

Circular 19/2004

Chief Officer: Voluntary Hospitals
Chief Officer: Nominated Health Agency

22 March 2004



**DEPARTMENT
OF HEALTH AND
CHILDREN**
AN ROINN
SLÁINTE AGUS LEANAÍ
Quality and Fairness
A Health System for You

Public Service Superannuation (Miscellaneous Provisions) Bill 2004

A Chara,

1. I refer to the package of public service pension reforms announced by the Minister for Finance in the 2004 Budget on 3 December 2003.

Pension Reforms for New Entrants

2. The Public Service Superannuation (Miscellaneous Provisions) Bill 2004 has been drafted to give effect to the age related provisions of the reform package and is currently passing through the Houses of the Oireachtas. The aim is to have the Bill signed into law before 1 April 2004.
3. The Bill, if passed, will change the superannuation terms of new entrant public servants appointed on or after 1 April 2004. The purpose of this circular letter is to alert you to these proposed changes and the need to ensure their implementation as and from 1 April 2004. Full details of the Bill are available on the Oireachtas and Department of Finance websites. A copy of the Bill as passed by Seanad Éireann is enclosed for your information. A copy of the letter which the Department of Finance has sent to Departments in the matter is also enclosed.
4. In summary, the Bill provides for -
 - the removal of compulsory retirement ages for new entrant public servants and
 - the increase in the minimum age at which pension is payable to 65 years for new entrant public servants.In addition, there are some related consequential provisions. These include the removal of fast accrual (doubling of service in excess of 20 years) from certain staff working in the Psychiatric services.
5. Your attention is directed in particular to -
 - the definitions of "public servant", "public service body" in section 1(1)
 - section 2 which defines "new entrant"
 - section 3 which removes the compulsory retirement age for new entrants
 - section 10(1) which provides for minimum pension age of 65 years
6. The immediate administrative/Human Resource consequences of the Public Service Superannuation (Miscellaneous Provisions) Bill 2004 being passed are that it will be essential for all health sector employers to ensure that new appointees are made fully aware of and are treated in

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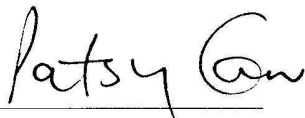
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accordance with the revised arrangements. Accordingly, in the case of staff taking up duty on or after 1 April 2004, it will be necessary to determine, at the outset, whether an employee should be treated as a 'new entrant' for the purposes of the Bill. For this purpose, it will be necessary to establish the previous public sector employment history (if any) of each new employee. Once that has been established, the potential employee should be given a clear statement as to which superannuation arrangements apply to him/her. This should form part of the offer of appointment and/or contract of employment so that the person is fully aware of his or her superannuation position before taking up appointment.

7. In general, a new entrant to the public service is defined as a person who becomes a public servant on or after 1 April 2004. The new arrangements do not apply to public servants who are serving on 31 March 2004. A broad interpretation has been given to the term "serving" in the context of the Bill. The general principle is that anyone who has an employment relationship with the public service as of 31 March 2004 will not be deemed to be a new entrant.
8. The Department of Finance has indicated that more detailed guidelines will issue when the Bill is passed. These will be passed on to you as soon as they are available. In the meantime, it is recommended that an information note on the lines of the attachment to the Department of Finance letter be supplied to people who are on panels for appointment or are candidates for positions within your organisation. You should familiarise yourself with the provisions of the Bill and ensure that conditions of employment specified in the case of new entrants provide for the correct pension terms and retirement age.

Mise le meas,



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