



**Oifig an Stiúirthóra Náisiúnta, Acmhainní Daonna**

Feidhmeannacht na Seirbhísí Sláinte  
Ospidéal Dr. Steevens'  
Baile Átha Cliath 8

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

Health Service Executive  
Dr. Steevens' Hospital  
Dublin 8

Tel: 01 6352319 Email: nationalhr@hse.ie

**To:**

- Chief Executive Officer**
- Each National Director**
- Each Assistant National Director HR**
- Each Hospital Group CEO**
- Each Hospital Group Director of HR**
- Each Chief Officer CHO**
- Each CHO HR Manager**
- 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**
- Each Pensions Manager**

6<sup>th</sup> August, 2019

**Re: HSE HR Circular 018/2019 re Recoupment of Superannuation Costs during secondment**

Dear Colleagues,

The purpose of this Circular is to draw your attention to the Circulars and related correspondence in respect of the additional pension costs, if any, to be charged in respect of health service employees on secondment.

#### **Employees who are members of pre-existing public health service pension schemes**

Department of Health Circular 06/2007 (attached) provides that the pension contribution of all public health service employees who, on or after 1 June 2007, are granted secondments or periods of special leave with pay to enable them to take up appointments with other organisations is 25% of gross pensionable pay. The rate of 25% of gross pensionable pay in this context is the pension contribution to be paid by the body to which the employee is seconded - it does not include any pension contributions which employees make themselves. This Circular should be read in conjunction with the Department of Health's letter to the HSE of 25th February 2014 (copy attached) which provides that the application of Circular 6/2007 may be waived in respect of secondments which are arranged between (i) the HSE and organisations funded by the HSE under section 38 of the Health Act 2004 or (ii) between Section 38 funded agencies. It states that the terms of Circular 6/2007 continue to apply in respect of all other secondments.

#### **Single Public Service Pension Scheme Members**

The arrangements in respect of employees who are members of the Single Public Service Pension Scheme are subject to the terms of DPER Circular 28/2016: Single Public Service Pension Scheme: Employer Contributions required in cases of self-financing bodies or self-financing activities (copy attached). This Circular gives guidance to Public Service Employers (Single Scheme "Relevant Authorities") as to the cases in which Single Scheme employer contributions arise. It also sets out the appropriate steps to be taken by Relevant Authorities in remitting Single Scheme employer contributions to the Exchequer.

An employer contribution should not apply where Single Scheme members are seconded to other public service bodies where the roles to which they are seconded are mainly funded, directly or indirectly, by the Exchequer.

In all cases where a specific role is mainly funded by sources other than the Exchequer, an employer contribution is required for Single Scheme members. Your attention is drawn to paragraphs 2 and 3 which deal with Situations in which Single Scheme Employer Contributions are payable. This is a public sector-wide requirement. It applies whether the seconded role is within or outside the health sector. The body that pays the Single Scheme member's salary is responsible for the remittance of employer contributions directly to the Danske Bank as set out at paragraphs 7 and 8 of Circular 28/2016.

Where an employer contribution is required it is equivalent to three times the employee contribution, as opposed to the 25% of salary rate which applies to pre-existing schemes.

### **Queries**

Employees and Managers are invited to address any superannuation queries that they may have to their local superannuation unit in the first instance.

Queries in relation to pension policy clarification may be forwarded to Gerry Mescall, HSE Pensions Standards & Quality Manager – HBS HR Services Email: [gerry.mescall@hse.ie](mailto:gerry.mescall@hse.ie)

Queries which Relevant Authorities / agencies may have about DPER Circular 28/2016 can be emailed to [singleschemequeries@per.gov.ie](mailto:singleschemequeries@per.gov.ie)

Queries from HR Departments in relation to the contents of this memorandum may be forwarded to Aoife O Riordan, HSE Corporate Employee Relations, HR Directorate, HSE, 63/64 Adelaide Road, Dublin 2. Tel: 01-6626966, E-mail: [aoife.oriordan@hse.ie](mailto:aoife.oriordan@hse.ie)

Please note also that the National HR Help Desk is also available to take queries on 1850 444 925 or email: [ask.hr@hse.ie](mailto:ask.hr@hse.ie).

Yours sincerely,



**Rosarii Mannion**  
**National Director of Human Resources**

Circular Letter 6/2007

4 May 2007

To: Chief Executive Officer,  
Superannuation Officers

Schemes: The Local Government Superannuation Scheme  
The Nominated Health Agencies Superannuation Scheme  
The Voluntary Hospitals Superannuation Scheme  
Model Superannuation Schemes of Agencies  
Under the Aegis of the Department of Health and Children

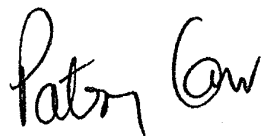
#### **Recoupment of Superannuation Costs**

The Department of Finance has carried out an examination of the cost to the Exchequer of civil service pensions. Arising from this examination, it has been decided to increase the pension contribution to be made in respect of civil servants who are seconded to bodies outside the civil service (including bodies in the public service). The revised arrangements set out in this circular letter are based on the changes introduced in the civil service.

Accordingly, the pension contribution of all Public Health Service employees who, on or after 1 June 2007, are granted secondment or periods of special leave with pay to enable them take up appointments with other organisations, including other Public Health Sector organisations, should be increased to 25% of gross pensionable pay. The rate of 25% of gross pensionable pay referred to in this context is the pension contribution to be paid by the body to which the employee is seconded - it does not include any pension contributions which employees make themselves. In the case of persons whose secondments or periods of special leave with pay commenced prior to 1 June 2007, the present pension contribution arrangements will continue to apply for as long as the particular secondment or period of special leave with pay continues.

Any cases of doubt or difficulty arising in connection with this circular should be referred by the Health Service Executive Area/Voluntary Hospital/Nominated Health Agency, in writing, to the Pension Policy Unit, Department of Health and Children.

Yours sincerely



Patsy Carr  
Pension Policy Unit



February 2014

Mr Tom Byrne  
Chief Financial Officer  
Health Service Executive  
Dr Steevens' Hospital  
Dublin 8

**Re. Circular 06/2007, Recoupment of Superannuation Cost: Secondments**

Dear Mr Byrne

I refer to your correspondence dated 2 January 2014 in relation to the appropriateness of the above arrangement whereby agencies funded directly by HSE charge an additional 25% for superannuation costs in respect of secondments which are arranged between the HSE and organisations funded by the HSE under section 38 of the Health Act 2004 or between Section 38 funded agencies.

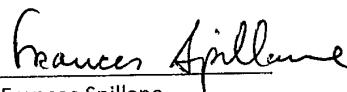
Following consideration of the matter with the Department of Public Expenditure and Reform, and in light of the clarification you have provided in relation to the funding model that the HSE operates for section 38 agencies, it is agreed that the application of circular 6/2007 may be waived in the circumstances you describe with effect from 1<sup>st</sup> January 2014.

The terms of circular 6/2007 will continue to apply in respect of all other secondments.

Please bring this revised arrangement to the attention of agencies funded under section 38 of the Health Act 2004.

I trust this clarifies the matter.

Yours sincerely,



Frances Spillane  
Assistant Secretary

An tAire  
Minister for Health  
Othar  
Patient Safety

Cuirfear fáilte roimh chomhfhreagras i nGaeilge

**An Roinn Sláinte / Department of Health**

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21 December 2016

To: Public Service Employers (Single Scheme "Relevant Authorities")

**Circular 28/2016: Single Public Service Pension Scheme: Employer Contributions required in cases of self-financing bodies or self-financing activities**

1. The Minister for Public Expenditure and Reform ("the Minister"), based on actuarial considerations and pursuant to section 16(4) of the [Public Service Pensions \(Single Scheme and Other Provisions\) Act 2012](#) ("the 2012 Act"), has decided

- that an **employer contribution** is to be paid in respect of certain members of the Single Public Service Pension Scheme ("Single Scheme"), and
- that the rate of that employer contribution is equal to **three times the employee contribution** paid by the Single Scheme member.

This circular gives guidance as to the cases in which Single Scheme employer contributions arise. **NB: Employer contributions only arise in respect of a small proportion of Single Scheme members: most Relevant Authorities are not required to pay employer contributions.**

The circular also sets out the appropriate steps to be taken by Relevant Authorities in remitting Single Scheme employer contributions to the Exchequer.

**Situations in which Single Scheme Employer Contributions are payable**

2. Section 16(4) of the 2012 Act allows the Minister to require Single Scheme employer contributions to be paid where a public service body is financed "wholly or mainly from sources other than directly or indirectly out of the Central Fund or the growing produce of that Fund." Section 16(4) also stipulates, inter alia, that the employer contribution is to reflect the Minister's view as to the "actuarially determined cost of providing the benefits concerned after taking account of the individual Scheme member's contributions".

3. Acting within the parameters set by section 16(4), the Minister has decided that Single Scheme employer contributions, at the rate of three times the employee contribution, are payable by Relevant Authorities in respect of their employees who are members of the Single Scheme

- where the public service body concerned is self-financing, or
- where the activity on which those Single Scheme employees of the body are engaged is mainly or wholly self-financing (e.g. a commercially funded research project conducted through a University).

4. Relevant Authorities who are required to remit employer contributions will be contacted directly by the Department of Public Expenditure and Reform (DPER) in due course. In this context, DPER will liaise as appropriate with parent Departments and oversight agencies.

#### **Rate of Employer Contribution**

5. The rate of Single Scheme employer contribution is equal to three times the value of the relevant Scheme member's employee contribution. See calculation example at Appendix A.

#### **Remittance of Employer Contributions**

6. Single Scheme employer contributions must benefit the Exchequer (section 16(5) of the 2012 Act).

7. Remittance arrangements for Single Scheme employer contributions, including use of the same destination bank account, are along the same lines as already apply to remittance of Single Scheme employee contributions. Remittances should be made once per month, regardless of the number of pay periods in the particular month. Employer contributions for a given month must be remitted by the 20th day of the following month. The remittance of employer contributions should be a separate transaction from the remittance of employee contributions: please insert the following comment in the transaction: "RAxxx Employer contributions" (where xxx is the assigned Relevant Authority number).

8. The required details (including bank account details) for remitting Single Scheme employee contributions, which should also be used for Single Scheme employer contributions, were issued as a DPER notification to Relevant Authorities on 7 November 2013. If a Relevant Authority requires those details, then that Relevant Authority should send a request to [singleschemequeries@per.gov.ie](mailto:singleschemequeries@per.gov.ie)

#### **Audit and Reporting**

9. For audit and Single Scheme administrative purposes, Relevant Authorities who are required to make employer contributions should take special care to maintain and conserve comprehensive records in relation to those contributions.

10. Relevant Authorities who pay Single Scheme employer contributions may be asked to submit annual reports on these contributions to DPER.

#### **Refund of Employer Contributions**

11. Where a Relevant Authority remits employer contributions in respect of a Single Scheme member whose employment ceases before completion of the two-year vesting period, the

Relevant Authority can may apply for a refund of those contributions provided that two years have elapsed since the member's employment ceased.

12. A refund applied for on that basis may be paid to the Relevant Authority provided that

- the Scheme member has not taken up pensionable public service employment again as a Single Scheme member within the two-year period following cessation of the member's employment, or
- the Scheme member has taken up pensionable public service employment again as a Single Scheme member within the two-year period following cessation of the member's employment, but has received a contributions refund in respect of that subsequent employment.

#### Effective Date

13. The requirement to pay employer contributions, when applicable, is deemed to have come into force on 1 January 2013.

#### Circulation

14. Government Departments are asked to bring this circular to the attention of public service agencies / bodies operating under their aegis, ensuring in particular that it is sent to all Relevant Authorities.

#### Queries

15. Queries which Departments / Offices / Relevant Authorities / agencies may have about this circular can be emailed to [singleschemequeries@per.gov.ie](mailto:singleschemequeries@per.gov.ie). The circular is available at <http://circulars.gov.ie>.

Mise le meas,

Colin Menton  
Assistant Secretary

## Appendix A: Example of Calculation of Employer Contribution

A Single Scheme member employed in a third-level institution to work on a research project financed by a commercial company earns pensionable remuneration of €50,000 per year. The Contributory State Pension is €12,174 annually.

### Calculation

The Scheme member's employee contribution is calculated as

3% of pensionable remuneration

PLUS

3.5% of (pensionable remuneration less twice the Contributory State Pension)

$$\begin{aligned} &= 3\% \text{ of } \text{€}50,000 \text{ PLUS } 3.5\% \text{ of } (\text{€}50,000 - (2 * \text{€}12,174)) \\ &= \text{€}1,500 \text{ PLUS } \text{€}898 \\ &= \text{€}2,398 \end{aligned}$$

The Single Scheme employer contribution is equal to three times the value of the Scheme member's employee contribution.

$$\begin{aligned} &= 3 * \text{€}2,398 \\ &= \text{€}7,194 \end{aligned}$$

In this case, a monthly employer contribution, amounting to €600 (€7,194 / 12), will be remitted by the third-level institution concerned to the appropriate bank account for the benefit of the Exchequer.