and Pensions Act 2011 made a number of changes to the qualifying age for State pensions. The qualifying age will rise to 67 in 2021 and 68 in 2028. So:

- If you were born on or after 1 January 1955 the minimum qualifying State pension age will be 67.
- If you were born on or after 1 January 1961 the minimum qualifying State pension age will be 68.

Proposed changes

Under the National Pensions Framework a number of other changes were proposed to the qualifying conditions for the State Pension (Contributory).

This is a summary of the proposals. Note that legislation is required before these changes come into effect and that, at present, these remain proposals.

The main change proposed was the introduction of a total contributions approach to replace the current yearly averaging system. This means that the amount of pension paid to you would be directly proportionate to the number of social insurance contributions and/or credits you have made over your working life.

Pro-rata pensions

Pro-rata pension for self-employed people

The self-employed have been obliged to pay social insurance since 1988. Prior to that, some self-employed people were voluntarily paying insurance. Some self-employed people were already over the minimum age when they first started to pay contributions in 1988. In April 1999, a special pro-rata pension was introduced for them. Only people aged 56 or over on 6 April 1988 (born on or before 6 April 1932) qualify for this pension.

Pro-rata pensions for people with pre-1953 contributions

There is a special pro-rata pension for people with pre-1953 contributions. This pro-rata pension was introduced in May 2000. You may qualify if you have at least 520 full contributions, some of which must have been paid before 1953. Every 2 contributions paid before 1953 count as 3.

If you meet these conditions, you may get a pro-rata pension of half the normal maximum rate. The increases for a qualified adult and child are also payable at half-rate. The increase for pensioners over 80 years of age is paid in full.

Pro-rata pension for intermittent insurance

This pension no longer applies to new applicants from January 2013.

The first group for whom pro-rata pensions were arranged were those who had been in and out of insurance because of the operation of the income limit on contributions. Prior to 1974, non-manual workers were obliged to pay social insurance contributions only if their income was below a certain level. From 1 April 1974, there has been no income limit. Many people paid social insurance for a period and then ceased to pay when their income went above the limit then came back into the insurance system when the income limit was abolished in April 1974. They would not meet the usual average requirement because they ceased to pay for a while. On 14 October 1988, arrangements were made for them to qualify for a pro-rata pension.

Their average is measured in the usual way and if that average is 10 or more they get a pension in the normal way. However, if it is between 5 and 9 they may get a special partial pension which is one quarter of the maximum pension. This pro-rata pension is payable to people who meet the quite specific conditions outlined. That is, you must have a broken insurance record and have re-entered insurance in 1974 because of the removal of the income limit. If you re-entered insurance in that year for any other reason (for example, because you had previously been self-employed or out of the country), you do not meet these specific terms and you would not be eligible for this pro-rata pension.

If you qualify for this pro-rata pension you may also get the appropriate Increase for Qualified Adult for a dependent spouse, civil partner or cohabitant and an Increase for a Qualified Child.

This pro-rata pension is for State Pension (Contributory) and Widow's, Widower's or Surviving Civil Partner's Contributory Pension only. Because it is easier to qualify for a Widow's, Widower's or Surviving Civil Partner's Contributory Pension, the numbers who need the pro-rata pensions are very small.

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