

WILLIAM FRY



Chapter 13 Revenue Pensions Manual

– Legal update

Jane McKeever

25 March 2026

Refresher on issues with August 2025 update

- ▶ Replaced
 - “transfers are not permitted once benefits come into payment” (logical, in line with Part III of Pensions Act) with
 - “transfers from an exempt approved scheme which are not permitted....transfers after benefits become payable” and discussion around when benefits become payable.

- ▶ No apparent legal basis for change in position and varying interpretations placed on wording and Revenue’s intentions.

- ▶ Most conservative reading:
 - Prohibition on all transfers from occupational pension schemes after normal retirement age (**NRA**) for all member categories.
 - Transfer applications made pre-NRA but not completed pre-NRA could not be processed.

- ▶ Trustee options:
 - Take very conservative approach and risk member complaints / unsatisfactory member outcomes.
 - Take less conservative approach and risk issues with Revenue compliance.

Key updates to Chapter 13 - PRSAs

- Section 772 of the TCA provides that benefits may be transferred **to a PRSA** where:
 - the scheme member is **changing employment**; or
 - the scheme is being **wound up**

provided that benefits **have not become payable**

The rules of the specific scheme will determine when benefits become payable. In most cases, benefits become payable at NRA. This means that a transfer of benefits to a PRSA is not permitted after the scheme member's NRA.

- Accurately reflects position under the TCA and 2003 PRSA (Transfer) Regulations under the Pensions Act

Key updates to Chapter 13 – other arrangements

Chapter 13 – August 2025

- The Pensions Act 1990 gives employees a **statutory right** to transfer their pension benefits within two years of leaving service, provided the scheme rules allow such a transfer.

Chapter 13 – December 2025

- A scheme member's benefits may be transferred to another exempt approved scheme or to a buy-out bond (BOB) **if the transfer is permitted under section 34 of the Pensions Act.**
- Section 34(7) states that a member of a scheme shall not be entitled to a transfer payment under section 34 if:
 - payment of his preserved benefit **has commenced**; or
 - he fails to exercise the entitlement within 2 years (or such longer period as may be provided for by the scheme or determined by the trustees).

What is now clear?

- ▶ Position with respect to transfers to PRSAs confirmed and in line with TCA/Pensions Act Regulations:
 - No transfer unless member is changing employment / scheme being wound up.
 - No transfer after benefits become payable.
- ▶ Position with respect to transfers to other arrangements:
 - For members with preserved benefits transfers are permitted in line with section 34.

What remains unclear?

- ▶ Regarding PRSA transfers:
 - determining when benefits “become payable” appears to require analysis of rules and will differ from scheme to scheme; and
 - “changing employment” not defined.

- ▶ Chapter 13 is no longer stated to be applicable to situations where a member leaves service – but neither does it appear to cover all transfers.

- ▶ Section 34 of the Pensions Act is applicable to members with preserved benefits only.
 - Section 34 provides for **member entitlement** in certain circumstances – it has not been understood to govern or prohibit transfers outside of those circumstances.
 - Chapter 13 appears to be silent regarding transfer of non-preserved benefits – permitted in line with trust documentation, as approved by Revenue?
 - Revenue’s position on transfers from schemes to arrangements other than PRSAs remains somewhat opaque.

Keep in mind

- ▶ Revenue Pensions Manual is guidance and is not binding in law (Chapter 1).
- ▶ Where the Revenue Pensions Manual / relevant legislation doesn't expressly permit transfers, it doesn't expressly prohibit them either. Manual no longer contains a general statement that transfers after NRA are not permitted.
- ▶ Consider carefully before seeking blessing/permission from Revenue – some unexpected/undesirable outcomes.
- ▶ Chapter 23 (ARFs) remains under review.

WILLIAM FRY

Thank you
