



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

Oifig an Stiúrthóra Náisiúnta, Acmhainní Daonna
Feidhmeannacht na Seirbhíse Sláinte
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To: Each Member of the Directorate and Leadership Team
Each Assistant National Director, HR
Each Chief Officer, CHO
Each CEO, Hospital Group
Each CEO, Section 38 Agency
Each Employee Relations Manager
HR Senior Staff

From: Rosarii Mannion, National Director Human Resources

Date: 14th August, 2017

Re: **HR Circular 031/2017 re Single Public Service Pension Scheme - Implementation of Government Decision**

Dear Colleagues,

The Department of Public Expenditure & Reform (DPER) has recently written to all Secretaries General in relation to the implementation and shared administration of the Single Public Service Pension Scheme.

The Single Public Service Pension Scheme or 'Single Scheme' was introduced in the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. Since its introduction on 1 January 2013, the two year minimum vesting period has passed giving pension benefits to members with significant associated statutory obligations to public service employers under the scheme.

The Single Scheme is a very different pension scheme to all prior public service schemes, as it is based on career-average pay, and is more complex to administer than preceding schemes. With effect from 1 January 2013 all new employees across the public service have, and will, become members of this scheme, and over time the Single Scheme will therefore displace all previous pension schemes.

The Single Scheme is currently being administered by the various public service employers or 'Relevant Authorities'. Each of the Relevant Authorities (RA) remits the pension contributions of its Single Scheme employees to the exchequer. In addition, the Act imposes considerable requirements on public service employers in recording and calculating pension benefits earned by employees on an annual basis, and the issuing of annual benefit statements to members. For this reason, the Single Scheme requires the creation and implementation of a distinctly different pension administration framework than that which currently services pre-2013 recruits and pensioners. This administrative work needs to operate in tandem with arrangements for all pre-2013 final salary schemes, which will continue to operate in parallel for many years.

The Department of Public Expenditure & Reform has, over the last year conducted a Feasibility Study into the long term options for the administration of the Single Scheme. The feasibility study highlighted significant operational, governance and legal risks that must be addressed as a priority. Extensive engagement with Relevant Authorities from all sectors of the Public Service was conducted as part of the work, in order to analyse current operational challenges and opportunities. A Programme Board comprising senior representatives from the largest sectors of the public service (including the HSE) oversaw the work undertaken and endorsed the resulting findings and recommendations, which formed the basis of the Memorandum brought to Government in April 2017.

The Government agreed that the current position is not tenable from a statutory perspective and that urgent action is required in all Relevant Authorities, Shared Services Centres and centrally. The Government also agreed a phased approach to addressing the deficits in the current administration of the Single Scheme as follows:

Phase 1 - Immediate implementation of the Single Scheme by all Relevant Authorities

All Relevant Authorities, or Shared Services operating on their behalf, must undertake the work required to fully implement all Single Scheme rules, including calculation of pension benefits and the issuing of annual benefit statements to all members of the Single Scheme since January 2013. DPER will support Relevant Authorities in this work through the provision of toolkits, guidelines via a dedicated new website (www.singlepensionscheme.gov.ie) and training sessions.

Phase 2 - Development of a Single Scheme Databank:

DPER will lead the development of a Databank, in consultation with all sectors of the Public Service, to secure member benefit information dating back to 2013. Training will be provided to all Relevant Authorities, following which they will be required to compile specific data on all their Single Scheme members and submit this to the Databank on a regular basis.

Phase 3 – Design of a Shared Administration Service for operation in the long-term:

The requirements for a Shared Single Scheme Administration Service will be defined in consultation with all sectors of the Public Service. The intention will be to design standardised processes to support effective administration, simplify member access to their benefit information and better enable analysis of future pension liabilities. These requirements will form the basis of subsequent procurement and build phases of the work. The development of a long-term administration solution will rely on high quality HR and pay data being developed by Relevant Authorities and Shared Services at an agreed frequency.

A National Implementation Steering Committee has now been established comprising senior management of the largest sectors of the Public Service; the HSE is represented by Ms Eithne Fox, Assistant National Director HBS HR. This group will oversee implementation of the above programme of work.

As you will appreciate the active engagement and full co-operation of the HSE and the agencies funded by the HSE under Section 38 of the Health Act 2004 will be necessary in order to achieve the objectives set by the Government and to address the deficits that have been identified. The HSE fully recognises the significant challenges for itself, and Section 38 agencies as Relevant Authorities, in ensuring compliance with the statutory requirements of the Single Scheme. In this regard the HSE is fully committed to working with DPER and the Department of Health to provide the appropriate supports necessary to assist each Section 38 agency in the completion of this work.

I would be grateful if you would bring the contents of this circular to the attention of all relevant staff in your area of responsibility.

Queries

Employees and Managers are invited to address any queries that they may have regarding the SPSPS to their local superannuation unit in the first instance. Any queries in relation to policy clarification may be forwarded to Fiona Doohan, HSE National Pensions Project Manager, HBS HR Services, Email: fiona.doohan@hse.ie or Gerry Mescall, HSE Pensions Standards & Quality Manager – HBS HR Services Email: gerry.mescall@hse.ie

Yours sincerely,



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