



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

Oifig an Stiúrthóra Náisiúnta, Acmhainní Daonna
Feidhmeannacht na Seirbhíse Sláinte
Ospidéal Dr. Steevens'
Baile Átha Cliath 8

Office of the National Director of Human Resources
Health Service Executive
Dr. Steevens' Hospital
Dublin 8

All queries to Sean.keane@hse.ie

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HSE: HR Circular 007/2014

20th June 2014

**To: Each Member of Leadership Team, HSE;
Each Regional Director of Performance and Integration, HSE;
Each Regional Assistant National Director of Human Resources, HSE;
Each Employee Relations Manager, HSE;**

Cc: Each CEO & HR Manager directly funded Voluntary Hospital /Agency;

**Re: Public Service Pensions (Single Scheme and Other Provisions) Act 2012
Introduction of Single Public Service Pension Scheme**

The Public Service Pensions (Single Scheme and Other Provisions) Act became law on 28th July 2012. The Act provides for a Single Public Service Pension Scheme for new public servants, and makes certain changes affecting existing public service pension arrangements. This Circular sets out, in chronological order, the main provisions of the Act as introduced from enactment date. However, as further policy clarification is awaited, and additional provisions remain to be enacted, further Circulars may issue in the future as appropriate.

40 Year Limit on Pensionable Service - Section 52 (6) & (7) of Act (Applies to Current and Newly Appointed Staff)

This provision of the Act, which came into effect on 28th July 2012, imposes a 40 year limit on the total service which can be reckoned towards pension, where an individual has been a member of more than one existing Public Service pension scheme. Persons with service in excess of 40 years at the effective date (28th July 2012) will not lose any service accrued up to that point, but will not accrue any additional service, including notional service.



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All Queries to:
Sean Keane, Pensions Manager Standards & Quality, HBS, HSE, Tel: 091 775056; Email: sean.keane@hse.ie

NB. This document should be read alongside or in conjunction with the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. It is not a legal interpretation of the Act and does not purport to deal with every query which may arise.

Chapter 4 - Sections 49-54 of Part 2 of Act (Applies to Current and Newly Appointed Staff)

A number of provisions contained in Chapter 4 of Part 2 of the Act were introduced on 1st November 2012. These included the extension of the scope of pension abatement, and the introduction of several initiatives designed to support efficient pensions administration (including information gathering). The main provisions introduced on 1st November 2012 may be summarised as follows.

- Section 49 provides that a relevant authority must be supplied with necessary operational and identifying information by a person applying for, or in receipt of a pension.
- Section 50 of the Act specifies that a person to whom a pension benefit is to be paid shall supply his/her PPS Number to the Relevant Authority.
- Section 51 provides that a person who takes up employment in a Public Service Body who has received or is in receipt of, or entitled to receive, a retirement benefit or preserved retirement benefit from any Public Service Pension Scheme, or who applies for a benefit from a Public Service Pension Scheme, shall provide an appropriate Declaration to the relevant authority.
- Section 52 provides for the extension of Pension Abatement, whereby a retiree's public service pension is liable to abatement on re-entering public service employment, even when the new employment is in a different area of the Public Service.
- Section 53 provides for the refusal or reduction of retirement benefits, including preserved benefits, (which might otherwise be duly payable from the date the person ceases to hold employment), where a Scheme member is dismissed or resigns in contemplation of a finding of having caused a financial loss to the public service body or the State.
- Section 54 limits the payment of Survivors Pensions under the Scheme to one deceased member. However, if a case arises where a deceased member was himself or herself entitled to receive more than one public service pension, the Surviving Spouse/Civil Partner may receive more than one Survivor's pension.

Commencement of Public Service Pension Scheme from 1st January 2013

The Single Public Service Pension Scheme was introduced for all first-time new entrants to the public service on/after 1st January 2013, and former public servants returning to the public service after a break of more than 26 weeks. In certain circumstances, e.g. where the public servant was on secondment or approved leave, or remains in the same contract of employment, the 26 week rule does not apply. In addition, a person who received a written offer of appointment as a Pensionable Public Servant before 1st January 2013, and takes up that offer on or after 1st January 2013 will access membership of the appropriate pre-existing Public service Pension Scheme.

The Single Public Service Pension Scheme provides the following standard terms:

- Pension and retirement lump sum based on career-average pay; pensions will be coordinated with the State Pension Contributory (SPC);
- Referable Amounts (Scheme Benefits)
 - Referable amounts (money values) building towards pension and lump sum are separately accrued each year during scheme membership.
 - Referable amounts accrued each year will be increased to reflect the Consumer Price Index (CPI) increase between that year and retirement. Annual pension and Lump Sum at retirement will equal the total of these CPI adjusted amounts.
- Contribution rates of 3.5% of net pensionable remuneration and 3% of pensionable remuneration;
- Pension age set, initially, at 66 years; this will rise in step with statutory changes in the State Pension Contributory age to 67 years in 2021 and 68 years in 2028;
- Compulsory retirement age of 70;
- Facility for early retirement from age 55 on cost-neutral (actuarially reduced) grounds;
- Facility for early retirement on medical grounds, subject to certain conditions;
- Death in service benefit of twice annual pensionable remuneration in the 12 months prior to date of death. The amount of Death Gratuity will be the subject of offset in cases where a member has received a previous Public Service Pension Scheme lump sum/preserved lump sum benefit.
- Preserved benefits paid on application at the age at which a member would be eligible to receive the State Pension Contributory (SPC);
- Pensions for spouses or civil partners and eligible children;
- Post-retirement pension increases linked to Consumer Price Index;
- Scheme members who leave before completion of the vesting period (2 years) are entitled to a refund of employee contributions adjusted for relevant income tax or other statutory deductions;

- Refunds of contributions previously awarded may be repaid if a person resumes pensionable employment in any Public Service Body within the scope of this Act, within 24 months of ceasing to be a Public Servant;
- Only one full time employment, or the aggregate equivalent of same at any time, may be taken into account for the accrual of retirement benefits under this Scheme;
- It is anticipated that the Scheme will allow for once-off or periodic purchase, and that the money paid in would be recorded in the lump sum 'referable amount' being accrued for the year in question and uprated until retirement, where it could be commuted to pension or payable as part of lump sum.

Determination of Pension Scheme Membership

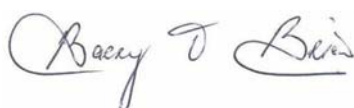
The correct determination of Pension Scheme Membership is of the utmost importance in the case of New Hires/Rehires on and after 1st January, 2013. All individuals who have responsibility for managing the recruitment and contracting of staff (Permanent and/or Temporary) in the course of their duties must have due regard to their responsibilities in ensuring the assignment of New and Rehired staff members to the correct Pension Scheme. The attached process flow diagram and accompanying guidance note (appendix 1-3) have been prepared in order to assist the relevant personnel in determining correct Pension Scheme Membership.

Circulation and Information

Please ensure that this Circular is made available through normal communication channels to current and new staff members.

A Department of Public Expenditure and Reform Information Booklet outlining the standard terms of the Single Public Service Pension Scheme may be accessed at www.per.gov.ie/pensions.

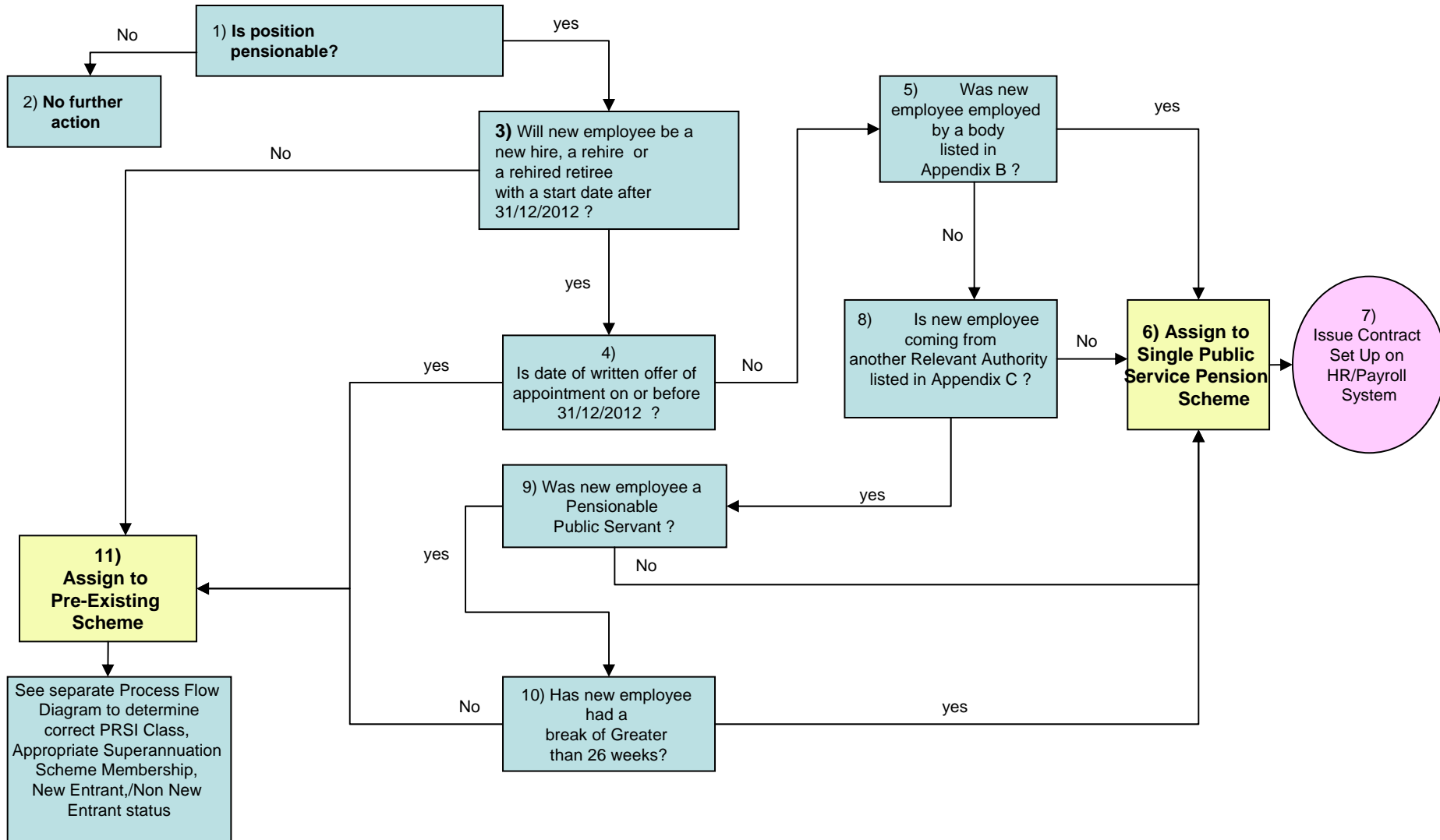
Yours sincerely,



Barry O'Brien
National Director of Human Resources

Enc. (Appendix 1-3)

Appendix 1



Please note that: this process flow diagram does NOT cover 100% of scenarios.

* Secondments, career break or other approved leave not deemed to be a break as employment relationship is maintained.

Appendix 2 process flow guidance notes

Box NO	Text	Explanation
1	Is position pensionable?	If No, no further action required. (see appendix 3– non pensionable posts) If Yes, proceed to Step 3.
2	No further action	
3	Will new employee be a New Hire, a rehire or a rehired retiree with a start date after 31/12/2012 ?	If start date is on or before 31/12/2012, new employee will be a member of the employer organisation’s “Pre-Existing Pension Scheme”. E.g. HSE Employee Superannuation Scheme, LGSS, VHSS, NHASS. Proceed to step 11. If start date is on or after 01/01/2013, Please proceed to Step 4.
4	Is date of written offer of appointment before 31/12/2012 ?	If Yes, proceed to Step 11. If No, proceed to Step 5.
5	Was new employee employed by a body listed in Appendix B ?	Appendix B “the Schedule” (Page 66 of Public Service Pensions Act 2012) is a list of bodies to which the definition of “Public Service Body” does not apply. If a new employee was employed by one of these bodies immediately prior to being appointed into the public health service (on or after 01/01/2013), new employee will become a member of the Single Public Service Pension Scheme. (SPSPS). Proceed to Step 6. If a new employee was not employed by an organisation listed in Appendix B, proceed to step 8.
6	Assign to Single Public Service Pension Scheme (SPSPS)	
7	SPSPS set up	Employee contract document must state membership of correct superannuation scheme.

Box NO	Text	Explanation
8	Is new employee coming from another Relevant Authority (Appendix C) ?	<p>SI 581 2012 "Appendix C" is the list of 377 "Relevant Authorities" (Public Service Bodies) for the purposes of the Single Public Service Pension Scheme.</p> <p>If a new employee was employed by one of these bodies immediately prior to being appointed into the public health service (on or after 01/01/2013), proceed to Step 9.</p> <p>If a new employee was not employed by one of these bodies immediately prior to being appointed into the public health service (on or after 01/01/2013), these new employees will become members of the SPSPS. Proceed to Step 6.</p>
9	Was new employee a Pensionable Public Servant ?	<p>If a new employee held a pensionable post in one of these bodies, proceed to Step 10.</p> <p>If a new employee did not hold a pensionable post in one of these bodies, proceed to Step 6.</p>
10	Has new employee had a break of Greater than 26 weeks?	<p>a) If break between employment with relevant authority and date of appointment within public health service is not greater than 26 weeks, proceed to Step 11.</p> <p>b) If break between employment with previous relevant authority and date of appointment within public health service is greater than 26 weeks check if employee was on an approved leave or on secondment. If employment relationship has been maintained proceed to Step 11, If not proceed to Step 6.</p>
11	Assign to a Pre-existing Scheme (HSE Employee Superannuation Scheme, LGSS, VHSS, NHASS).	Proceed to determine correct PRSI Class, Superannuation Scheme membership and New Entrant/Non New Entrant status.

Appendix 3 - Non Pensionable Posts

Posts should be deemed as non-pensionable:-

- Where paid at sessional rates and not entitled to join the pension scheme
- Where paid on the basis of On-Call and Call-Out payments only (e.g. weekend Nursing cover)
- Where paid on the basis of Retainer and Fee per Clinic(e.g. Caretakers)
- Community Employment and Supported Employment Scheme participants (under the auspices of FAS, Rehab, etc)
- Where payments is made directly to Diocesan Administrators in respect of Chaplaincy Services