



HSE HR Circular 016-2009

18th May, 2009.

**To: Each Member of Management Team, HSE;
Each Assistant National Director, PCCC, HSE;
Each Assistant National Director, NHO, HSE;
Each Hospital Network Manager, NHO, HSE;
Each Local Health Manager, PCCC, HSE;
Each Assistant National Director, HR, HSE;
Each Employee Relations Manager, HR, HSE;
Each Area Redeployment Manager, HSE.**

Re: Incentivised Scheme of Early Retirement (ISER).

Dear Colleague,

I refer to the Incentivised Scheme of Early Retirement (ISER) announced by the Minister for Finance in his Supplementary Budget Statement of 7th April 2009.

The purpose of the ISER in the public health sector is to facilitate a permanent, structural reduction in the numbers of staff employed along with an associated restructuring of organisation and operations, in as timely a manner as possible and in line with the 2009 Employment Control Framework for the Public Health Sector. While the reduction in numbers achieved under the ISER is intended to contribute significant and ongoing savings to the Exchequer, **this must be done in a way that does not undermine essential service provision.**

The ISER does not apply, therefore, to grades exempted from the moratorium on recruitment and promotions under the 2009 Employment Control Framework for the Public Health Sector, i.e. Medical Consultants, Speech and Language Therapists, Occupational Therapists, Physiotherapists, Clinical Psychologists, Behavioural Therapists, Counsellors (Mental Health and Disability Services), Social Workers and Emergency Medical Technicians. These grades have been exempted from the moratorium and excluded from the ISER in order to meet the requirements of integrated health care delivery and, in particular, to address needs in the community in respect of care of the elderly and people with disabilities.

Members of all other grades who meet the eligibility criteria will have access to the ISER provided the grades/staff groups concerned co-operate with the requirements in relation to redeployment, mobility, skill mix and flexibility which are outlined in the employment control framework: this is designed to allow individuals to avail of the ISER while still protecting services. Because staff who retire under the scheme will not be replaced (save in very exceptional cases), the HSE must pay particular attention, when considering applications, to the scope that exists within the organisation for reorganising and restructuring work in order to minimise the impact on essential service delivery. Staff co-operation and flexibility in that regard is essential. Equally, the HSE must, as far

as possible, facilitate the efficient and effective implementation of the scheme in order to meet the Government's policy objectives.

The Health Service Executive must submit on a monthly basis details of the number of applications received, whether they have been granted, deferred or refused; the cost of payments under the scheme as well as the savings on pay for the year of retirement and for the following year (full-year). This reporting requirement will be co-ordinated by the Area HR Redeployment Managers. The business reasons for any refusals or deferments must be specified, as well as the period of the deferment. In the case of deferments, the relevant managers must also provide an assurance that procedures are in place to manage the transfer of knowledge/skills in the period of the deferment and the delivery of service after the applicant has retired. All of the above information will be collected monthly on the basis of a standard report format which will be made available shortly.

The overall operation of the scheme in the public health sector will be monitored by the Joint Employment Control Monitoring Group (JECMG), which comprises representatives of the HSE, the Department of Health & Children and the Department of Finance, on the basis of the monthly reports submitted to it by the HSE. In the event that the JECMG is not satisfied that organisations are operating the scheme in a way which meets the Government's policy objectives, the operation of the scheme in those particular organisations will be examined by a three-person Review Committee to be appointed by the Minister for Health and Children. The remit of this Review Committee will include making recommendations to the JECMG in relation to the implementation of the scheme in the relevant organisations, including alternative ways of reducing staff numbers and costs in those organisations.

Eligibility

Within the public health sector, and subject to the provisions of this circular, the ISER will be open to eligible employees who are members of any of the following superannuation schemes:

- Health Service Executive Employee Superannuation Scheme;
- Local Government Superannuation Schemes (LGSS);
- Nominated Health Agencies Superannuation Schemes (NHASS);
- Voluntary Hospitals Superannuation Schemes (VHSS); and
- Stewart's Hospital Employee Superannuation Scheme.

The scheme will not apply:

- (i) where the relevant pension scheme provides for faster accrual rates of service which allow staff to retire with full pension after less than 40 years' actual service (in particular, employees in the psychiatric services covered by the Mental Treatment Act 1945 who are non-new entrants (DOHC Circular 22/2006 refers)); or
- (ii) where, excluding the Cost Neutral Early Retirement Scheme and retirement on the grounds of ill-health, the pension arrangements applicable to an employee make any kind of provision for retirement at an age earlier than the scheme's preserved pension age; or
- (iii) in areas where the recently announced moratorium on recruitment and promotion allows retiring staff to be replaced.

The terms of the scheme are set out in Appendix A and there is an application form at Appendix B1, with an acceptance form at Appendix B2. This circular including Appendices A, B1 and B2 is available from the Area HR Departments and the HSE intranet

http://hsenet.hse.ie/Working_in_the_HSE/New_Incentivised_Schemes/ . **In all cases an offer of acceptance cannot be finalised until a duly completed acceptance form (at Appendix B2) has been signed and submitted by the applicant.**

Operation of the ISER in the HSE

In implementing the ISER, the HSE must have regard to the effective discharge of its responsibilities in the context of the Health Act 2004 and its overall strategic priorities when

considering applications. When selecting the order in which applicants may retire under this scheme, regard should be had to the business needs of the organisation, the level of savings achievable by granting certain applications, the locations or business area of the person or classes of persons applying, the proposed last day of service and any other relevant matter. While nothing in this circular should be construed as conferring an absolute right or entitlement on staff members to avail of the ISER, in general, the HSE will be expected to facilitate the early release of staff, with priority being given to the employees with the longest service, other things being equal. In all cases, employees must be given a decision in writing no later than **six weeks** after their application is made.

Where it is considered that the immediate loss of a particular group/member of staff through retirement under the ISER will give rise to difficulties of a substantial nature in the management of services, the HSE may (a) postpone the date of departure of that applicant for a period of up to one calendar year from the date of application or (b) in exceptional cases refuse the application.

Any deferment or refusal must be for stated business reasons e.g. safeguarding organisational capacity and public service delivery, including through the retention of an appropriate and balanced set of skills across relevant employee grades, business areas and locations. In this regard, account may be taken of the level of cooperation with redeployment, mobility and flexibility of employees within each relevant grade in determining individual applications from employees in the grade. In the case of each instance of delayed departure or refusal, the applicant must be advised of the reasons for the decision in writing. While applicants may specify on the application form a preferred date of departure, (the preferred date must be at least six weeks from the date the application is made and no later than 30 November 2009), it will be a matter for the HSE to determine the final date of service having regard to business requirements, the need to manage the orderly departure of employees under this scheme and the delivery of services.

A decision on an application for the ISER will in the first instance be made no later than six weeks after the application is made.¹ In the event of a decision to refuse or defer an application, employees may apply to have the decision reconsidered within two weeks.² A decision on such applications, which shall be binding in all cases, must be made within three weeks of the referral.

An employee whose application has been approved, but whose departure has been delayed, will be entitled to retire under this scheme with no actuarial reduction in his/her pension entitlements (but see Appendix A regarding the Purchase of Notional Service). The retirement lump sum will be subject to the taxation provisions in force on the date the application was approved. **Once an application has been approved under this scheme and a signed Form B2 received by the HSE, the application cannot subsequently be withdrawn.**

In accordance with the terms of the Government moratorium on recruitment and promotions in the public service, vacancies arising from the operation of this scheme may not be filled unless specific sanction is given by the Department of Health and Children and the Department of Finance. HSE Managers will be expected to reorganise or restructure work or business units in order to protect service levels as far as possible. Notwithstanding the above measures, where the release of employees under the ISER will have significant unavoidable impacts on service delivery, management will be required to bring this to the attention of their relevant HR Department.

Management should use the introduction of this scheme as an opportunity to review and enhance workforce planning, knowledge transfer and skills development processes at all grades. Periods of

¹ In any case where a large number of applications are made that cannot be determined in the available period, the Human Resource Department may notify applicants that a decision on their application is being delayed by a maximum of two weeks, to a specified date.

² Applications to have a decision reconsidered will be dealt with by: the relevant National Director in the case of a HSE employee, and by the CEO and Board/Governing Authority of the organisation in all in all other cases.

deferment under the scheme should be used to develop and implement targeted measures to reorganise and restructure work allocation and staffing in order to minimise any potential loss of experience and corporate knowledge.

The scheme will be open to applications on the form at Appendix B1 **from 18 May 2009 until 18 September 2009**, after which the scheme will be reviewed in the context of Budget 2010. Applications from employees on secondment should be processed by the employer from whom they are seconded. As the Minister for Finance indicated in his Financial Statement on Supplementary Budget day, this is the only voluntary early retirement scheme that the Government intends to make available in the civil and public service³. **Any existing early retirement scheme is therefore now closed.**

Re-employment

It is a general condition of this scheme that persons availing of the scheme will not be eligible for re-employment in the same part of the public service. Therefore employees opting to leave under this scheme will not be eligible for re-employment across the public health sector. In order to ensure compliance with the provisions of the form of acceptance, employers must enquire of relevant future job applicants if they have availed of the terms of this scheme. If the person was formerly in the public health sector and availed of the ISER, they are ineligible for subsequent re-employment in the public health sector. However, if the person retired from another area of the public service under a similar ISER and is subsequently employed in the public health sector, that employer must inform their former employer to this effect. The former employer will abate the pension so that s/he receives no more by way of pension and salary than the pay s/he would have received had s/he remained in the former employment. (In the event that the pay in the new employment equals or exceeds that of the former employment, the pension will cease.) This abatement will apply until the employee reaches the maximum pension age under the former employer's pension scheme.

If an employer is informed by another public service body that a former employee of that organisation, who has availed of the ISER, has been employed by them, then that organisation must take immediate steps to abate the person's pension for so long as s/he is employed in the public service or until s/he reaches maximum pension age. In all cases the final public service employer should ensure that total superannuation benefits paid to a person who benefits under this scheme should not exceed 40 years.

The provisions outlined in preceding two paragraphs will also apply in the case of individuals engaged under a contract for services.

Where, exceptionally, a business or service need exists to re-engage *in the same part of the public service* an individual with specialised skills who has availed of the scheme, this may only be done with prior Department of Finance sanction and for a limited period. The business case should be made, in the first instance, through the Department of Health and Children. Pension abatement will apply to any such appointment.

In order to assist in the monitoring of these arrangements, the names and PPS numbers of all employees availing of this scheme will be held on a central database and when public service employers are recruiting staff who might have availed of the terms of this scheme, the HSE will be required to check the names and PPS numbers of potential recruits against this database.

Conclusion

³ Public health sector employees may still avail of the existing Cost Neutral Early Retirement Scheme (Department of Health and Children Circular 5/2005 refers).

Reporting arrangements have been put in place to facilitate the monitoring of the implementation of the ISER by the HSE.

Employees should address queries in relation to this circular to their Area Human Resource Department (see “who can I contact” section on HSE Intranet).

http://hsenet.hse.ie/Working_in_the_HSE/New_Incentivised_Schemes/

All pension policy queries should be addressed by e-mail to Ms Patsy Carr, Assistant Principal Officer, Pension Policy Unit (email: Patsy_Carr@health.gov.ie).

Yours sincerely,



Séan McGrath,
National Director of Human Resources.

Encl.

INCENTIVISED SCHEME OF EARLY RETIREMENT

Eligibility

1. Employees **50 years of age and over by 18 September 2009** who have already accrued entitlement to preserved superannuation benefits under a public health service scheme, and who have not yet reached normal preserved pension age, are eligible to apply for early retirement under this scheme. Persons on special leave, including career breaks, are also eligible. The scheme will not apply:
 - (i) where the relevant pension scheme provides for fast accrual rates of service which allow staff to retire with full pension after less than 40 years' actual service; or
 - (ii) where, excluding the Cost Neutral Early Retirement Scheme and retirement on the grounds of ill-health, the pension arrangements applicable to an employee make any kind of provision for retirement at an age earlier than the scheme's preserved pension age; or
 - (iii) in areas where the recently announced moratorium on recruitment and promotion allows retiring staff to be replaced.

Where required for business reasons, employers may (a) postpone the date of departure of that applicant for a period of up to one calendar year from the date of application or (b) in exceptional cases refuse the application.

Applications

2. The scheme is open to applications from **18 May 2009 until 18 September 2009** after which the scheme will be reviewed in the context of Budget 2010. While nothing in this scheme should be construed as conferring an absolute right or entitlement on employees to avail of the ISER, in general, employers will be expected to facilitate the early release of employees, with priority being given to the employees with the longest service, other things being equal. In all cases, employees must be given a decision in writing no later than **six weeks** after their application is made.

Terms

3. Superannuation benefits will be based on actual service, including transferred service, plus purchased service and any additional notional years of service awarded under the Schemes of Professional Added Years (see paragraphs 9&10 below).
4. Pension along with 10% of the retirement lump sum, based on the salary held at the date of retirement (subject to averaging where appropriate), will be paid immediately *without* actuarial reduction (but see paragraph 8 on Purchase of

Notional Service). Supplementary pension¹, where appropriate, will be paid to persons availing of this scheme on reaching the relevant normal preserved pension age (60 or 65 years, as appropriate).

5. The 90% balance of the lump sum, based on the salary scale point on the date the person reaches the normal preserved pension age, will be paid on reaching that age and will be subject to the taxation provisions in force on the date the application under this scheme was approved.
6. Where an applicant has expressed a preferred date for leaving, the preferred date must be at least six weeks from the date the application is made and no later than 30 November 2009. It will be a matter for the employer to determine the final date of service having regard to business requirements, the need to manage the orderly departure of employees under this scheme and the delivery of services.
7. An application to retire under this scheme must be made by submitting a completed Form B1 to the Human Resource Department of the employer. When approval to retire under the scheme is offered to an individual they must complete Form B2 as soon as possible to accept the offer. Once a signed Form B2 has been received by the employer, the application will be formally approved and cannot subsequently be withdrawn.

Purchase of Notional Service

8. In the case of employees who have availed of purchase of notional service facilities, the service purchased to the date of retirement under this scheme will be reckoned in the normal way, i.e. pro rata and/or actuarial reductions will apply, as appropriate. Question 23 and 24 in the Question and Answer document refers.

Professional Added Years

9. Certain employees appointed to professional, technical and specialist posts in the public health sector may be eligible for added years on retirement. Question 25 in Question & Answer document refers. Spouses' and Children's contributions in respect of added years will be charged in the normal way.

Spouses' and Children's Contributions

10. Spouses' and Children's Contributions in respect of earlier service and/or professional added years will be deducted from the balance of the lump sum payable at preserved pension age.

¹ On reaching the relevant preserved pension age, a supplementary pension may be payable to a person, who is fully insured, in respect of periods during which s/he is not employed in any capacity which involves a social insurance contribution and, due to causes outside his/her own control, fails to qualify for social insurance benefit or qualifies for such benefit at less than the maximum personal rate.

Re-employment

11. Persons who retire under this scheme will not be eligible for appointment to a position in the same employment or the wider public health sector - e.g. a Health Service Executive employee who retires under this scheme will be ineligible to be re-employed in a voluntary hospital at a future date.
12. If a beneficiary under this scheme is employed at any time in the future by any other public service body, that person will notify the new employer that s/he is a beneficiary of this scheme so that they may inform the former employer of such employment. In these circumstances, payment of the pension awarded under this scheme will be abated with effect from the date of that appointment and abatement of pension will continue while the person is employed in the public service or until maximum pension age, as appropriate. Abatement of pension means that s/he receives no more by way of pension and salary than the pay s/he would have received had s/he remained in the former employment. (In the event that the pay in the new employment equals or exceeds that of the former employment, the pension will cease.) These provisions will also apply in the case of individuals engaged under a contract for services.
13. In the event of any such new employment, superannuation entitlements in the public service will in aggregate be limited to 40 years or equivalent of reckonable service overall.

Monitoring

14. In order to assist in the monitoring of these arrangements the names and PPS numbers of all employees availing of this scheme will be held on a central database, and when public service employers are recruiting staff, the employers will be required to check the names and PPS numbers of potential recruits against this database. Public service employers must ensure that when recruiting any individual who has availed of this or a similar incentivised scheme of early retirement, the provisions of the scheme are adhered to especially in relation to abatement of pension and the maximum aggregate period of pensionable service.

INCENTIVISED SCHEME OF EARLY RETIREMENT

INSTRUCTIONS ON COMPLETING OF THE ATTACHED APPLICATION FORM

APPLICANT:

Please ensure you have read the associated **HSE HR Circular 16/2009** carefully before completing and signing the attached application form. The circular can be downloaded from the HSE intranet site
[/http://hsenet.hse.ie/Working_in_the_HSE/New_Incentivised_Schemes/](http://hsenet.hse.ie/Working_in_the_HSE/New_Incentivised_Schemes/)

Completed forms should be submitted to your LHM-PCCC / Hospital Mgr or General Mgr of Function for consideration of approval (See detailed instructions provided “How do I make an application”)

You will be advised of the decision regarding your application within 6 weeks of receipt of completed forms.

Appeals: Should you wish to appeal any decision made on your application you must do so in writing to your National Director’s Office within 2 weeks of receipt of the decision on your application. You will be advised on the decision relating to your appeal with 3 weeks.

LHO/GM/Hospital Manager

On receipt of application under this scheme please acknowledge to the applicant. Please complete portion of application form in which you are required to make your recommendation on the application. You should ensure that you arrange to submit the form to the Asst. National Director PCCC/Hospital Network Mgr/AND - Function for your area within 2 weeks of receipt to allow for adherence to the deadlines on decisions. Note any decisions to defer or refuse an application must be accompanied by a written explanation for the decision taken.

ASST. NATIONAL DIRECTOR/HOSPITAL NETWORK MANAGER

On receipt of the application from the LHO/Network Manager/Gen Mgr you are required to complete the relevant section of the form within one week and submit to the Area Employment Monitoring Group for your area. All deferred / refused applications must be accompanied by a written explanation of the reasons associated with the decision taken.

APPLICATION FORM FOR INCENTIVISED SCHEME OF EARLY RETIREMENT

- Applicants are advised to read **HSE HR Circular 16/2009** and the **Frequently Asked Questions** document carefully before completing and signing this form. These documents are available on the HSE Intranet or from your Administrative Area Human Resource Department (see *who can I contact?*).

1. NAME: _____

2. CORRESPONDENCE ADDRESS: _____

3. TELEPHONE NUMBER: Work _____ Other _____

4. EMAIL ADDRESS: _____

5. DATE OF BIRTH: _____

6. EMPLOYEE NUMBER: _____

7. PPS NUMBER: _____

8. TITLE OF POST AND GRADE: _____

9. WORK LOCATION (e.g. Hospital, PCCC Area) _____

10. LINE MANAGER: _____ TITLE: _____

11. LINE MANAGER CONTACT DETAILS (telephone & email): _____

12. **LAST DATE OF SERVICE** (Note: While applicants can indicate a preferred last date of service, it is a matter for Line Management to determine the final date of service – last paragraph on page 3 of HSE HR Circular 16/2009 refers. The preferred date must be at least six weeks from the date the application is made and no later than 30 November 2009).

PREFERRED LAST DATE OF SERVICE: _____

EMPLOYEE'S SIGNATURE: _____ **DATE:** _____

FORM OF ACCEPTANCE FOR THOSE GRANTED THE INCENTIVISED SCHEME OF EARLY RETIREMENT FROM THE PUBLIC HEALTH SECTOR

I, _____ (name in block capitals) have read carefully and fully understand the terms and conditions applying to the offer of retirement under the terms of the Incentivised Scheme of Early Retirement as outlined in HSE HR Circular 016/2009. I fully accept the terms and agree to be bound by them. I accept that my last date of service will be _____

I fully understand that in line with the provisions of the Scheme I am not eligible for re-employment in the public health sector. I also accept the condition of this Scheme that, if I am employed at any time in the future by any other public service body, I must inform that body that I am a beneficiary of this Scheme. I also undertake to inform my former employer of any such employment. I fully understand that payment of my pension will be abated with effect from the date of appointment to the other body and that abatement will continue for as long as I am employed in the public service or until maximum pension age under the civil service scheme. I also understand that if I acquire further superannuation benefits in the public service, my total superannuation entitlements in the public service will be limited to 40 years or the equivalent.

I acknowledge also that the HSE reserves the right to recover, by civil proceedings or otherwise, any overpayments of pension to me arising from my failure to notify the former employer of my employment in a public service body.

I hereby consent to the storage of my PPS number as contained in my Personnel file in a Central Database.

I fully understand that the PPS number will be used for the purpose of ascertaining whether an individual between the ages of 50 and 65 who is being recruited to any part of the Public Service is in receipt of any payment under this Incentivised Scheme of Early Retirement.

I fully understand that in the event that an individual between the ages of 50 and 65 is recruited to the Public Service, the PPS number will automatically be forwarded to the Central Database to ascertain whether the person concerned is in receipt of a pension under this Scheme. In the event that they are, I fully understand that the rules in relation to abatement as contained within the Scheme will apply.

Signature of staff member _____ -
Date _____

Signature of witness _____
Date _____

Occupation of witness _____

Address of witness _____

Office use only

Please tick appropriate box:

1. Recommended: Refused: Deferred:

If refused / deferred, please outline business reasons for decision and attach to this form

Recommended by: _____
LHM – PCCC / Hospital Manager/GM

Title: _____

Date: _____

2. Approved: Refused: Deferred:

If refused / deferred, please outline business reasons for decision and attach to this form

Approved by: _____
Hospital Network Manager / AND

Title: _____

Date: _____

3. AEMG Approval: Refused: Deferred:

If refused / deferred, please outline business reasons for decision and attach to this form

Decision of AEMG:

Signed by Chair of the AEMG: _____

Date: _____

Date received by Redeployment Manager: _____

Date of AEMG Meeting: _____

Date decision issued to applicant with Form of Acceptance for completion: _____

Date completed Form of Acceptance received: _____

Copy to Pensions Section on: _____