



**Oifig an Stiúrthóra Náisiúnta, Acmhainní Daonna**

Feidhmeannacht na Seirbhísí Sláinte

Ospidéal Dr. Steevens'

Baile Átha Cliath 8

**Office of the National Director of Human Resources**

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**To:** Chief Executive Officer  
Each National Director  
Each Assistant National Director HR  
Each Assistant Chief Finance Officers  
Each Hospital Group CEO  
Each Hospital Group Director of HR  
Each Chief Officer CHOs  
Each Head of HR CHOs  
Each CEO Section 38 Agencies  
Each HR Manager Section 38 Agencies  
Each Employee Relations Manager  
Each Group Director of Nursing & Midwifery  
Each Group Director of Midwifery  
Each Clinical Director

**From:** Anne Marie Hoey, National Director of Human Resources

**Date:** 25<sup>th</sup> March 2021

**RE:** HR Circular 017/2021 Updated Arrangements in respect of Waiver of Pension Abatement for Frontline Staff in the context of COVID-19/ Vaccination Programme

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Dear Colleagues,

As you will be aware, HSE HR Circular 004/2021 advised that DPER does not support long-term exemptions from the principle of abatement or, from a HR perspective, long-term reliance on retired workers. Accordingly, DPER also advised that the Minister for Public Expenditure and Reform, on the basis of the last extension to 31 March 2021, would not provide a further extension of pension abatement beyond this date.

Therefore in line with other sectors, DPER has advised that waivers will only be granted in the most exceptional circumstances on a **'case by case basis, only in very atypical circumstances and for a very limited period of time'**. In this instance, only those roles that are critical to COVID-19 service delivery and the Vaccination Programme are being considered in this context.

Similarly as outlined in HSE HR Circular 004/2021 those roles that fall within the staff category of Management and Administration are not within the scope of consideration of the waiver of pension abatement.

The purpose of this Circular is to advise on the HSE application process to be completed in respect of retired individuals for whom HSE senior management are requesting a temporary waiver of pension abatement in the context of essential COVID-19 services /Vaccination Programme. Only fully completed applications will be assessed prior to onward submission to the Department of Health / DPER for consideration on a 'case by case basis'. It is expected that the requirement for waiver of pension abatement will be low. This is on the basis of the scope of the waiver and a recent assessment of all those encompassed within the previous waiver extensions which found that only 1/3<sup>rd</sup> of approved cases actually required application of the waiver.

Therefore, prior to submitting an application, the below steps are designed to assist you in your consideration / requirement to seek DPER sanction for waiver of pension abatement in respect of an individual. This is supported with a checklist in Appendix 1 to assist decision making prior to proceeding with an application along with a FAQs on Pension Abatement in Appendix 2.

#### **Step 1 Do the Roles Fit within the Current Scope?**

- **Only** those roles that are defined and evidenced as being critical to the delivery of **COVID-19** services and / or **Vaccination Programme** will be considered.
- Roles that fall within the staff category of **Management and Administration** are currently not within the scope for consideration.

#### **Step 2 Is Pension Abatement Required**

- If the rehired retiree is **not currently** in receipt of a **public sector pension**, a waiver to pension abatement is not required.
- If the rehired retiree will be employed by a **third party agency**, and not directly by the HSE, a waiver to pension abatement is not required.
- If the rehired retiree, will work less than 50% of the WTE hours per week for the duration of their contract, they are unlikely to require a waiver to pension abatement. The below provides scenarios whereby retirees could work in excess of 50% without any impact to their pension;
  - Retiree's pension in payment is not calculated on the basis of the maximum of 40 years' service;
  - Retiree paid Class A PRSI prior to retirement and consequently their HSE pension is adjusted to take account of the State Pension Contributory;
  - Retiree's salary on re-employment may be at the minimum point<sup>1</sup> of the pay scale, whereas their retirement benefits may have been based on the maximum point of the same pay scale;

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<sup>1</sup> Rehired retirees are appointed to the minimum point of the salary scale except for those in the Nursing/Midwifery category - see [HSE HR Circular 018/2017](#).

- Retiree may be being rehired at a grade which has a lower pay scale than the pay scale on which their pension was calculated.
- Of note, an application can be made at any stage should there be any change to the worked hours per week.

Based on the above, should an application for waiver of pension abatement be required, this must be made using the attached application form (excel template). Of note, **one application form** must be completed and submitted for **each** rehired retiree in respect of whom HSE senior management are seeking a waiver of pension abatement. Of note, each application **must** be completed in full.

**Only** fully completed applications will be assessed prior to onward submission to the Department of Health for consideration by DPER.

The outcomes of the applications will be conveyed to the relevant Head of HR/Hospital Group Director of HR/senior HR manager.

Please note that the provisions under HSE HR Circular 004/2021 will cease on **March 31<sup>st</sup>** and therefore rehired retirees encompassed by the previous waivers of pension abatement, for which a waiver continues to be sought by HSE senior management, must be considered along with an application as appropriate under the provisions of this current circular.

Applications must be made using the attached application template **on or before the 15<sup>th</sup> of each month** for consideration in that month's assessment. Applications received after that date will be considered the following month.

Fully completed applications should be submitted via the relevant Head of HR/Hospital Group Director of HR/senior HR manager to HSE Pensions, Standards & Quality Unit via email to [deirdre.mulvin@hse.ie](mailto:deirdre.mulvin@hse.ie)

### **Queries**

Queries regarding individual cases should be referred to the relevant local HR/Employee Relations Departments.

Queries in relation to pensions should be referred to the relevant local Pensions Department.

Yours sincerely

Yours sincerely



**Anne Marie Hoey**  
**National Director of Human Resources**



**Need information and advice on COVID-19 Go to [www.hse.ie/coronavirus](http://www.hse.ie/coronavirus)**

## Appendix 1 Waiver of Pension Abatement Checklist

### Checklist

No.	Key Considerations	Yes	No
1	Non COVID-19/ Vaccination role	X	
2	A management / administration role	X	
3	Not currently in receipt of a pension from public sector employment	X	
4	Will be employed into a third party agency contract (ie not HSE directly employed)	X	
5	Will work less than 50% of the WTE hours per week for duration of their contract	X	

If the answer to Numbers 1 or 2 above is 'Yes' an application cannot be made.

If the answer to Numbers 3 or 4 above is 'Yes' an application is not required as pension abatement will not apply.

If the answer to Number 5 above is 'Yes' an application is unlikely to be required, as pension abatement is unlikely to be applied. Of note, an application can be made at any stage, whereby should the situation in this regard change, an application can then be made.

## **Appendix 2 FAQs 'Pension Abatement Explained'**

### **1. Question**

*What is Pension Abatement?*

### **1. Answer**

Pension Abatement sets an upper earnings limit, or 'cap'; for public service pensioners who are re-employed in the public sector, which if exceeded will affect their pension.

### **2. Question**

*If I am receiving a pension in respect of previous employment in another part of the public sector, does pension abatement apply if I take up a post in the Health Sector?*

### **2. Answer**

Yes pension abatement rules apply to all public service pensions, not just health sector pensions.

### **3. Question**

*Does pension abatement affect the rate of pay that I am entitled to earn when I take up a post in the Health Sector?*

### **3. Answer**

No, the pension abatement rules only apply to the level of public sector pension that you are entitled to be paid while re-employed, not to the earnings in that re-employment.

### **4. Question**

*Does pension abatement apply if I am re-employed via an Agency, albeit I am working in the Health Sector?*

### **4. Answer**

No, the pension abatement rules only apply if you are directly employed by a Health Sector employer.

### **5. Question**

*What is the Pension Abatement limit or 'cap', and what happens if it is exceeded?*

**5. Answer**

The pension abatement provisions provide that a retired public servant should receive no more in pension than, when combined with their pay on re-employment, is more than they would have earned had they continued in employment in the post from which they retired. In practical terms, this means that your upper limit or 'cap' is the current value of the salary of the post from which you retired, based on your work pattern at retirement.

Example:

Joe Bloggs is in receipt of a pension as a result of retiring from a wholetime post in the Department of Agriculture on 1st January 2018 with a salary at date of retirement of €40,000 which has since been increased to €41,000; he is now re-employed as a Contact Tracer in the Health Service.

In this case Joe Bloggs cannot receive any pension payment of his Dept. of Agriculture pension which, when combined with this Contact Tracer earnings, would exceed €41,000 per annum. If he does exceed the €41,000 'cap' in total earnings, then his Dept. of Agriculture pension is reduced either in part or in full for the duration of the re-employment

**6. Question**

*If my Pension is abated, what happens when I cease my employment in the Health Sector?*

**6. Answer**

Your Pension will be reinstated at the full rate from the date of termination of your employment in the HSE post, unless of course you leave to take up another employment elsewhere in the public sector

**7. Question**

*Is there a maximum number of hours I can work without being subject to Pension Abatement?*

**7. Answer**

As a general rule, based on the operation of pension abatement in the Health Sector, you can work at least half-time (50% work pattern) without it impacting on your pension. This is because the maximum pension that you can be in receipt of is 50% of your salary at retirement and that is only where you had the maximum 40 years' service at retirement and paid Class D (modified)

PRSI. Provided you are being reemployed at an equivalent, or lower, salary therefore, you can be re-employed on at least a 50% basis without your public service pension being affected.

**8. Question**

*Could I work more than 50% and still not be subject to pension abatement?*

**8. Answer**

Yes this is possible for a number of reasons.

- Your pension may not be 50% of your retirement salary because you did not have 40 years' service at retirement where you paid Class D (modified) PRSI.
- Your salary on re-employment may be at the minimum point of the pay scale, whereas your retirement benefits may have been based on the maximum point of the same pay scale.
- You may be being rehired at a grade which has a lower pay scale than the pay scale on which your pension was calculated.

In all of the above cases you would be able to work more than a 50% work pattern without being subject to pension abatement. The precise percentage work pattern would vary for each individual.