

**PERSONAL FUND THRESHOLD NOTIFICATION**

**Please read the notes attached before completing this form**

**In accordance with Section 787P(2), Taxes Consolidation Act 1997, I wish to notify the Revenue Commissioners that I have a Personal Fund Threshold (PFT).**

**Name:**

**Address:**

**PPS No:**

**Amount of my PFT as on 7 December 2010: €**

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**Schedule**

**Set out the calculation of the PFT including details of each relevant pension arrangement (see notes 8 to 11) – if necessary use a continuation sheet.**

**I declare that to the best of my knowledge and belief, the information I have given on this notification and any continuation sheets is correct and complete.**

**Signature:**

**Date:**

## **Notes on Notifying a Personal Fund Threshold (PFT) to Revenue**

These notes are for general guidance only and do not purport to be a definitive legal interpretation of the relevant statutory provisions which are contained in Chapter 2C of Part 30 of, and Schedule 23B to, the Taxes Consolidation Act 1997.

### **1. *How do I make a PFT Notification?***

Individuals wishing to claim a Personal Fund Threshold should do so by completing the PFT Notification form and returning it to Revenue within 6 months of 7 December 2010 i.e. on or before 7 June 2011. Where an individual becomes entitled to a pension benefit before 7 June 2011 (e.g. through retirement) in circumstances where he or she would be claiming a PFT, the PFT Notification should be made prior to the benefit arising.

### **2. *Where should PFT Notifications be sent?***

Completed PFT Notification forms should be sent to:

Financial Services Pensions  
Large Cases Division  
Revenue Commissioners  
3rd Floor  
Setanta Centre  
Nassau Street  
Dublin 2

### **3. *Is there a limit on the PFT that I can claim?***

Yes. In no case may it exceed €5,418,085, i.e. the amount of the Standard Fund Threshold that applied before 7 December 2010.

### **4. *How will I know that my PFT has been accepted?***

Assuming everything is in order, Revenue will issue a certificate to you within 30 days of receipt of your PFT Notification, which will state the amount of your PFT.

### **5. *What should I do with the PFT Certificate?***

You should retain the PFT certificate carefully as you will have to produce it to your pension scheme(s) administrator(s) when your pension(s) eventually come into payment so that the administrator can determine if a chargeable excess arises on which tax needs to be paid.

6. ***I already have a PFT certified by Revenue before these latest changes in the legislation and the amount of the PFT exceeds €5,418,085 – do I need to apply again?***

No - you do not need to apply for a new PFT certificate. You retain the existing PFT amount.

7. ***I retired before 7 December 2010 and the capital value of my pension fund exceeded €2.3 million at that time – do I need to do anything now?***

No. If you had already retired and had become entitled to all of your pension rights before Budget Day (7 December 2010) and were not contributing to a pension scheme on that date (i.e. building up additional pensions rights) the new lower Standard Fund Threshold does not affect you.

8. ***What details of my pension arrangements must be included in the Schedule to the PFT Notification form?***

a) In the case of a Defined Contribution arrangement, the Schedule should include:

- The type of arrangement e.g. occupational pension scheme, PRSA, Retirement Annuity Contract, AVC etc.
- The fund value on 7 December 2010 for each scheme
- Name of each scheme
- Contact details for administrator
- Member or Scheme Reference number.

b) In the case of a Defined Benefit arrangement, the Schedule should include:

- The fact that it is a Defined Benefit Arrangement
- The capital value of the pension rights as on 7 December 2010 (a copy of the calculation should be enclosed)
- Name of each scheme
- Contact details for administrator
- Member or Scheme Reference number.

If there is insufficient room on the Notification form to include all of the pension arrangements and the relevant details, a continuation sheet may be used.

9. ***Where can I get the fund value of my Defined Contribution Arrangement(s) on 7 December 2010?***

You should contact your pension fund(s) administrator(s) for this information. The figure will be the value of any cash and non-cash assets held in the arrangement(s) on 7 December 2010 that represent your accumulated rights under the arrangement(s) at that date. In the case of non-cash assets, the value will be the market value of those assets on that date.

10. ***How do I establish the capital value of my Defined Benefit pension(s) on 7 December 2010?***

First of all you should establish from your pension fund(s) administrator(s) what gross annual pension you would have been entitled to under the rules of the defined benefit arrangement(s) if you had retired on 7 December 2010 at your salary and service on that date and on the assumption that you had attained normal retirement age on that date. The gross annual pension is then multiplied by 20 (the standard capitalisation factor) to arrive at the capital value of your defined benefit pension on 7 December 2010.

If your defined benefit arrangement(s) provides a separate lump sum entitlement (otherwise than by way of commutation of part of the pension) e.g. civil service schemes, the value of the lump sum entitlement (calculated on the same assumptions as above) is added to the capital value of the defined benefit pension to arrive at the overall capital value. Again, your pension scheme(s) administrator(s) will be able to advise you of the value of the lump sum that would be payable under the scheme rules on 7 December 2010.

11. ***How do I take account of a pension benefit that came into payment since 7 December 2005 in my PFT Notification?***

You need to include in the calculation of the PFT the capital value of pension benefits taken by you on or after 7 December 2005, if any. These are known as “benefit crystallisation events” (BCEs) and could arise by way of, for example, a pension or annuity coming into payment, the receipt of a pension lump sum or the proceeds of a pension fund being placed in an Approved Retirement Fund (ARF) or Approved Minimum Retirement Fund (AMRF).

In the case of pension benefits that arose from a defined contribution arrangement(s), you need to contact your pension fund(s) administrator(s) to establish the value of the cash/assets that were used to, say, purchase your annuity or that were transferred to an ARF for you. In the case of a pension lump sum, the value will simply be the amount of the lump sum paid to you.

In the case of a pension paid under a defined benefit arrangement(s) the capital value of the pension is the amount of pension paid to you in the first 12 months (ignoring any increases over that period) from the date you became entitled to it, multiplied by 20 (the standard capitalisation

factor). Note it is not the current annual rate of the pension being paid to you. You will also have to add the value of any separate pension lump sum paid to you at that time.

12. ***Things to be aware of***

- PFT Notifications may be audited by Revenue.
- A false declaration on a PFT Notification form may leave you liable to prosecution.