

## **HSE EMPLOYEE SUPERANNUATION SCHEME**

### **Information Booklet**

**This information booklet relates to the Health Service Executive Employee Superannuation Scheme and includes details of the pension terms of employees that transferred to the HSE from specified bodies on 1 January 2005 pursuant to the Health Act 2004.**

There are a small number of HSE employees with an entitlement to Local Government Superannuation Scheme terms under the 1956 Act, i.e. persons continuously employed since prior to 27<sup>th</sup> May 1977 and who did not opt to join the revised pension scheme. This booklet does not provide the details relevant to that scheme and such members can contact their local area pensions unit with their queries.

This information booklet does not deal with members of the Single Public Service Pension Scheme (SPSPS). Please see separate booklet for information on the SPSPS.

*This document is not a legal interpretation of the relevant legislation and is intended to give a brief overview of the pension provisions applicable under the Scheme. It does not purport to deal with every scenario that may arise.*

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## 1. Overview of Pension Scheme

The HSE Employee Superannuation Scheme is a statutory *defined benefit* pension scheme, with benefits payable under the Health Service Executive Employees Superannuation Scheme, 2010 (S.I. 362/2010), which was made pursuant to the Health Act, 2004. In general, all employees in pensionable positions, recruited prior to 1 January 2013, are members of the HSE Employee Superannuation Scheme. Staff members that transferred from specified bodies (e.g. former Health Boards) to the HSE on 1 January 2005 are also members of the HSE Pension Scheme; however, they are entitled to the pension terms that applied to them as at 31 December 2004 (i.e. the Local Government Superannuation Scheme (the “LGSS”)).

The Scheme is an *unfunded* scheme, which means that no investment fund is built up and instead the benefits are paid out by the employer when they fall due. This type of arrangement is called ‘pay as you go’.

The HSE Pension Scheme provides a wide range of benefits to pensionable employees, including:

- Lump sum on retirement,
- Pension on retirement,
- Death-in-service gratuity,
- Spouses’ and Children’s pension, and
- Ill-health retirement benefits.

Membership of the Scheme includes compulsory membership of **both**

- a. the Health Service Executive Employees Superannuation Scheme (“Main Scheme”); and
- b. the Health Service Executive Spouses’ and Children’s Contributory Pension Scheme (“Spouses’ and Children’s Scheme”).

This Scheme is an integrated scheme (for members who are fully insured, i.e. Class A PRSI) meaning it is one that takes account of the State (Contributory) Pension (or other similar contributory benefits payable under social insurance) in designing the overall pension package. An integrated scheme looks at the State (Contributory) Pension as part of the total pension package. Both employers and employees make pay-related social insurance (PRSI) contributions and these in turn entitle scheme members to Social Welfare benefits. Integration is used as a means of taking into account the benefits payable under the Social Welfare system to calculate –

- The amount of occupational pension required so that the combined pension from both sources is at the level being aimed for in designing the scheme; and
- The level of contributions payable by the employee towards the cost of his or her occupational pension.

If you are unsure as to whether or not you are fully insured (i.e. your applicable class of PRSI) **please refer to your payslip** which denotes your specific rate of PRSI.

## 2. Membership

In general, all employees in pensionable positions, recruited prior to 1 January 2013, are members of the HSE Employee Superannuation Scheme. Staff members that transferred from specified bodies (e.g. former Health Boards) to the HSE on 1 January 2005 are also members of the HSE Pension Scheme; however, they are entitled to the pension terms that applied to them as at 31 December 2004 (i.e. the Local Government Superannuation Scheme (the "LGSS")).

This Booklet provides details of the terms of the HSE Pension Scheme and the LGSS terms under the 1986 Scheme. Members with LGSS terms under the 1956 Act can contact their local area pensions unit with their queries.

## 3. Contributions

<b>Scheme</b>	<b>Class D (HSE/LGSS 1986 Terms)</b>	<b>Class A (HSE/Officer LGSS 1986 Terms)</b>	<b>Class A (Non-Officer LGSS 1986 Terms)</b>
<b>Main Scheme</b>	5% of PR	3.5% of net PR 1.5% of PR	3.5% of net PR 1.5% of PR
<b>Spouses' &amp; Children's Scheme</b>	1.5% of PR	1.5% of PR	1.5% of net PR

In general, in respect of fully insured employees (Class A), in each pay period, an amount equivalent to 3.5% of net pensionable remuneration PLUS 3% of pensionable remuneration will be deducted as the member's contribution under the Scheme.

However, fully insured employees (Class A), who transferred to the HSE on 1 January 2005 with non-officer LGSS pension terms, will be liable for contributions of an amount equivalent to 5% of net pensionable remuneration PLUS 1.5% of pensionable remuneration.

For employees who are not fully insured (Class D), in each pay period an amount equivalent to 6.5% of pensionable remuneration will be deducted as the member's contribution under the Scheme.

*Pensionable remuneration* means earnings that are reckonable for pension purposes, generally comprising salary and pensionable allowances (listed in the Department of Health Consolidated Salary Scales), but excluding overtime.

*Net pensionable remuneration* means pensionable remuneration less twice the value at the time of the State (Contributory) Pension ("OAP") for a single adult with no dependents.

## 4. Pension and Retirement Age

The minimum pension age and compulsory retirement age will depend on whether or not the employee is a “new entrant” under the Public Service Superannuation (Miscellaneous Provisions) Act 2004.

A “new entrant” is generally a person who commenced employment in the public sector on or after 1<sup>st</sup> April 2004, or a person who was serving in a public service body on 1<sup>st</sup> April 2004 but left such office for a period of greater than 26 weeks before rejoining the public service.

### a. Minimum Pension Age

The minimum age at which a new entrant can retire with full pension benefits is 65 years.

The minimum age at which a non-new entrant can retire with full pension benefits is 60 years.

### b. Early Retirement on Reduced Pension

Retirement on pension from age 55 (age 50 for non-new entrant) is allowed, subject to formal approval under the Cost Neutral Early Retirement Scheme, based on actuarially-reduced cost-neutral reduction of benefits.

### c. Compulsory Retirement Age

There is no compulsory retirement age applicable to new entrants.

A general compulsory retirement age of 65 years applies to non-new entrants.

## 5. Retirement Benefits

Retirement benefits are calculated by reference to pensionable remuneration at the date of retirement and reckonable service.

Pensionable remuneration is the aggregate of pensionable salary and pensionable allowances. The pensionable salary will generally be the employee’s salary at the last day of service; however if the employee was recently promoted into that position the average salary held over the last three years’ of service will be used.

Pensionable allowances are based on an average of the variable pensionable allowances received in the best three consecutive years in the ten years preceding retirement as up-rated to the date of retirement.

The maximum number of years of reckonable service is 40.

### a. Retirement Lump Sum

The retirement lump sum is calculated at the rate of **3/80<sup>th</sup> of pensionable remuneration** for each year of pensionable service, subject to a maximum of 1.5 times pensionable remuneration.

## b. Retirement Pension

The method of calculation will depend on the member's PRSI status (i.e. whether or not they are fully insured) and applicable pension terms (i.e. HSE or LGSS).

### *i. Fully Insured (Class A) HSE Employee (incl. LGSS 1986 Officer Terms):*

Where a member is fully insured (PRSI Class A) the pension will be integrated with the State (Contributory) Pension ("OAP").

The method of calculating the Main Scheme pension for fully insured employees is as follows:

- a) For that part of the employee's pensionable remuneration that is less than or equal to 3 1/3<sup>rd</sup> (3.333333) times the current rate of OAP, 1/200<sup>th</sup> of pensionable remuneration multiplied by the number of years of reckonable service, plus
- b) For any part of the employee's pensionable remuneration that exceeds 3 1/3<sup>rd</sup> (3.333333) times OAP, 1/80<sup>th</sup> of pensionable remuneration multiplied by the number of years of reckonable service.

Scheme member retires with 34.5 years' service on a pensionable remuneration of €50,000.

$1/200^{\text{th}} \times €40,578.64^* \times 34.5 = €6,999.82$ , plus

$1/80^{\text{th}} \times €9,421.36 \times 34.5 = €4,062.96$

Pension = €11,062.78 p.a.

\*OAP = €233.30 x 52.18 x 3.333333

### *ii. Fully Insured (Class A) with LGSS 1986 Non-Officer Terms:*

Where an employee transferred to the HSE on 1 January 2005 with existing pension terms and that person was classed as a Non-Officer under the LGSS, the method of calculating the Main Scheme pension is as follows:

- a) 1/80<sup>th</sup> of pensionable remuneration multiplied by the number of years of reckonable service given **prior to 27 May 1977**, plus
- b) For that part of the employee's pensionable remuneration that is less than or equal to 3 1/3<sup>rd</sup> (3.333333) times the current rate of OAP, 1/200<sup>th</sup> of pensionable remuneration multiplied by the number of years of reckonable service given **on or after 27 May 1977**, plus
- c) For any part of the employee's pensionable remuneration that exceeds 3 1/3<sup>rd</sup> (3.333333) times OAP, 1/80<sup>th</sup> of pensionable remuneration multiplied by the number of years of reckonable service given **on or after 27 May 1977**.

Scheme member retires with 34.5 years' service, 6 years of which pre-dated 27 May 1977, on a pensionable remuneration of €50,000.

$$1/80^{\text{th}} \times €50,000 \times 6 = €3,750, \text{ plus}$$

$$1/200^{\text{th}} \times €40,578.64^* \times 28.5 = €5,782.46, \text{ plus}$$

$$1/80^{\text{th}} \times €9,421.36 \times 28.5 = €3,356.36$$

Pension = €12,888.82 p.a.

$$*\text{OAP} = €233.30 \times 52.18 \times 3.333333$$

### *iii. Non-Insured (Class D) HSE Employee (incl. LGSS 1986 Terms):*

Where a member is not fully insured (PRSI Class D) the pension will not be integrated with the OAP.

The method of calculating the Main Scheme pension for employees who are not fully insured is as follows:

- a)  $1/80^{\text{th}}$  of pensionable remuneration multiplied by the number of years of reckonable service.

Scheme member retires with 34.5 years' service on a pensionable remuneration of €50,000.

$$1/80^{\text{th}} \times €50,000 \times 34.5 = €21,562.50$$

Pension = €21,562.50 p.a.

## **6. Reckonable Service**

The following service is reckonable for pension purposes and is used in calculating the pension benefits payable:

- a. Pensionable service;
- b. Temporary whole-time service prior to becoming pensionable;
- c. Certain part-time service;
- d. Certain other transferred service;
- e. Additional or added service allowed in certain circumstances;
- f. Certain service in respect of which you may already have received a gratuity or a refund of contributions provided you make an appropriate repayment.

It is important to note that historically part-time service was not recognised as service for the purposes of pension entitlement. However, from early 1990's this position began to change with the introduction of numerous employment Regulations and Acts ultimately culminating in the Protection of Workers (Part-Time Work) Act 2001, which eliminated any distinction between the terms and conditions of a part-time worker against his/her whole-time counterpart and thereby permitted part time hours worked to be reckonable for the purpose of pension service.

## **7. Other Benefits**

### **a. Ill-Health Retirement**

Subject to certain conditions a member may retire on ill-health grounds. A pension and lump sum, calculated in the same way as an age retirement pension and lump sum, will be immediately payable provided the member has a minimum 5 years employment.

In addition to the actual service, the member **may** be allowed a notional period of service. This notional service is calculated by reference to the length of actual service and the age of the member at the date of retirement.

### **b. Death Gratuity**

Where a member dies while in service, a death gratuity is payable to their personal representative.

The death gratuity payable is equal to –

- (a) the lump sum that would have been payable if the member had ceased to hold employment of the grounds of ill-health at the date of death; or
- (b) one year's pensionable remuneration (pro-rata to WTE); or
- (c) in the case of a member with LGSS Non-Officer terms, 97.43% of second point of the craftsmen's salary scale, pro-rated for part-time staff to reflect the working/attendance pattern on the last day of pensionable service;

whichever is the greater.

### **c. Spouses' and Children's Contributory Pension Scheme**

The HSE Spouses' and Children's Contributory Pension Scheme provides pensions for the spouse/civil partner and/or dependent children of a member who dies in service or after qualifying for a pension or preserved pension.

Where the member dies in service, or after retirement on ill-health grounds, the survivor's and child's pension is calculated by reference to the pension that the member would have received if he/she had continued in pensionable employment up to age 60 (potential to 65 in the case of members with certain LGSS terms).

In all other cases the survivor's and child's pension is calculated by reference to the member's actual pension entitlement.

Subject to the foregoing, pensions are calculated according to the following table:

Details of Dependants	Fraction of member's pension payable to spouse/civil partner	Fraction of member's pension payable to children (to be divided equally between all children)	Total fraction of member's pension payable
Spouse/civil partner	One-half		One-half
Spouse/civil partner and 1 child	One-half	One-sixth	Two-thirds
Spouse/civil partner and 2 children	One-half	One-third	Five-sixths
Spouse/civil partner and 3 or more children	One-half	One-half	The whole
1 child		One-third	One-third
2 or more children		One-half	One-half

An enhanced rate of pension may be payable to the spouse/civil partner in the first month after the death of the member. This amounts to one month's pay if the member dies in service and one month's pension (the pension rate on the date of death) if the member dies in retirement.

#### d. Preservation of Benefits

If a member leaves the HSE, having completed **greater** than 2 calendar years' pensionable service, the pension benefits will *automatically* be preserved.

Where pension benefits are preserved, the pension and lump sum will be payable to the member, on application, from age 65 years (60 years for non-new entrants).

Where an individual becomes permanently infirm before attaining the age of 65 years (60 years for non-new entrants), the preserved lump sum and pension will become payable from the date of infirmity, as determined by medical reports.

Should a member with preserved benefits die before reaching their retirement age, a gratuity equivalent to the retirement lump sum is payable to that person's estate. Where the person was a member of the Spouses' and Children's Pension Scheme a pension will be payable to the surviving spouse/civil partner and/or child dependents.

The preserved benefits are based on actual pensionable service and on the member's retiring salary, as increased by reference to increases granted between the date of resignation and age 65 years (60 years for non-new entrants).

## 8. Additional Voluntary Contributions

An Additional Voluntary Contribution ("AVC") is an additional investment option made available to employees to enable them to make **additional savings (outside of the Pension Scheme)** for retirement while receiving tax and PRSI relief on these savings.

You can make AVCs if the benefits that you will receive at retirement from your main scheme and any benefits retained from any employment(s) are projected to be lower than the maximum allowed by Revenue.

An AVC is a private arrangement made by the employee with a financial services company independent from the HSE. The HSE will not provide any advice in relation to AVCs and the member should obtain their own independent advice. The HSE can, however, facilitate deductions from salary in respect of the AVC plan taken with the HSE's registered AVC providers.

## 9. Pension Adjustment Orders

In the event of judicial separation, divorce, or dissolution of a civil partnership a court application for a pension adjustment order, in respect of the retirement or contingent benefits payable to or in respect of a member, may be made. Further information on the operation and impact of pension adjustment orders can be obtained from the Pensions Authority, Verschoyle House, 28-30 Lower Mount Street, Dublin 2 – 01 6131900 – or on their website [www.pensionsauthority.ie](http://www.pensionsauthority.ie)

## 10. Restrictions

### a. 40-Year Rule

There is a 40 year limit on the total service that can be counted towards a pension under the Scheme.

The Public Service Pensions (Single Scheme and Other Provisions) Act 2012 provides that where a public servant has accrued pensionable service under one or more pre-existing public service pension schemes then no more than the equivalent of 40 years' service in total may be taken into account in calculating any pensions or lump sums payable under those schemes. Persons who had accrued more than the equivalent of 40 years' service before the passing of the Act in July 2012 can retain the benefit of service accrued up to 27 July 2012.

### b. Pension Abatement

The 2012 Act extends pension abatement so that a retiree's public service pension is liable to abatement on re-entering public service employment, even where the new employment is in a different area of the public service. This change applies in those cases where a person with a public service pension in payment takes up a public service post on or after 1 November 2012; a person

who took up an appointment in the public service before that date will not be affected by the change while he/she continues to hold that appointment.

## **11. Additional Information**

### **a. Pension Increases**

The HSE may grant increases in pensions and preserved pensions under the Scheme, as authorised by the Minister for Health with the consent of the Minister for Public Expenditure and Reform.

### **b. Pensions Authority Registration**

The HSE Pension Scheme is registered with the Pensions Authority and the relevant registration number is 207437.

### **c. Scheme Amendments**

The Scheme provides that the HSE may amend or terminate the Scheme at any time, subject to the approval of the Minister and the consent of the Minister for Public Expenditure and Reform and subject to giving three months' notice of impending changes to members of the Scheme. Benefits secured for a member or former member prior to the date of amendment or termination will not be affected.

### **d. Conditions Governing Awards**

#### ***i. Declarations***

In order to receive/continue to receive pension payments, the pensioner must complete a relevant declaration in such form and at such times as the HSE may require.

#### ***ii. Proof of Age***

The member must provide evidence of his/her date of birth on entry into the Scheme or before payment of any benefit under the Scheme.

## **12. Complaints/Disputes**

If a member or a potential beneficiary is unclear about their pension entitlements or are unhappy about any decision made by the relevant pensions unit in relation to their pension entitlements, he/she should contact the local area pensions unit and ask them to explain the position fully.

If, following this contact, the matter has not been settled to the member/beneficiary's satisfaction, he/she may avail of the formal Internal Dispute Resolution (IDR) process. Details of the formal IDR process are available from your local area pensions unit.

Should the member/beneficiary still have a complaint or dispute following the formal IDR, he/she may, depending on the nature of the complaint or dispute, be entitled to refer the matter to the Financial Services and Pensions Ombudsman for determination. Information concerning the role and functions of the Financial Services and Pensions Ombudsman is available from the Office of the Financial Services and Pensions Ombudsman, Lincoln House, Lincoln Place, Dublin 2 – Telephone 01 5677000 – or on the website <https://www.fspo.ie/>

### 13. Contact Details

Enquiries regarding pension entitlements should be addressed to the relevant Area Pensions Manager listed below –

Area Offices	Manager	Address	Contact
South-West (Cork)	Breda Moriarty	HSE South, Áras Sláinte, Wilton Road, Cork, T12 XRRO.	<a href="mailto:Pensions.South@hse.ie">Pensions.South@hse.ie</a> 021-4923737 021-4923759 021-4923643 021-4923742
West (Galway)	Pauline Ahern Bernie Greally	HSE West, Clinical & Admin Building, Block A, Merlin Park Hospital, Galway.	<a href="mailto:Pensions.West@hse.ie">Pensions.West@hse.ie</a>  091-775487
Mid-West (Limerick)	Pauline Ahern	Pensions Management, Human Resources Dept., HSE West, Unit 4, Richmond Court, Dock Road, Limerick.	<a href="mailto:Pensions.Limerick@hse.ie">Pensions.Limerick@hse.ie</a>
East (Dublin)	Frances Gorman	Health Business Services, HSE, 20-23 Merchants Quay, Dublin, DO8 DXW6.	<a href="mailto:superann@hse.ie">superann@hse.ie</a>  01 8817170
Midlands (Tullamore)	Teresa Coss	Health Business Services, HSE, Area Office, Arden Road, Tullamore, Co. Offaly, R35 TY28.	<a href="mailto:Pensions.Tullamore@hse.ie">Pensions.Tullamore@hse.ie</a>
South- East (Kilkenny)	Austin Ryan	Superannuation Dept, HSE - South, The Office Complex, Kilcreene, Kilkenny.	<a href="mailto:PensionSouthEast@hse.ie">PensionSouthEast@hse.ie</a>  056-7785548 056-7785652
North-East (Kells)	Heather Kerrigan	Health Business Services, HSE, Bective Street, Kells, Co .Meath, A82 NX32.	<a href="mailto:Pensions.DNE@hse.ie">Pensions.DNE@hse.ie</a>
North- West (incl. St. Lukes and St. Annes and Cregg Services)	Alison Crowe	Health Business Services, HSE, Áras Sláinte Chluainín, Manorhamilton, Co Leitrim.	<a href="mailto:pensionhelpdesk@hse.ie">pensionhelpdesk@hse.ie</a>  071 9820447