



20 October 2005

Circular 21/2005

TRF/K148/319

Public Chief Executive Officers, Superannuation Officers LGSS, NLSS & VHS



DEPARTMENT OF HEALTH AND CHILDREN
AN tSAGHLA
SANTÉ ÉIREANNACH

Suspension or Reduction of Allowances (Pensions) in Public Health Sector Superannuation Schemes

Dr. Michael O'Connell
Secretary of State

I am directed by the Tánaiste and Minister for Health and Children to advise you as to conditions for the application of abatement provisions for certain public health service pensioners working in agencies / organisations covered by the scheme from which their pensions are paid.

The (provisional) Agreement Act 1985 provides the legislative basis for the suspension or reduction of an allowance (pension) when, after retirement, a pensioner is employed in an agency / organisation in which the superannuation scheme paying the pension applies. Remuneration plus pension for the specified period should not exceed the original remuneration for the post from which the pensioner retired.

Suspension or reduction of allowances is dealt with under:

LGSS: The Local Government (Superannuation) (Consolidation) Scheme, 1992 (Articles 112(1)(c)(i) and (ii))

NLSS, Section 13 of the Nominative Health Agencies Superannuation Scheme 1981.

VHS, Section 20 of the Voluntary Hospitals Superannuation Scheme 1979 (as amended 1997).

In the above named schemes abatement is determined by the specified period of re-employment. Abatement in the 'specified period' can be commensurate with attendance to the work in that period. The extent of the 'specified period' may have the impact of commencing a pensioner to pay up to 50% of the original remuneration to which he/she would previously be entitled in pension payable.

2005-10-20 10:00 AM

Howthorpe House Dublin 1
Telephone: 01 454 4000
Fax: 01 454 4001
E-mail: info@hse.ie
Website: <http://www.hse.ie>

Date: 20/10/05
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A Scheme pensioner, with 40 years service, employed for a contracted period of one year working half the whole-time equivalent (e.g. working Wednesday - week all mornings only, or similar arrangement) could receive half pay and full pension. However, if a scheme pensioner is re-employed at full-time for a contracted period of a year or higher previous unexpired contribution, no pension will be payable for that year.

Appendix 1: Absentment Calculation Examples offers a number of simple cases to highlight the application of absentment for public health sector pensioners based on various levels of remuneration, work patterns and service.

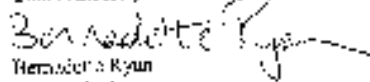
The nature of the contract of employment determines the extent of absentment, if any. For example if the 'specified period' of re-employment is identified in the contract of employment as:

- 1. Full time over six months**
The individual is employed on a full-time basis over a specified period of six months. Therefore no pension is payable during the specified period (the specified period is equal to the greater remainder of the normal cost (Class 7, Appendix 1 & 2) rules).
- 2. Full time for six months over the course of one year (including working week on/week off arrangements only etc)**
The period of re-employment is one year and no reduction in pension will occur (Class 7, Appendix 1 rules).
- 3. If and when required over the course of a specified period**
Where the period of re-employment is stated and provided that the employment was not beyond half the whole-time equivalent for that period the pension will not be reduced (Appendix 2 rules).

Appendix 2: Absentment Report for Each Period of Post-Retirement Employment is to be completed in the event of a scheme pensioner(s) receiving pay or emoluments from an agency / organisation administering a public health sector scheme. All public health sector agencies / organisations are requested to maintain records of scheme pensioners being employed. For NHASS and VHS pensioners being employed this form must be completed (for each period of employment) and returned to Pension Policy Unit of the Department of Health & Children, Health House, Hawkins Street, Dublin 2. In the event of allegations to employment conditions a revised form should be supplied, but O.G.S.S. employers' staff reports are required for sending to FSIU - Staff Services.

Queries regarding the content of this circular should in the first instance be addressed to your local Superannuation Office. If there are any outstanding queries Superannuation Officers can contact the Pension Policy Unit of this Dept. through

Yours sincerely


Bernard Ryan
Assistant
Financial Management and Development

Appendix I

Abatement Calculation - Examples for Varying Public Health Sector Grades, Lengths of Service,

Description of Public Health Sector	Rate	2004		2005		2006		2007		2008		Total
		Rate	Days	Rate	Days	Rate	Days	Rate	Days	Rate	Days	
Public Health Officer	\$10.50	183	18,915	10.50	183	18,915	10.50	183	18,915	10.50	183	18,915
Public Health Inspector	\$8.00	183	14,640	8.00	183	14,640	8.00	183	14,640	8.00	183	14,640
Public Health Clerk	\$4.50	183	8,115	4.50	183	8,115	4.50	183	8,115	4.50	183	8,115
Public Health Aide	\$3.50	183	6,315	3.50	183	6,315	3.50	183	6,315	3.50	183	6,315
Public Health Officer (with 5 years)	\$12.00	183	21,780	12.00	183	21,780	12.00	183	21,780	12.00	183	21,780
Public Health Inspector (with 3 years)	\$9.00	183	16,200	9.00	183	16,200	9.00	183	16,200	9.00	183	16,200
Public Health Clerk (with 2 years)	\$5.50	183	9,945	5.50	183	9,945	5.50	183	9,945	5.50	183	9,945
Public Health Aide (with 1 year)	\$4.50	183	8,115	4.50	183	8,115	4.50	183	8,115	4.50	183	8,115
Grand Total												

1. The total abatement is calculated by multiplying the rate by the number of days of service for each position.
 2. The abatement is then summed for all positions in the public health sector.
 3. The abatement is then divided by the total number of days of service for all positions in the public health sector.
 4. The result is the abatement percentage.

