

HEALTH SERVICE EXECUTIVE EMPLOYEE
SUPERANNUATION SCHEME 2010
INFORMATION BOOKLET

This document is only intended as a general guide to assist you to understand your entitlements under the pension scheme. It does not purport to be a definitive interpretation of the legislation nor is it intended to be fully comprehensive.

It should be noted that calculation of pension entitlements are carried out by statutory provisions, governed by legislation and the Pensions Section operate the various pension schemes guided and bound by its rules and regulations.

The Health Service Executive Employee Superannuation Scheme 2010 provides for the pension entitlements of Health Service Executive staff.

For further information/details regarding your own pension entitlements, please contact:

Pensions Section,
Health Service Executive South,
Aras Slainte,
Wilton Road,
Cork.

Fax: 021-4923562

Mary Duggan: Tel: 021-4923737 (Pensions)
Email: Mary.Duggan3@hse.ie

Mary Kissane: Tel: 021-4923569 (Billing Section)
Email: Mary.Kissane@hse.ie

Lillian Grandfield: Tel: 021-4923759 (Resignations/Refunds)
Email: Lillian.Grandfield@hse.ie

Information on the Pension Scheme can also be accessed on the HSEnet.

Updated: January 2016

Main Pension Scheme:

To What Pension Scheme Do I Belong On Joining The Health Service Executive?

The Health Service Executive Employee Superannuation Scheme 2010. This scheme is unfunded 'pay as you go' scheme. It is a statutory defined benefit scheme, in that the benefit payable is defined in the pension scheme rules and is not affected by investment returns.

What Entitlements Does The Pension Scheme Provide?

The main entitlements are:

- Lump sum payment and annual pension on retirement
- Death gratuity payable to your Legal Personal Representative if you die in service
- Spouse's & Children's pension payable if you die in service or after retirement, if applicable

Is It Mandatory For Staff To Join The Pension Scheme And Must All Staff Join?

Yes it is mandatory for all staff to join the pension scheme. However, staff on sessional rates of pay cannot join the pension scheme.

What Factors Will Be Taken Into Account In Determining Pension Entitlements?

- Basic salary at retirement
- Pensionable allowances/premia at retirement, if any
- Number of years service

Are Contributions Payable Towards The Entitlements Of The Pension Scheme?

Yes contributions are payable by the employee towards the pension scheme. No contributions are made towards the pension scheme by the employer.

For How Long Is My Pension Paid?

Your pension is paid for the period of your lifetime.

Is There Any Provision For My Pension To Be Increased To Take Account Of Inflation?

Yes. Your pension (or any Spouse's and Children's Pension, payable after your death) will generally be increased to take account of national pay awards.

How Are Benefits And Contributions Treated For Income Tax Purposes?

1. Lump sum payments up to €200,000 will be tax free. Any amount over €200,000 will be taxed at the standard rate of tax up to a maximum of €375,000. Any excess over this amount will be taxed at the person's marginal rate of tax.
2. Pensions are subject to income tax in the ordinary way.
3. Pension contributions payable towards the main scheme and the Spouse's and Children's pension scheme attract tax relief.

What Contributions Are Payable Towards The Pension Scheme?

➤ PRSI Class D Officer:

Contributions are payable at the rate of 5% of your salary and pensionable allowances each pay period. If applicable, additional contributions are payable at the rate of 1.5% of your salary and pensionable allowances each pay period towards the Widows & Orphans / Spouses & Children's Pension Scheme.

➤ PRSI Class A Officer:

Contributions are payable at the rate of 1.5% of your full salary and pensionable allowances, plus 3.5% of your full salary and pensionable allowances less twice the current rate of the contributory state pension each pay period.

Additional contributions are payable at the rate of 1.5% of your full salary and pensionable allowances each pay period towards the Widows & Orphans / Spouses & Children's Pension Scheme.

➤ PRSI Class A Non-Officer (Employed Before 1.1.2005):

Contributions are payable at the rate of 1.5% of your full salary and pensionable allowances, plus 3.5% of your full salary and pensionable allowances less twice the current rate of the contributory state pension each pay period.

If applicable, additional contributions are payable at the rate of 1.5% of your full salary and pensionable allowances less twice the current rate of the contributory state pension each pay period towards the Widows & Orphans / Spouses & Children's Pension Scheme.

➤ PRSI Class A Non-Officer (Employed After 1.1.2005):

Contributions are payable at the rate of 1.5% of your full salary and pensionable allowances, plus 3.5% of your full salary and pensionable allowances less twice the current rate of the contributory state pension each pay period.

Additional contributions are payable at the rate of 1.5% of your full salary and pensionable allowances each pay period towards the Widows & Orphans / Spouses & Children's Pension Scheme.

What Service Is Reckonable For Pension Entitlements?

- Pensionable service
- Temporary whole-time service
- Certain part-time service
- Certain transferred service
- Additional or added service allowed in certain circumstances, eg. ill-health grounds, employees registered under Section 65 of the Mental Treatment Act 1945, professional qualifications, eg. Medical Consultants
- Certain service in respect of which you may already have received a gratuity, eg. marriage gratuity or a refund of pension contributions provided you made the appropriate repayment
- Notional service

On What Rate Of Pay Are Pension Entitlements Calculated?

Pension entitlements are based on basic salary, plus any pensionable allowances and premia that a person is in receipt of on the date of retirement or death. The inclusion of pensionable allowances and premia are based on an average of the variable pensionable allowances and premia received in the best three consecutive years in the ten years preceding retirement or death.

Where a person is promoted three or more years before retirement or death, pensionable allowances and premia held in the former grade are not taken into account in calculating pension entitlements.

When Are Pension Entitlements Payable?

Pension entitlements can be paid at any time from the minimum retirement age up to the upper age limit subject to the appropriate service requirement. For the majority of people the minimum retirement age is 60 years, although for employees who commenced after 1st April 2004 the minimum retirement age is now 65 years. The minimum retirement age for those registered under Section 65 of the Mental Treatment Act, 1945 is 55 years. However, this does not apply to employees who commenced after 1st April 2004. Where a person retires on the grounds of ill health before the minimum retirement age, there is provision to pay the pension entitlements from the date that the Occupational Health Department recommends retirement on ill health grounds.

How Is The Lump Sum And Pension Calculated?

1. Class D PRSI Contributor:

Based on a Class D PRSI Contributor retiring with:

Pensionable Service of 34.50 years, and

Pensionable Salary (incl. pensionable allowances if applicable) of €45,000 per annum

$$\begin{aligned} \text{Lump Sum:} & \quad 3/80 \times \text{Pensionable Salary} \times \text{Pensionable Service} \\ & \quad 3/80 \times €45,000 \times 34.50 \quad = \quad \mathbf{€58,218.75} \end{aligned}$$

$$\begin{aligned} \text{Pension:} & \quad 1/80 \times \text{Pensionable Salary} \times \text{Pensionable Service} \\ & \quad 1/80 \times €45,000 \times 34.50 \quad = \quad \mathbf{€19,406.25 \text{ per annum}} \end{aligned}$$

2. Class A PRSI Contributor with a Pensionable Salary of more than 3.333333 times the Contributory

State Pension i.e. more than €40,578.64:

Based on a Class A PRSI Contributor retiring with:

Pensionable Service of 34.50 years, and

Pensionable Salary (incl. pensionable allowances if applicable) of €45,000 per annum

The Pension Calculation for a Class A PRSI Contributor is coordinated with the Contributory State Pension (C.S.P.)

Current annual rate of the C.S.P. is €12,173.59. Twice current annual rate of the C.S.P. is €24,347.18

$$\begin{aligned} \text{Lump Sum:} & \quad 3/80 \times \text{Pensionable Salary} \times \text{Pensionable Service} \\ & \quad 3/80 \times €45,000 \times 34.50 \quad = \quad \mathbf{€58,218.75} \end{aligned}$$

$$\begin{aligned} \text{Pension:} & \quad 1/80 \times (\text{Pensionable Salary} - \text{twice C.S.P.}) \times \text{Pensionable Service} \\ & \quad 1/80 \times (€45,000 - €24,347.18) \times 34.50 = \quad \mathbf{€8,906.52 \text{ per annum}} \end{aligned}$$

3. Class A PRSI Contributor with a Pensionable Salary of less than or equal to 3.333333 the Contributory State Pension i.e. less than or equal to €40,578.64:

Based on a Class A PRSI Contributor retiring with:

Pensionable Service of 34.50 years, and

Pensionable Salary (incl. pensionable allowances if applicable) of €40,500.00 per annum

Lump Sum:	$3/80 \times \text{Pensionable Salary} \times \text{Pensionable Service}$	
	$3/80 \times €40,500.00 \times 34.50$	= €52,396.87
Pension:	$1/200 \times \text{Pensionable Salary} \times \text{Pensionable Service}$	
	$1/200 \times €40,500.00 \times 34.50$	= €6,986.25 per annum

There may be deductions from the lump sum in respect of any outstanding pension contributions at retirement. Such deductions may be in respect of contributions due towards the Widows & Orphans/ Spouse's & Children's Pension Scheme, temporary service or any added years.

In addition to the pension entitlements payable by the Health Service Executive, you may also qualify for benefits from the Department of Social and Family Affairs. You will need to contact your local office of the Department of Social and Family Affairs to establish what entitlements, if any, you may have.

What Are Added Years Or Additions To Service:

There are certain circumstances when additional years are added to actual service, e.g.:

- (a) Retirement on ill-health grounds
- (b) For certain professional qualifications
- (c) Notional service which has been purchased
- (d) Where employees are registered under Section 65 of the Mental Treatment Act, 1945

(a) Retirement On Ill-Health Grounds:

Subject to certain conditions you may retire on ill-health grounds. The minimum service requirement is 5 years for retirement on ill-health grounds.

Prior to acceptance of a resignation on ill-health grounds, the Health Service Executive must be satisfied that an employee is incapable, due to infirmity of mind or body, of carrying out the full range of duties appropriate to their post and that this infirmity is permanent. The employee will be referred to the Occupational Health Department for their area to determine whether or not they satisfy the grounds for ill-health retirement.

The calculation of additional years where a person retires on ill-health grounds is dependent on the number of years service a person has and their age at the date of retirement and is to compensate for the fact that a person has to retire early.

NUMBER OF YEARS SERVICE	ADDITIONS
5 – 10 years service	An equivalent amount of service subject to potential service to age 65
10 – 20 years service	The more favourable of (a) difference between service & 20 years subject to potential service at age 65 OR (b) 6 2/3 years subject to

	potential service at minimum retirement age
NUMBER OF YEARS SERVICE	ADDITIONS
Over 20 years service	6 2/3 years subject to potential service at minimum retirement age
Over 20 years service & over 60 years of age	No additions

Where an employee retires on ill-health grounds and has less than 5 calendar years pensionable service, a Short Service Gratuity may be payable. A **short service gratuity** may be paid to a person who has to retire permanently on ill-health grounds after at least 1 year's service before he/she has the necessary service to qualify for a lump sum and pension. It may also be paid in lieu of preserved benefits in the case of a person who retires/resigns on ill-health grounds with between 2 and 5 years service and who opts for same.

(b) Professional Qualifications:

Some Officer grades have an entitlement to added years where there is a requirement for their appointment to the post to have a professional qualification, e.g. Dental Surgeon, Medical Consultant. The addition is 1/3 of Health Service Executive/Local Authority service. Where a person retires before reaching age 65, the 1/3 of service is reduced by the number of years short of 65 that an employee retires at. Overall limit of additions to service is 10 years and is 5 years for employees who commenced after 1.4.2004. Service cannot be greater than 40 years.

(c) Notional Service:

Service may be purchased at full actuarial cost where an employee will not have full service at age 60 or age 65, i.e. 40 years. Notional service does not qualify for 1/3 professional qualifications or other additions to service.

The contributions due to purchase notional service is dependent on the number of years an employee wishes to purchase, their age at the time they wish to commence making contributions and their age at retirement. The calculation of periodic contributions due to purchase service is based on the assumption that an employee will continue in employment to age 60 or 65. Where an employee retires before this date, a reduced amount of service is allowed to reflect the fact that the benefits are being paid earlier than anticipated.

Details of the cost of purchase and the limits on the amount of notional service you may purchase can be obtained by putting your request in writing to the Pensions Section.

(d) Section 65, Mental Treatment Act, 1945

Where employees are entered on the register, maintained under Section 65 of the Mental Treatment Act, 1945 they may qualify for fast accrual, i.e. doubling of service in excess of 20 years for pension purposes. A person is entered on the register where it is shown that (a) the whole of a person's employment by a mental health hospital authority consists of the care or charge of patients with a mental health illness or (b) where it is shown that part only of the employment consists of the care or charge of patients with a mental health illness.

Section 65 of the Mental Treatment Act, 1945 does not apply to new entrants, i.e. employees who commenced after 1.4.2004.

What Is The Minimum Retirement Age?

- For Public Servants who entered the Public Service on or before 31st March 2004: minimum retirement age is 60 years (in most cases) and maximum retirement age is 65 years

- For Public Servants who entered the Public Service on or after 1st April 2004: minimum retirement age is 65 years (in most cases) and there is no maximum retirement age. This enables staff to remain in work longer should they wish, subject to suitability and health requirements

Can I Receive My Pension Entitlements Before The Minimum Retirement Age?

Yes you may retire between the ages of 50 – 59 and between the ages of 55 – 64 in the case of employees who commenced after 1.4.2004 under the Cost Neutral Early Retirement Scheme with a reduced lump sum and pension. This means that on retirement you will receive immediate payment of your lump sum and pension entitlements, both of which will be actuarially reduced. This applies to Revision Scheme members only. Entitlements payable under the Spouse's and Children's pension scheme will not be affected, ie. will not be actuarially reduced.

What Happens If I Leave The Service Of The Health Service Executive Otherwise Than By Reason Of Age Or Ill-Health Retirement?

- You may qualify to transfer your service if you are taking up pensionable employment with another authority or organisation where transfer of service agreements exist
- Any person who resigns on or after 02/06/2002 with 2 years or more service and who became pensionable before 01/02/1995 and does not take up pensionable employment with an authority to which the Health Service Executive Employee Superannuation Scheme applies or is transferable, may opt to take a refund of pension contributions or preserve their pension entitlements
- Any person who became pensionable on or after 01/02/1995 and resigns on or after 02/06/2002 with 2 years or more pensionable service and does not take up pensionable employment with an authority to which the Health Service Executive Employee Superannuation Scheme applies or is transferable, must preserve their pension entitlements
- Any person resigning on or after 02/06/2002 with less than 2 years service and who does not take up pensionable employment with an authority to which the Health Service Executive Employee Superannuation Scheme applies or is transferable, is entitled to a refund of pension contributions
Any refund of pension contributions is subject to a tax deduction.

What Is A Preserved Pension Benefit?

If you retire before the minimum retirement age, but not under the Cost Neutral Early Retirement Scheme and you are not entitled to a refund of your pension contributions, you have to preserve your pension entitlements until the minimum retirement age relevant to you, ie. your 60th or 65th birthday.

You must apply in writing for payment of preserved benefits approaching your 60th birthday or 65th birthday in the case of employees who commenced after 1.4.2004. Benefits are based on your actual service at date of resignation and uprated salary for the position held at your 60th or 65th birthday.

Preserved benefits can become payable earlier than your 60th or 65th birthday if you have more than 5 years service and fall ill and are certified as permanently unfit before that date.

Should you die before reaching age 60 or 65 a preserved death gratuity will be payable to your Legal Personal Representative.

If you take up a position with another organisation to which you are entitled to transfer your preserved service, you may do so.

What Does Transferred Service Mean?

Under the transfer of service arrangements you are able to transfer your service to or from a variety of public sector organizations, eg. Civil Service, Garda Siochana, Defence Forces, National and Secondary teaching sectors and certain other state or semi-state bodies.

If you wish to transfer service to or from the Health Service Executive, you will need to contact the Pensions Section to confirm whether or not your service comes under the transfer of service arrangements.

Do Other Factors Affect My Pension Entitlements?

Yes, as follows:

- **Flexible Working Time:** While participating in the Flexible Working Time Scheme only the contracted hours worked are reckonable for pension purposes
- **Career Break:** If you take a career break, it is important to note that this is a break in service for pension purposes. There is a facility whereby you can purchase the length of the career break by the payment of a percentage of the salary you would have been in receipt of were you not on a career break. The percentage rate applicable is based on your age at your next birthday at the time the quarterly payment due is being calculated. Firstly, you need to decide which age rate, i.e. 60 or 65 is applicable. If a career break is purchased at the age 65 rate and you then decide to retire prior to age 65, an actuarial reduction is applied to the service purchased
- **Parental Leave:** The period of parental leave (18 weeks maximum per child) is not reckonable for pension purposes
- **Term Time:** The period of term time is not reckonable for pension purposes
- **Unpaid Leave:** Any period of leave for which you are not in receipt of pay, does not reckon for pension purposes
- **Nominal Pay:** Approved special leave with nominal pay is reckonable for pension purposes for those working in underdeveloped countries with a recognised agency. The amount of nominal pay may be fixed at €1.00 per week. A person granted special leave with nominal pay and who is liable for pension contributions would continue to be liable for such contributions during this leave. The pension contributions would be based on the person's pensionable remuneration immediately before the commencement of this leave and any pay increase that may apply to that grade while the person is on this leave
- **Marriage Gratuity Repayments and Pension Refund Payments:** A marriage gratuity or a pension refund may be repaid for the service for which it was given, to become reckonable again for pension purposes
- **Temporary Service Payment:** Staff who have worked in a temporary capacity in a Health Service Executive area, local authority or other relevant organisation are obliged to buy back that service which in turn is reckonable as service on resignation/retirement. The purchase of voluntary hospital service is optional

What Can I Do If I Have A Shortfall Of Service?

- You may purchase additional service, known as notional service at full actuarial cost. Please see (C) Purchase of Notional Service on page 7
- You can contribute to an Additional Voluntary Contribution (AVC) plan. A number of union-based AVC plans are administered by private companies and your contribution towards this plan can be facilitated by deduction from your salary each pay period by the Payroll Department. Please note that this is outside the scope of the Pension Scheme.

Details of these schemes, benefits and costs are available from the following companies:

- Cornmarket Group Financial Services Ltd.,
Penrose Wharf, Cork.
Tel: 021 – 4553335

- Marsh Financial Services Ltd.,
12 South Mall, Cork.
Tel: 021 – 4276743
- New Ireland Assurance,
11-12 Dawson St., Dublin 2.
Tel: 01 – 6172800
- Investment Solutions,
Unit 1, South Ring Business Park,
Kinsale Road, Cork.
Tel: 021 – 4964914

What Happens In The Case Of A Judicial Separation Or Divorce?

The Family Law Act 1995 which deals with judicial separation and divorce both here and abroad and which are recognised as valid by the state, makes provision in relation to occupational pensions. Similar provisions are included in the Family Law (Divorce) Act 1996.

If you have separated or divorced from your spouse or do so in the future, you need to discuss taking out a Pension Adjustment Order with your Solicitor. This needs to be sent to the Pensions Section, so that we are aware of the provisions of the Pension Adjustment Order relevant to your case in the event of your death in service or after retirement.

What Benefits Would Apply If I Died In Service?

Your legal personal representative would receive the greater of:

- One year's pensionable pay (at the rate applicable on the date of your death)
- OR**
- The lump sum that would have been paid to you had you retired on ill-health grounds on the date of your death.
- OR**
- In the case of Non-Officers - 97.43% of the 2nd point of the craftsman's scale (pro-rata)

In addition to the above, if you are a member of the Widow's & Orphans / Spouse's and Children's Pension Scheme, a pension will be payable to your spouse and any qualifying children.

What Benefits Would Apply If I Died Shortly After Retirement?

In addition to the standard benefits payable in respect of the spouse and eligible children, if at the time of your death the total pension received by you since your retirement, together with the amount of your lump sum, amounts to less than one year's pensionable pay at the date of your retirement, a sum equal to the shortfall will be paid to your legal personal representative.

NOTE:

The importance of having a will/letters of administration would have to be stressed at this stage as it is imperative to have your affairs in order when a lump sum amount is payable to your estate. You can will your lump sum payment to anyone.

Spouse's and Children's Pension Scheme:

What Is The Spouse's And Children's Pension Scheme?

It is a Scheme to provide pensions for the spouse and/or dependent children of an employee who dies in service or after qualifying for a pension or preserved pension.

Do I Have To Contribute Towards The Spouse's And Children's Pension Scheme?

Yes, all members have to contribute to this scheme.

NOTE: At retirement if you owe pension contributions in respect of the Widow's and Orphans/Spouse's and Children's pension scheme due to temporary service that you purchased or as a result of additional service you were given, eg. retiring on ill-health grounds, there are two payment options available to you:

- Have extra periodic pension contributions at the rate of 1.5% deducted from your salary each pay period (1 year's deductions will clear 1 year owed)
- At retirement have a deduction made from your lump sum at the rate of 1% of your pensionable pay at retirement in respect of each year and fraction of a year that is outstanding

Can I Opt Out Of The Spouse's And Children's Pension Scheme?

No. Members of this scheme cannot opt out.

To Whom Is The Spouse's Pension Paid?

A spouse's pension is payable to the surviving spouse on receipt of a civil marriage certificate.

Who Is Regarded As A "Child" For The Purposes Of The Pension Scheme?

A person under 16 years of age or, if receiving full-time education or training, 22 years of age. A child who is pursuing an apprenticeship may earn up to the maximum personal weekly rate of the state contributory pension and still qualify for a children's pension. No age-limit applies where a child is incapable of maintaining her/himself because of mental or physical infirmity.

If My Spouse Re-Marries/Cohabits, What Happens To The Pension And The Children's Pension?

The spouse's pension stops.

The HSE may restore it if she/he again becomes a widow/widower or if compassionate grounds for so doing subsequently arise.

The children's pension also stops unless the HSE directs otherwise.

Are My Spouse's And Children's Pension Scheme Contributions Refunded If I Remain Unmarried Throughout The Time That The Pension Scheme Applies To Me?

No.

How Are Spouse's And Children's Pensions Calculated?

If you die in service or after retirement on ill-health grounds the Spouse's and Children's pensions will be calculated by reference to the pension you would have received had you continued in pensionable employment up to age 65. In all other cases the Spouse's and Children's pensions will be calculated by reference to your actual pension entitlement.

Subject to the foregoing, pensions are calculated according to the following table:

Details of Dependants	Fraction of Your Pension Payable to Spouse	Fraction of Your Pension Payable to Children	Total Fraction of Your Pension Payable
Spouse	One-half		One-half
Spouse and 1 child	One-half	One-sixth	Two-thirds
Spouse and 2 children	One-half	One-third	Five-sixths
Spouse and 3 or more children	One-half	One-half	The whole
1 child		One-third	One-third
2 or more children		One-half	One-half

An enhanced rate of pension may be payable for the first month after your death. This amounts to one month's pay of the member if you die in service and one month's pension (your pension rate on the date of death) if you die after retirement.

Have I A Right To Make A Complaint About Any Aspect Of My Pension Entitlements?

Yes.

- If you are unclear about your entitlements or are unhappy about any decision made by the Pensions Section in relation to your pension, you should contact the person who has been dealing with your case and ask them to explain the position fully to you.
- If following this contact, the matter has not been settled to your satisfaction, you may make an appeal in writing to the Section Officer in the Pensions Section who will review your case.
- Following the review of your case by the Section Officer and if you are not satisfied with the outcome, you can avail of a formal internal review process. This internal review will be carried out by the Area Pensions Manager. Details of the formal internal review process are available from the Pensions Section.
- Should you still have a complaint or dispute following the formal internal review, you may, depending on the nature of the complaint or dispute, be entitled to refer the matter to the Pensions Ombudsman for determination. Information concerning the role and functions of the Pensions Ombudsman are available from the Office of the Pensions Ombudsman, 36 Upper Mount Street, Dublin 2. Telephone 01- 6471650 or on the Pensions Ombudsman's website:
["http://www.pensionsombudsman.ie"](http://www.pensionsombudsman.ie)