

Circular Ref.: 64/2002

To: Chief Executive Officers (all Hospitals under the VHSS scheme)
Chief Executive Officers (all Agencies under NHASS scheme)

**DEPARTMENT
OF HEALTH AND
CHILDREN**
AN ROINN
SLÁINTE AGUS LEANAÍ

14 November 2002

Quality and Fairness
A Health System for You

**Re: Application of Superannuation Arrangements for Temporary Whole-time
and Part-time Employees**

A chara,

I am directed by the Minister of Health and Children to refer to the application of revised superannuation conditions for temporary whole-time and part-time employees.

As you are aware, the *Agreement on Flexible Working in the Health Service* came into operation on 1 February 2001 and provides, *inter alia*, for the implementation of pensionable part-time working arrangements. Section 9 of the *Protection of Employees (Part-Time) Act, 2001* provides for access to pensions schemes in the case of employees who work at least 20% of the normal hours of work of a comparable full-time employee. All hospitals and agencies should ensure they have a copy of the *Agreement on Flexible Working in the Health Service* and the *Protection of Employees (Part-Time) Act, 2001* and are familiar with their provisions.

Accordingly, part-time employees who work at least 20% of the normal hours of work of a comparable full-time employee will have access to the relevant superannuation scheme with entitlement to pension benefits on a pro-rata basis.

A previous Circular (Circular 7/2002) from this Department provided for the mandatory registration of all new temporary appointments on or after 1 February 2002. However, as a result of administrative difficulties with the revised arrangements it has been agreed to extend the date for mandatory registration to 30 November 2002, subject to the following arrangements:

Eligibility

1. Where the employment is considered to be regular and in accordance with the *Flexible Working Agreement*, all temporary whole-time and part-time employees appointed on or before 30 November 2002 should be offered an option to join the appropriate superannuation scheme, i.e. the VHSS or NHASS scheme.
2. From 1 December 2002 onwards, membership of the appropriate scheme will be **mandatory** for all newly appointed pensionable temporary appointments.

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3. Hospitals and Agencies should ensure that all *Contracts of Employment* offered to temporary or part-time employees clearly states whether the post is pensionable or non-pensionable.
4. Pending further clarification and discussion, the following categories should not be registered in the superannuation scheme at this point in time:
 - Individuals who are aged over 65 years of age
 - Individuals who are engaged under a contract for service (e.g. independent contractors, individuals working on a sessional basis)
 - Individuals who are employed by third parties, e.g. employment agencies
 - Individuals employed on a casual basis or an "if and when required basis", i.e. their hours of work are not pre-determined

Superannuation Officers should refer to page 6 of the HSEA's *Guidelines on the Implementation of the Flexible Working Scheme and Revised Superannuation Arrangements for Part-Time and Whole-time Temporary Staff* or contact the HSEA directly for further information.

Limitation of Option

5. Current employees falling under Paragraph 1 above must exercise their option by 28 February 2003.
6. Non-return of the Option Form attached as Appendix 1 to this Circular by this date shall be interpreted as exercising an option not to join the superannuation scheme. Hospitals and agencies are requested to carefully retain all returned option forms.
7. It should be noted that employees who decide not to join the VHSS or NHASS scheme will continue to have entitlement to existing ex-gratia arrangements. The benefits of joining the appropriate pension scheme as opposed to ex-gratia arrangement should be explained to employees considering this option. It should also be explained that no further options will be offered to join the superannuation schemes apart from the option offered under this circular. A copy of the relevant Circular on ex-gratia arrangements is available on request.
8. Any employee exercising an option to join under Paragraph 1 above, should be entered into the scheme with effect from 1 December 2002.
9. Hospitals and Agencies should note that no further extension regarding the mandatory membership date will be considered by the Department.

Register of temporary whole-time and part-time Members

10. Hospitals and Agencies are requested to maintain a separate register of temporary whole-time and part-time employees who join the relevant superannuation scheme under these arrangements. A separate list of temporary whole-time and part-time employees who opt out of membership under paragraph 1 above should also be maintained. This register and list should be available for inspection on request of the Minister.

Contributions Payable

11. Employees who become pensionable under these arrangements shall have a contribution liability which is pro-rata to the contribution of a comparable full-time employee (e.g. a part-time employee contracted to work 40% of the full-time hours will pay 40% of the contributions of the full-time employee). Contributions should be deducted based on contract hours plus any other pensionable emoluments only. Accordingly, if an employee regularly works over the contract hours their contract should be reviewed.
12. While it is anticipated that superannuation arrangements for part-time employees will be such as to yield an overall pension which is consistent with that of a comparable full-time employee, the question of how service should be reckoned, including service prior to 1 December 2002, and the determination of pension benefits, particularly in the case of those employees whose pension benefit falls to be integrated (co-ordinated) with social welfare pensions benefit, will be decided in the context of the decision by the Government in relation to the implementation of the recommendations of the *Commission on Public Service Pensions*. The purpose of this circular is to clarify arrangements for access, i.e. pensionability, and the payment of contributions only.

Revised Guidance Booklet

13. A guidance booklet on the implementation of the flexible working scheme and revised superannuation arrangements for part-time and whole-time temporary staff issued from the *Health Service Employers Agency* in April 2002. As stated in this Department's related memorandum of 30 April 2002, this booklet will be supplemented by further guidance as issues arise in relation to the operation of flexible working conditions. A revised booklet is currently under preparation within the HSEA and will issue in due course.
14. If you have any queries in relation to this circular, please contact the Superannuation Section of the Department at (01) 635 4257 or (01) 635 4261 or the *Health Service Employers Agency* at (01) 662 6966



Gerard Hughes
Assistant Principal Officer
Personnel Management & Development

c.c. Martin McDonald, HSEA

Appendix 1

Superannuation Arrangements for Part-time and Temporary Employees (Circular 64/2002)

I have been made aware of the option to join the Voluntary Hospital/Nominated Health Agencies Superannuation Scheme and allied Spouse's & Children's Schemes with effect from 1 December 2002.

I understand that I am required to exercise one of the following options. I also understand that such option may not be reversed in the future.

OPTION 1

☐

I wish to join the VHSS/NHASS superannuation scheme with effect from
1 December 2002.

Signed: _____ Grade: _____

Date: _____

OPTION 2

☐

I do not wish to join the VHSS/NHASS superannuation scheme. I understand that I will not be entitled to any benefits or lump sums under the VHSS or NHASS superannuation schemes as a result.

Signed: _____ Grade: _____

Date: _____

For Official Use Only

Employer: _____

Signed: _____ Grade: _____

Date: _____