An Roinn Oideachais
agus Óige
Department of
Education and Youth

To: ***The managerial authorities of recognised Primary, Secondary, Community and Comprehensive Schools***

Circular Number: **Circular 0083/2026**

Circular Title: Revised actuarial reduction factors for Cost Neutral Early Retirement.

This Circular applies to all eligible members of a pre-existing public service pension scheme (non-Single Scheme[1]) and whose cost neutral early retirements are processed under, or adopt the provisions of, Department of Education and Youth Circular Letter Pen 07/2005

Effective Date: This circular is effective from 01/01/2027.

Mise le meas,

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Caroline Galvin
Principal Officer
Pension Section

[1] The Single Public Service Pension Scheme generally applies to public service employees who are first time entrants to the public service, recruited on or after 1 January 2013 as provided under the Public Service Pensions (Single Scheme and Other Provisions) Act, 2012.

Background

1. I am directed by the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation to refer to cost neutral early retirements for members of pre-existing public service pension schemes which are processed in accordance with the provisions of *Department of Finance Circular 10/2005: Public Service Pension Reform: Introduction of cost neutral early retirement.*

Revised Actuarial Reduction Factors

2. *Department of Education and Youth Circular 0082/2026: Purchase of Notional Service Scheme (Rates and Scope)* has introduced new actuarial reduction factors applicable to the purchase of notional service, effective from 01 January 2027.

3. Accordingly, the actuarial reduction factors for cost neutral early retirements processed under, or adopting the provisions of, *Department of Education and Youth Circular letter Pen 07/2005,* as contained in paragraph 10 of circular 07/2005, are revoked as of the effective date of DEY Circular 0083/2026: 01 January 2027, which also serves as the effective date of this letter.

4. The revised actuarial reduction factors for cost neutral early retirements, which apply from the effective date of this letter, are set out in table 1 below. All other provisions of Department of Education and Youth Circular Letter Pen 07/2005 remain in effect.

Table 1: Factors to be applied to preserved benefits to derive actuarially reduced benefits

Persons with a preserved pension age of 60			Persons with a preserved pension age of 65		
Age last birthday	**Pension**	**Lump sum**	**Age last birthday**	**Pension**	**Lump sum**
50	68.2%	84.0%	55	65.7%	84.0%
51	70.6%	85.5%	56	68.3%	85.5%
52	73.2%	87.0%	57	71.0%	87.0%
53	76.0%	88.5%	58	73.9%	88.5%
54	78.8%	90.1%	59	77.0%	90.1%
55	81.9%	91.7%	60	80.2%	91.7%
56	85.1%	93.3%	61	83.7%	93.3%
57	88.5%	94.9%	62	87.4%	94.9%
58	92.1%	96.6%	63	91.3%	96.6%
59	95.9%	98.3%	64	95.5%	98.3%
60	100.0%	100.0%	65	100.0%	100.0%

Commencement

5. Where a member retires under the cost neutral early retirement facility before the effective date of this letter, their retirement should be processed using the actuarial reduction factors contained in paragraph 10 of Department of Education and Youth Circular letter Pen 07/2005.

6. Members who have applied to avail of the cost neutral early retirement facility before the effective date, but whose date of retirement falls on or after the effective date, will be subject to the revised actuarial reduction factors in table 1. These revised factors in table 1 will result in a lesser reduction in the member's pension benefits in comparison to the factors contained in Circular Letter Pen 07/2005 i.e. the revised factors are more favourable from a member's perspective.

Other relevant guidance

7. This letter should be read in conjunction with:
    - Department of Education Circular 07/2005: Public Service Pension Reform: Introduction of cost neutral early retirement,
    - Letter to Personnel Officers 13 July 2005: Supplementary note to Department of Finance Circular 10/2005, and
    - Section 17 of Department of Public Expenditure, NDP Delivery and Reform Circular 12/2024: Arrangements for Occupational Supplementary Pensions (OSP).

    The above circulars and letter can be found on the Public Service Pensions website at:

    PEN 07/05 - Public Service Pension Reform: Introduction of cost neutral early retirement Primary, Secondary, Community and Comprehensive Schools

    and

    https://www.publicservicepensions.gov.ie/en/topic/supplementary-pensions/.

Circulation

(i) This Circular is a public domain document which can be accessed from https://www.gov.ie/en/circulars/

(ii) The Managerial Authorities of Recognised Primary, Secondary, Community and Comprehensive Schools and of Education and Training Boards receiving this circular are asked to bring this circular to the attention of **all** officers, including officers who are currently on any form of leave.

Queries

8. Queries from pre-existing pension scheme members regarding this letter or cost neutral early retirements should be directed to contact their pension administrator the Department or ETB, as appropriate.

   The Department should be contacted via our Customer Contact Form (https://cs.education.gov.ie/en/customer-contact-form).