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NATIONAL AMBULANCE SERVICE REPRESENTATIVE ASSOCIATION

Frequently Asked Questions On HSE Pension Schemes

To what Pension Scheme do I belong?

The majority are members of the Local Government Superannuation Scheme (LGSS). Persons, however, who commenced employment with the HSE on or after 01 January 2005, not having already been a member of the LGSS immediately prior to such commencement, will be a member of the HSE Model Superannuation Scheme. These schemes are unfunded 'pay as you go' schemes. They are statutory defined benefit schemes, in that the benefit payable is defined in the scheme rules and is not affected by investment returns etc.

What benefits does the Pension Scheme provide?

The main benefits are:

- Retirement pension and lump sum
- Death gratuity
- Spouses' & Children's pension

Who is eligible to join the Scheme?

Virtually all staff, with the exception of those on sessional rates of pay, are eligible to join the Scheme.

What factors will be taken into account in determining benefits?

The benefits will depend upon the following factors:

1. Your basic salary/wages
2. Your pensionable allowances/premia, if any
3. Your service

Are contributions payable towards the benefits of the Scheme?

Class D Officer:- Contributions are payable towards your own retirement pension and lump sum benefits at the rate of 5% of your salary and pensionable allowances.

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

Class A Officer (LGSS)/Class A Officer & Non-Officer (HSE):- 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 social welfare old age contributory pension.

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



NASRA

NATIONAL AMBULANCE SERVICE REPRESENTATIVE ASSOCIATION

Class A Non-Officer(LGSS):- Contributions are payable at the rate of 1.5% of your full wages and pensionable allowances plus 3.5% of your full wages and pensionable allowances less twice the current rate of social welfare old age contributory pension.

If applicable, additional contributions are payable at the rate of 1.5% of your full wages and pensionable allowances less twice the current rate of social welfare old age contributory pension towards the Widows & Orphans / Spouses & Children's Pension Scheme.

What service is reckonable for benefits?

1. Pensionable service;
2. Temporary whole-time service which precedes permanent whole-time (i.e. pensionable) service;
3. Certain part-time service;
4. Certain other transferred service
5. Additional or added service allowed in certain circumstances
6. Certain service in respect of which you may already have received a gratuity or a refund of contributions provided you made an appropriate repayment.

On what rate of pay are benefits calculated?

In most cases benefits are based on basic salary/wages, plus any pensionable allowances, on the date of retirement or death. If, however, you change grade (e.g. promotion) within the last 3 years of service, an average salary figure may be used.

Pensionable allowances are normally averaged over the last 3 years of service, though this may soon change to the best 3 years over a 10-year period prior to retirement/death.

When are benefits payable?

Retirement benefits 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 new entrants after 1st April 2004 the minimum retirement age is now 65. The minimum retirement age for those registered under the Mental Treatment Act 1945 is 55 years. Where a person retires on the grounds of ill health before the minimum retirement age there is provision to pay the benefits at the time of certification of the ill health.

What rate of retirement pension and lump sum is payable?

METHOD OF CALCULATION OF LUMP SUM AND PENSION

Scheme member retiring with 34.5 years service (6 years of which is given prior to 27 May 1977) on a pensionable remuneration (i.e. pensionable salary / wages plus pensionable allowances) of €40,000 per annum and having opted for the Superannuation Revision Scheme 1977

Rate of Contributory Old Age Pension (COAP) = €209.30 per week (i.e. weekly rate as of January 2007) multiplied by 52.18 multiplied by 3.333333 = €36,404.24 (COAP x 3.333333)



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Class A Officer (LGSS) / Class A Officer & Non-Officer (HSE)

Lump Sum	3/80 x pensionable remuneration x pensionable service	
	$3/80 \times €40,000 \times 34.5 =$	€51,750.00
Superannuation Allowance (i.e. Pension)	1/200 x pensionable remuneration less than or equal to COAP x 3.333333 x pensionable service plus	
x pensionable service	1/80 x (pensionable remuneration in excess of COAP x	3.333333)
	$1/200 \times €36,404.24 \times 34.5 =$	€6,279.73
	$1/80 \times (€40,000.00 - €36,404.24) \times 34.5 =$	€1,550.67
Total		€7,830.40 p. a.

Class A Non-Officer (LGSS)

Lump Sum	3/80 x pensionable remuneration x pensionable service	
	$3/80 \times €40,000 \times 34.5 =$	€51,750.00
Superannuation Allowance May 1977 plus	1/80 x pensionable remuneration x pensionable service prior (i.e. Pension) to 27	
	1/200 x pensionable remuneration less than or equal to COAP x	
3.333333 x pensionable service given on or after 27	May 1977 plus	
	1/80 x (pensionable remuneration in excess of COAP x 3.333333) x	
pensionable service given on or after 27	May 1977	
	$1/80 \times €40,000 \times 6 =$	€3,000.00
	$1/200 \times €36,404.24 \times 28.5 =$	€5,187.60
	$1/80 \times (€40,000.00 - €36,404.24) \times 28.5 =$	€1,280.99
Total		€9,468.59 p. a.

Class D Officer

Lump Sum	3/80 x pensionable remuneration x pensionable service	
	$3/80 \times €40,000 \times 34.5 =$	€51,750.00
Superannuation Allowance	1/80 x pensionable remuneration x pensionable service (i.e. Pension)	



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NATIONAL AMBULANCE SERVICE REPRESENTATIVE ASSOCIATION

$$1/80 \times €40,000 \times 34.5 = €17,250.00 \text{ per annum}$$

There may be deductions from the Lump Sum e.g. any outstanding contributions due to reckon periods of service and contributions due to the Widows & Orphans / Spouses & Children's Pension Scheme.

In addition to the pension entitlements payable by the employer, a member may also qualify for entitlement to benefits from the Department of Social, Community and Family Affairs (This will more usually apply to Class A Officers and Non Officers but some Class D Officers may have a Social Welfare entitlement)

If you resign before age 60 and qualify for a preserved pension and lump sum, benefits will be based on your reckonable service and your reckonable pay on the date of your resignation uprated to take account of increases in salary/wages generally between that date and your 60th birthday.

What is the position if I become too ill to continue in employment?

Subject to certain conditions you may retire on ill-health grounds.

A pension and lump sum, calculated in the same way as an age retirement pension and lump sum, will be paid to you provided you have a minimum service requirement of 5 years.

As well as your actual service you **may** be allowed an additional period of service. This added service, is calculated by reference to the length of your actual service and your age at the date of your retirement and is to compensate you for the fact that you have to retire prematurely.

The maximum addition is 10 years but very few, if any, will qualify for this.

Can Preserved Benefits be payable earlier than 60/65?

If you are aged 50, 55 in the case of new entrants after 1/4/2004, and resign with an entitlement to preserved benefits, you may take early payment of those benefits in accordance with the terms of the Cost Neutral Early Retirement Scheme. An actuarial reduction will apply in accordance with the terms of the Scheme.

For how long is my pension paid?

For the period of your life time.

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 increases in the pay of your former grade and is subject to overall government policy.

Are benefits reduced if I become re-employed by a local authority in a temporary capacity after I retire or resign?

Lump sum benefits are not affected by re-employment. However, your pension would be reduced to ensure that total pay and pension do not exceed the current equivalent of the pay you had on the date of your retirement or resignation.



NASRA

NATIONAL AMBULANCE SERVICE REPRESENTATIVE ASSOCIATION

What benefits would apply if I died in service?

Your legal personal representative would receive the greater of:-

One year's reckonable 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

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

What happens if I leave the service of the 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 to which the Local Government Scheme can be transferred.

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 Local Government Scheme applies or is transferable **may opt** to take a refund of superannuation contributions **or** preserve their benefit.

Any person who becomes pensionable on or after 01/02/1995 and resigns on or after 02/06/2002 with 2 years or more reckonable service and does not take up pensionable employment with an authority to which the Local Government Scheme applies or is transferable **must preserve their benefit**

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 Local Government Scheme applies or is transferable **is entitled to a refund** of superannuation contributions.

Any refund of superannuation contributions is subject to a tax deduction.

How or when do I qualify for preserved benefits?

If you became pensionable on or after 01/02/1995 and you resign your position, on or after 02/06/2002, before reaching age 60 (65 in the case of new entrants after 1/4/2004) with 2 years or more reckonable service and do not take up pensionable employment elsewhere **it is compulsory to** preserve your lump sum and pension benefits. Preserved Benefits are payable on reaching age 60 (or 65 where applicable)

If you resign on or after 02/06/2002 with 2 years or more service and you became pensionable **before 01/02/1995** and you are not taking up pensionable employment with an authority to which the Local Government Scheme applies or is transferable you **may opt** to take a refund of superannuation contributions **or** preserve your benefit.

You must apply in writing for payment of preserved benefits approaching your 60th birthday (65 in the case of new entrants 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 where applicable) birthday.



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NATIONAL AMBULANCE SERVICE REPRESENTATIVE ASSOCIATION

Preserved benefits can become payable earlier than your 60th (or 65th where applicable) birthday if you fall ill, and are certified as permanently unfit, before that date. Should you die before reaching age 60 (or 65 where applicable) 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.

Can I obtain a refund of my contributions in any circumstances?

Yes. If you resign on or after 02/06/2002 with less than 2 years service and do not take up pensionable employment with another authority you are entitled to a refund of superannuation contributions less appropriate tax deductions.

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 Local Government Scheme applies or is transferable **may opt** to take a refund of superannuation contributions **or** preserve their benefit.

Any refund of superannuation contributions is subject to a tax deduction.

What does transferred service mean?

Under the local government transfer of service arrangements you are able to transfer your service to or from a variety of public sector organisations such as the civil service, the Garda Síochána, the Defence forces, the National and Secondary teaching sectors and certain other state or semi-state bodies.

How are benefits and contributions treated for income tax purposes?

1. All lump sum payments (including gratuities) are exempt from income tax.
2. Pensions are subject to income tax in the ordinary way.
3. Contributions payable towards the main scheme and the Spouse's and Children's pension scheme would normally qualify for income tax relief (subject to certain limits)

What are added years or additions to service?

Added years may be awarded in certain circumstances:-

- on ill-health retirement and
- where certain professional, technical, specialist qualifications and/or experience are required for appointment.
- Under the terms of the Mental Treatment Act 1945 certain persons may qualify for doubling of any years in excess of 20 years service

What can I do if I have a shortfall of service?

You may purchase additional notional service at full actuarial cost. Details of the cost of purchase and the limits on the amount of notional service you may purchase are available from your Superannuation Department.



NASRA

NATIONAL AMBULANCE SERVICE REPRESENTATIVE ASSOCIATION

Alternatively, you may wish to contribute to an Additional Voluntary Contribution (AVC) Plan. A number of union-based AVC plans are administered by private companies and facilitated by deduction through payroll, however, this is outside the scope of the Superannuation Scheme. You should contact your Superannuation Department for details of providers of such AVC plans.

Can I allocate part of my pension?

Yes - in order to provide a pension for your spouse or other dependent relative. An allocation does not affect any pension payable under the Spouses' and Children's Contributory Pension Scheme.

What is a short service gratuity?

A short service gratuity may be paid to a person who is forced to retire permanently on 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 .

What is the Spouses' and Children's Pension Scheme?

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

Can I leave the Scheme?

No – Once you join the Scheme you must remain in it.

Who is regarded as a "child" for the purposes of the Scheme?

A person under 16 years of age or, if receiving full-time education or training, 22 years of age. No age-limit applies where a child is incapable of maintaining her/himself because of mental or physical infirmity.

To whom are children's pensions payable?

Children's pensions are normally paid to the spouse.

If my spouse dies what happens to the children's pension?

If there is one child under 16, or under 22 if receiving full-time education, or incapable of maintaining her/himself because of mental or physical infirmity, the pension goes up from one-sixth of the amount of your pension to one-third and, if there are two such children, from one-third to one-half.

If there are three or more such children the total amount of their pension remains unchanged.

If my spouse re-marries, 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.



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NATIONAL AMBULANCE SERVICE REPRESENTATIVE ASSOCIATION

Do I have to contribute towards the benefits of the Scheme?

Yes. The Scheme is contributory and all participating in it must pay contributions.

Are my Spouses and Childrens Scheme contributions refunded if I remain unmarried throughout the time that the Scheme applies to me?

No.

How are Spouses' and Children's pensions calculated?

If you die in service or after retirement on ill-health grounds the Spouses' 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 Spouses' 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 if you die in service and one month's pension (your pension rate on the date of death) if you die after retirement.

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 retirement lump sum, amounts to less than one year's reckonable pay at the date of your retirement, a sum equal to the deficiency will be paid to your legal personal representative.



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NATIONAL AMBULANCE SERVICE REPRESENTATIVE ASSOCIATION

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 your superannuation department in relation to your pension position, you should contact them 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 avail of a formal internal review procedure. 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. Details of the formal internal review process are available from your superannuation department. Information concerning the role and functions of the Pensions Ombudsman is 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>"

1. Overview and explanation of the Schemes

The HSE Pension Scheme provides a wide range of benefits to pensionable employees' including;

- Tax free lump sum on retirement
- Pension on retirement
- Gratuity payable on the event of a member's death in service
- Spouses' and Children's pensions payable on the event of a members death
- Provision to pay a lump sum and pension to pensionable employees who must retire early on the grounds of ill health

The HSE Pension Scheme is a **“Statutory Defined Benefit Scheme”** in that the benefits payable to the scheme members are set out in the Scheme Rules/Statute (mainly the Local Government (Superannuation)(Consolidation) Scheme 1998) and, unlike a defined contribution scheme, *benefits payable are not dependent on the performance of stock markets or investment returns.*

Payment of the Pension Scheme benefits are rather funded by the HSE from on-going scheme contributions deducted from staff salaries. While the HSE does not make any contributions to a Pension Fund (since non exists), by virtue of the fact that, in general, members derive a greater benefit from the Scheme than the contributions remitted, the HSE is deemed to make a notional contribution of at least twice that of the member themselves. This can be seen where staff on secondment for example are charged a 'true' level of contribution exceeding that normally deducted from staff salaries.

Membership of the scheme includes compulsory membership of **both** the

(a) HSE Pension Scheme (referred to as Main Scheme)

AND

(b) The Spouses' and Children's Scheme (referred to as Supplementary Scheme).

Membership to the scheme requires employee contributions to be deducted at source from your salary. Contributions are based on which rate of PRSI you pay and are calculated as follows:

Scheme	Staff Paying D Rate PRSI	Staff Paying A Rate PRSI
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Main Scheme	5% of gross pay	3.5% of net pay 1.5% of gross pay
Spouses' & Children's Scheme	1.5% of gross pay	1.5% of gross pay

If you are unsure of your applicable rate of PRSI **please refer to your payslip** which denotes your specific rate of PRSI.

Generally, A Rate staff members are those who commenced employment in the public sector after 06/04/1995 and pay a higher rate of PRSI and pay a higher rate of PRSI contribution.

Generally, D rate staff members are those who commenced employment in the public sector before 06/04/1995 and pay a lower rate of PRSI contributions.

Under the HSE Scheme all new hires** joining the Scheme have;

- A **minimum retirement age of 65 years**
- No compulsory retirement age (subject to suitability and health requirements).
- A minimum of 2 years' service is required for eligibility for benefits (no minimum service is required however for death in service benefit).

**New employees' refer to a person who commences employment in the HSE/public sector on or after 1st April 2004 or a person who was serving in a public service body prior to 31/3/2004 and left such an office for a period of greater than 26 weeks before rejoining the service.

2 Verification of Previous Service

Under the terms of the HSE Pension Scheme, previous service with other specified health service organisations and public sector bodies ([see attached for fulllisting of all approved public sector transfer bodies](#)) may be transferred to the HSE Scheme.

If a newly appointed staff member has prior service with any of these public sector bodies they should contact their previous employer(s) to verify this service and confirm whether contributions have or have not been paid for this service.

If the service in previous employment(s) was validated and paid for and the contributions retained by the health authority this will be noted on the individuals record and service recorded as reckonable for benefits purposes.

Previous verified service is segregated as:

- (a) Whole-time service
- (b) Part-Time/Flexible/As and When Required Service

It is important to note that historically part-time service was not recognized as service for the purposes of Pension entitlement. However, from early 1990's this position began to change with the introduction of numerous employment regulations and Acts ultimately culminating in the Protection of Workers (Part-Time Work) Act 2001 which eliminated any distinction between the terms and conditions of a Part-Time Worker against his/her whole-time counterpart and thereby permitted all part time hours worked to be reckonable for the purpose of pension service.



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Cost of Purchasing Previous Reckonable Previous Service

(a) To purchase service where a Refund of Contributions was received for previous employment

An employee who is returning to work in the HSE after a previous resignation/ break in service and where they took a refund of pension contributions for that previous service may opt/choose to buy back this service.

However, reckoning of such refunded service will be costed as follows;

Gross of amount of refund received plus compound interest at following applicable rates

Compound Interest Rates applicable for buy back of service where refund of contributions was received:

Service up to 31st December 1983 = 7% per annum

Service after 1st January 1984 = 6% per annum

Service from 14th November 2004 = 4% per annum

Tax relief is allowable on the interest element of the repayment only.

Repayment of previous pensionable service for which a refund of pension contributions was given is optional.

(b) Class A PRSI Employees' – Officer and Non-Officer Grades

Previous whole-time temporary service – this service is costed with reference to the salary and pensionable emoluments/allowances of the individual.**

The cost to a registered scheme member who is fully insured, paying Class A PRSI, to reckon a period or periods of previous whole-time service in an approved public sector body is as follows:

- 1 ½ % of full pensionable earnings (towards Lump Sum contributions) AND
- 3½ % of Net Pensionable Earnings i.e. gross earnings less twice the rate of old age contributory pension) – Personal Pension Contribution
- AND
- 1 ½% of Gross Pensionable earnings towards Spouses' and Children's Pension (this may be paid by 1 ½ % additional deductions from salary or by deduction from Retirement Lump Sum at the rate of 1% of Retirement Salary for each year of service).

**Liabilities should be calculated, at the latest, on the basis of a persons' current salary at the end of the third month after appointment to a pensionable post.

(c) Class D PRSI (Officer Grades appointed pre April 6th 1995)

The cost of purchasing previous whole-time service by a member who is not fully insured paying Class D PRSI (officer who was appointed pre April 6th 2005), to reckon a period or periods of previous service in an approved public sector body is as follows:

- Periods prior to 31st December 1985 – 2 ½ % aggregate salary plus the value of his/her emoluments received



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NATIONAL AMBULANCE SERVICE REPRESENTATIVE ASSOCIATION

- Periods on or after 1st January 1986 – 5 % aggregate salary plus the value of his/her emoluments received

Class D Officers have 3 years, from the date notification, in which to repay the contributions. If not paid within 3 years of the date of notification, Compound Interest will accrue from the date of notification to the date of payment of the contributions.

(d) Reckoning Previous Part-Time Service

Part-Time Service - Class A Officer Grades

In the case where a Class A employee in an Officer Grade wishes to purchase periods of part-time previous service the following applies

- Service Prior to 27/5/1977 – where the hours worked were at least 18 hours per week.
- Service from 27/5/1977 to 19/12/2001 – where the hours worked were at least 10 hours per week.

Back contributions payable for all part-time service prior to 19/12/2001 are currently costed with reference to the Pensionable Pay and Contributory Old Age Pension **rate at 20/12/2001** multiplied by the number of years in question.

- Part-Time Service from 20/12/2001 – no minimum threshold of hours applies i.e. all hours worked are reckonable for service.

Back contributions are currently payable on pensionable pay and Contributory Old Age Pension rate **to the period when the service was given.**

Part-Time Service - Class A Non-Officer Grades

Employees' currently serving may reckon service given in a part-time capacity prior to the 1st April 1996 as follows;

- Service worked prior to the 27/5/1977 where the hours worked were at least 18 hours per week.
- Service worked between 27/5/1977 and 31/3/1996 where the hours worked were at least 10 hours or more per week.
- Service worked after 1st April 1996 where no minimum threshold of hours applies.

All non-officer part-time service being reckoned that was worked up to 31/3/1996, will have back contributions payable for all part-time service prior to 31/3/1996 are currently costed with reference to the Pensionable Pay and Contributory Old Age Pension **rate at 01/04/1996** multiplied by the number of years in question.

All non-officer part-time service being reckoned that was worked after 1st April 1996 will have back contributions will be costed on Pensionable Earnings and Contributory Old Age Pension **rates appropriate to the period when the service was given.**



NASRA

NATIONAL AMBULANCE SERVICE REPRESENTATIVE ASSOCIATION

3. Notional Service Purchase Scheme

Where a staff member **will not** have potential service of 40 years at their retirement age of 60/65 years of age (65 years of age only in the case of a new entrant) i.e. full service, the facility exists within the HSE Pension Scheme Rules for employees' to purchase notional years of service/additional pensionable service at full actuarial cost..

There are two methods of purchasing Notional Service;

(a) By Periodic Deductions from Salary/Wages from next birthday until retirement age

OR

(b) By way of a single lump sum payment (payment in this case must be made within 6 months of exercising this option, otherwise the option is invalid).

The additional service purchased is treated as actual service in calculating pension and lump sum entitlements, including spouses' and children's benefits.

The concept of notional service is to allow members of the scheme, subject to certain conditions, to purchase additional years of reckonable service thereby increasing their pension entitlement.

One of the key determining factors used to calculate a scheme members superannuation award at retirement is years of service.

The cost of purchasing notional service is calculated using actuarial rates which are based on a person's age at their next birthday and the rate of PRSI a person pays i.e. Class A or Class D and whether membership of the Spouses' and Children's Scheme applies.. ([see attached HSE Circular Letter 23/2006 Purchase Notional Service for full details](#)).

Some of the key points of the notional service scheme are highlighted below.

1. In order to purchase notional service you must have 9 years actual or potential service. This includes future potential service to retirement age or contract end date for fixed term workers, actual service i.e. service already given and service transferred to HSE from another approved Public Sector Body.
2. You may only purchase your shortfall of service to a maximum of 40 years service at age 60 or age 65 as appropriate.
3. Notional Service may be purchased with reference to age 60 or age 65 only. Those members of the scheme who are deemed to be **new entrants** (i.e. generally those who joined the public sector after 01.04.2004) can only purchase notional service with reference to age 65. The rates for purchasing to age 60 are higher than those that apply to purchases to age 65 as purchases are made over a shorter period of time.
4. Notional Service may be purchased by lump sum or periodic deduction.
5. **Lump sum** is the payment of one amount based on

(a) the person's salary at the time of the purchase and

(b) the rate based on their age next birthday and class of PRSI (A or D). and whether membership of the Spouses and Childrens' Scheme applies.

Staff may make one lump sum purchase in any calendar year subject to a minimum payment of 10% of annual full time salary (unless a lower amount is needed to provide for 40 years reckonable service).



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NATIONAL AMBULANCE SERVICE REPRESENTATIVE ASSOCIATION

6. Purchases by **periodic payroll deduction** are paid for via deduction from salary. This deduction is a percentage therefore as a person's salary increases the amount deducted will increase proportionately. An option to purchase service by periodic deduction may be made at the time up to age 63 years with reference to age 65 and up to age 58 with reference to age 60, subject to certain conditions.

7. Tax Relief is allowed on annual aggregate superannuation contributions as a percentage of a person's gross salary. Tax relief is allowable from a minimum of 15% to a maximum of 40% of remuneration based on a person's age. Part of this tax relief is already applied to a person's regular contributions to the pension scheme. The balance may be utilised for repayment of contributions due for previous service, purchase of notional service or contributions to an AVC scheme or other authorised pension product. Tax relief for purchases of notional service by periodic deduction is applied at source **but for lump sum purchases** the Pension Section will provide a statement of the cost of the purchase which the employee must be submitted to Revenue.

8. In order to exercise the option to purchase notional service you must notify the pensions section in writing clearly stating the option you wish to exercise i.e. the reference age and purchase method (either lump sum or periodic deduction).

9. If an employee purchases by either single payment or by periodic deduction and subsequently retires before age 65 (or age 60 for non-new entrants), an actuarial reduction of their notional service credit will be made.

Please note that if you opt to purchase notional service and subsequently leave the HSE service before the age at which you have agreed to purchase service until or you cease to make the periodic payments the amount of added years you will have purchased at retirement will be less than the amount you contracted to purchase initially. This will reduce your benefits.

4. Additional Voluntary Contributions (AVC)

An AVC is an additional investment option made available to employees' to enable them to make **additional savings (outside of the occupational Pension Scheme)** for retirement while receiving tax and PRSI relief on these savings.

You can make Additional Voluntary Contributions if the benefits that you will receive at retirement from your main scheme and any benefits retained from any employment(s) are projected to be lower than the maximum allowed by Revenue. Additionally, you can also use AVC's to bring your pension up to the maximum allowed by Revenue.

Additional Voluntary Contributions is a private arrangement made by the employee independent from the HSE with a financial services company. The HSE can, however, facilitate deductions from salary in respect of the AVC plan taken with HSE registered AVC providers. Further information on AVC plans can be obtained from the following brokers (please refer to your area of employment for your nearest contact).

5. Early Retirement/Cost Neutral Early Retirement

The Cost Neutral Early Retirement facility allows members of the pension scheme to retire from age 50 (or age 55 in the case of new entrants**) with actuarially reduced superannuation benefits. This facility will be made available to serving staff and the option will be extended to staff who resigned with an entitlement to preserved superannuation benefits as and from 1 April 2004.

The benefits payable to a scheme member who opt to retire under this scheme at age 58 are illustrated in the below example.

[The scheme member in this example is an officer who is an existing entrant and pays D rate PRSI contributions i.e. who will receive a non-coordinated award].

EXAMPLE: Retirement at age 58, Class D PRSI existing member

A person on Class D PRSI to whom a non-coordinated pension is payable, with a preservation age of 60, retires on his/her birthday.



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Final Annual Salary: €50,000 **Age:** 58 **Reckonable Service:** 40 years

Pension Benefits under Cost Neutral Early Retirement:

If opting to preserve benefits If availing of cost neutral early retirement

Due at age 60 (i.e. in 2 years' Due now

Lump sum: €75,000 €72,075 (applying reduction factor of 96.1%)

Annual pension: €25,000 €22,525 (applying reduction factor of 90.1%)

Calculation of preserved Lump Sum: $3/80 \times €50,000 \times 40 = €75,000$

Calculation of preserved Pension: $1/80 \times €50,000 \times 40 = €25,000$

Further examples of the benefits payable to staff members who opt to retire under this scheme are available in the Appendices of DoHC Circular Letter Pen 05/2005.

To view all the provisions of this scheme please refer to attached: [DoHC Circular 05/2005 Cost-Neutral Retirement \(LGSS\)](#)

6. Death In Service

Where an employee (who is a registered member of the Pension Scheme) dies while in service, a death gratuity is payable to their legal personal representative.

The death gratuity payable is equal to the Lump Sum which would have been payable if the staff member had ceased to hold employment of the grounds of ill-health at the date of death

OR

One years' Salary plus Pensionable Emoluments/Allowances (Pro-Rata to WTE)

which ever is the greater.

7. Leaving/Resigning from the HSE

This section addresses the impact that leaving/resigning from your position in the HSE will have on your HSE Pension Scheme membership and applicable benefits where the member is;

Transferring to another HSE position/Public Sector Body



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OR

Leaving the HSE **with greater than 2 years** pensionable service

OR

Leaving the HSE **with less than 2 years** pensionable service

(i) Transferring to another HSE Area/Public Sector Body

If you are leaving/resigning from your current HSE position to take up employment in another HSE Area, or to take up pensionable employment in a public sector organization which is a party to one of the **Public Sector Transfer Schemes**, you may apply to the Pensions Department of the new employer/area to have your pensionable service transferred to that organization.

(ii) Leaving HSE with greater than 2 years Pensionable Service

If you are leaving the HSE having completed **greater than 2 calendar** years pensionable service, your pension benefits will *automatically* be preserved.

Where Pension Benefits are preserved, the pension and lump sum will be payable to you, on application, from age 60 (for non-new entrants) and from age 65 (new entrants).

If an individual should become permanently infirm before attaining the age of 60/65, the preserved lump sum and pension will become payable from the date of infirmity, as determined by medical reports.

Should a member with preserved benefits die before reaching their retirement age, a gratuity equivalent to the retirement lump sum is payable to that person's estate. Where the person was a member of the Spouses' and Children's pension scheme, a pension will also be payable to the surviving spouse/dependents.

The preserved benefits will be based on Actual Pensionable Service and on the members retiring salary as increased by reference to increases granted between the date of resignation and age 60 (non-new entrant)/65 (new entrant)

(iii) Leaving HSE with less than 2 years Pensionable Service and do not intend to take up further reckonable employment

If you are leaving the HSE with **less than 2 calendar** years pensionable service, you may apply to your Pension Section for a refund of contributions paid less a deduction for tax.

8. Professional Added Years Scheme

This scheme may be availed of by staff who, because of the minimum qualifications and experience requirements pertaining to the post to which they were recruited, are not in a position to attain 40 years' service by age 65.

Should you wish to make an application under this scheme you should contact your local Pensions Section.

You should note that this award cannot be formally sanctioned until cesser of employment i.e. retirement.

9. Planning for Retirement



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The Pensions Section in conjunction with the Staff Training and Development Section runs a number of seminars each year relating to planning for retirement which includes;

- Mid Career Planning for Retirement Seminar
- Retirement Planning Seminars

The **Mid Career Planning for Retirement Seminar** is a one day course held periodically. This course is specifically aimed towards staff in their early 40's to late 50's but all are welcome to attend. Further information on this course is outlined in the Staff Training and Development Programme of Courses and places on this course can be booked by contacting your local Pensions Section.

The **Retirement Planning Seminar** is a two day course. All staff who are due to retire in a given year are invited to attend along with their partners. The remaining places are offered to those who are considering retiring in the next few years on a first come first served basis. You can register your interest in attending this course by contacting the local Pensions Section.

Planning for retirement? Why not use the **Pensions Estimator** to compare your pension benefits, if you:-

- Retire at maximum retirement age (normally 65).
- Retire earlier.
- Avail of Job Sharing.
- Reduce / Increase your flexible working hours.

Access to the Pensions Estimator, and to more information on your pension entitlements can be found by double clicking on the following location http://hsenet.hse.ie/Working_in_the_HSE/Pension_Management/Pension%20Estimator/

10. Benefits Payable to Members - Grade Statement 2009

Grade Statement- Occupational Pension Schemes (Disclosure of Information) Regulations 2006

The information below outlines the benefits payable to members of the HSE Pension Scheme

The statement, which contains a range of salary and service bands, illustrates the benefits payable to members on various salaries with varying years of service*. The benefits are listed separately in respect of

- Lump Sum (payable at minimum retirement age)
- Death Gratuity (payable to Legal Personal Representative if member dies in service)
- Pension (payable to member at minimum retirement age)
- Spouses' Pension, (Payable to surviving Spouse, if member is also a member of the Spouses & Children's Scheme, where member dies in service or after retirement.

**Please note that service refers to wholtime service e.g. where member works half-time, he/she only accumulates 1 years service over a 2-year period.*

There are 3 Grade Statements attached below, **only one of which is relevant to you**. Your relevant Grade Statement is dependant upon

- your PRSI class i.e. A or D (if in doubt as regards your PRSI Class, please refer to your payslip)
- your Officer/Non Officer status and



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- your date of commencement in the HSE.

Please check each of the 3 headings on the Grade Statements to establish which one is applicable to you. Once you have confirmed which Grade Statement is applicable to you, please click on the appropriate Statement to display the relevant information.

1. [Class D Officer Grade Statement](#) | |
2. [Class A Officer and Non Officer who commenced employment with HSE after Jan 1 2005](#)
3. [Class A Non Officer who commenced employment with HSE prior to Jan 1 2005](#)

About your pension scheme

Planning for retirement? Why not use the **Pensions Estimator** to compare your pension benefits, if you:-

- Retire at maximum retirement age (normally 65).
- Retire earlier.
- Avail of Job Sharing.
- Reduce / Increase your flexible working hours.

Access to the Pensions Estimator, and to more information on your pension entitlements can be found by double clicking on the following location - [Pension Estimator](#).

The various tables/statements in this document set out the benefits available under your pension scheme.

If you resign from this employment with more than two calendar years of service you will be entitled to a preserved pension based on the number of years of service you have in the scheme, and the up-rated salary of the former post when you reach the minimum retirement age.

Members should note that where they have purchased previous service, they may discharge any Spouses & Children's liability arising, via payment of additional periodic contributions through payroll. In the event of not exercising this option, any outstanding liability for Spouses & Children's will be deducted from their benefits on retirement at the rate of 1% per annum based on pensionable remuneration at retirement.

Please note that all benefits may be adjusted on foot of a certified copy of a Pension Adjustment Order from the court service.

Additional benefits can be secured, purchased or granted under the schemes by way of any or all of the following:

- Purchase of Notional Service
- Additional Voluntary Contributions made under an approved trade union(s) sponsored AVC scheme, or
- Transfer of rights from another scheme or PRSA.

All pension benefits are based on approved salary scales for the public health sector. The Consolidated Salary Scales are available on [Department of Health and Children Consolidated Salary Scales effective from 1st September 2008](#).



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Useful Contacts

HSE Pensions Management,

HR National Shared Services,
Áras Sláinte Chluainín
Manorhamilton
Co. Leitrim
Telephone :- 071 – 9835236 / 071 – 9835237

Department of Social and Family Affairs,

Oisín House,
Pearse Street,
Dublin 2
Telephone: 01 7043000
Website: www.welfare.ie

Local Area Contact's

Enquiries regarding your pension benefits should be addressed to the relevant Local Area Pension Manager:

Ms. Breda Moriarty,
Health Service Executive South,
Pension & Personnel Administration Section,
Áras Sláinte,
Wilton Road,
Cork.
Tel: (021) 4923625

Linda Hardie,
Pension Management Section,
HR Department,
HSE Area Office,
Tullamore,
Co. Offaly.
Tel: (057) 9359837

Ms. Imelda Mitchell,
Pensions Management,
Health Service Executive,
Kells Business Park,
Kells,
Co. Meath.
Tel: (046) 9282756

Mr. Gerry Mescall,
Pensions Management (covering former NAHB, SWAHB, ECHAB and EHSS areas),



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Health Service Executive,
20-23 Merchants Quay,
Dublin 8.
Tel: (01) 8817170

Mr. Sean Keane,
HSE Western Area,
MerlinPark Hospital,
Galway.
Tel: (091) 775383

Ms. Nancy McMorrow,
National Pension Management,
Manorhamilton,
Co. Leitrim.
Tel: (071) 9820496

Mr. Con Carey,
HSE Mid-West Area,
Howley's Quay
Limerick.
Tel: (061) 431514

NASRA's Retired Members Section Are Also Available To Assist You In Any Way Possible.

Contact Tony King @ 0868933454