

Circular Letter 14/2003

To: Chief Executive Officers, all Health Boards

25 February 2003

A chara

I enclose a copy of Circular 14/2003 regarding application of Superannuation Arrangements for Temporary Whole-time and Part-time Staff. Further clarification regarding costing of service for staff now eligible to join the superannuation scheme under the terms of this circular will issue in due course.

Mise le meas

Gerard Hughes
Assistant Principal
Superannuation Section
Personnel Management & Development

Circular Ref.: 14/2003

To: Chief Executive Officers, All Health Boards

25 February 2003

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

A chara,

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

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. You should also note that 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 relevant staff in health boards 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.

The purpose of this Circular is to clarify arrangements for access to the superannuation scheme.

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 staff appointed on or before 1 February 2002 should be offered an option to join the superannuation scheme.
2. From 1 February 2002 onwards membership of the superannuation scheme is mandatory for all newly appointed pensionable temporary and part-time staff.
3. Health Boards should ensure that all *Contracts of Employment* offered to temporary or part-time staff 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 an irregular and casual basis

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.

Staff employed on or before 1 February 2002

5. It has come to the attention of the Department that a number of people meeting the criteria at paragraph 1 above are now members of the pension scheme and were not offered an option to join the pension scheme in accordance with the provisions of the HSEA guidelines. The position regarding an option to join the scheme or to opt out should now be explained to these members.
6. It should be noted that staff who decide not to join the superannuation scheme will continue to have entitlement to existing ex-gratia arrangements. The benefits of joining the superannuation scheme as opposed to ex-gratia arrangement should be explained to staff considering this option. It should also be explained that no further options will be offered to join the superannuation scheme.
7. A draft template for this process is attached as Appendix 1 & 2.

Register of temporary whole-time and part-time Members

8. Health Boards are requested to maintain a separate register of temporary whole-time and part-time staff who join the relevant superannuation scheme under these arrangements. A separate list of temporary whole-time and part-time staff 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

9. Staff 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.
10. While it is anticipated that superannuation arrangements for part-time Staff 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 February 2002, and the determination of pension benefits, particularly in the case of those Staff 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

11. 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.
12. 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
Superannuation Section
Personnel Management & Development Division

c.c. Martin McDonald, HSEA

Appendix 1

DRAFT OPTION FORM

**Re: Superannuation Scheme for temporary whole-time and part-time staff
in employment on 1 February 2002**

Dear _____

I refer to the introduction of the superannuation scheme for temporary whole-time and part-time staff and to the subsequent registration of staff members in the scheme.

It has now been clarified with the Department of Health and Children and the Health Service Employers Agency that temporary and part-time staff appointed on or before 1 February 2002 should have been offered an option to join the superannuation scheme. As our records indicate that your employment commenced prior to 1 February 2002, you are now being afforded this option. Accordingly, it is now necessary for you to complete the attached Option Form either confirming your intention to be a member of the scheme or exercising your option to opt out of the scheme.

Please note the following:

- This is a once-off option, which cannot be revoked in the future.
- If you are considering opting out you should note that if you are appointed to a permanent position in the future, membership of the superannuation scheme becomes compulsory - regardless of a decision to opt out under this offer.
- If you decide to opt out you may continue to have entitlement to existing ex-gratia arrangements, subject to meeting the necessary criteria.
- Persons already registered in the scheme who opt out will be refunded any contributions paid to date.

**All Forms must be returned it to the undersigned not later than 5:00pm on
_____ 2003.**

If you have any further queries, you may contact any of the persons listed below.

Yours sincerely,

A.N. Other

Contact Persons: List Names and telephone details as appropriate

Appendix 2

DRAFT

OPTION FORM

Superannuation Scheme for temporary whole-time and part-time Staff in employment on 1 February 2002

I have been made aware of the option to join the *Local Government Superannuation Scheme* (LGSS) and the allied Spouse's & Children's Schemes with effect from 1 February 2002 under the terms of Circular xx/2003.

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

<input type="checkbox"/>	I wish to join the Local Government Superannuation Scheme with effect from 1 February 2002.
Signed: _____	Grade: _____
Date: _____	

OPTION 2

<input type="checkbox"/>	I do not wish to join the Local Government Superannuation Scheme. I understand that I will not be entitled to any benefits or lump sums under the Local Government Superannuation Scheme as a result.
Signed: _____	Grade: _____
Date: _____	

For Official Use Only

Employer: _____		
Signed: _____	Grade: _____	Date: _____