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24 July 2000

Mr Martin McDonald
Project Manager
Health Service Employers Agency
63-64 Adelaide Road
Dublin 2

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DEPARTMENT OF

ENVIRONMENT AND

LOCAL GOVERNMENT

Permanent Pensionable Part-Time Working

Dear Mr McDonald

I refer to your letter of 19 July 2000 in relation to the introduction of permanent pensionable part-time working in the health service.

It is noted that the Department of Finance have agreed with the measures proposed, including the deduction of superannuation contributions on the basis of pro-rata coordination with social insurance, in anticipation of formal change in Government policy in this matter following the publication of the final report of the Commission on Public Service Pensions.

Following correspondence and discussions between both Departments, the Department of Health and Children in a letter to this Department last year accepted in principle that this Department's continuing involvement in health service superannuation issues on a long-term basis was not viable and that the question of the future administration of pensions in the health sector would be examined in the light of the Government's decision on the Commission's final report.

Since the Agency was established, this Department has had no role in relation to pensions policy affecting the health service specifically. A number of changes have been introduced which have been specific to the health service and have not carried through to the Local Government Superannuation Scheme. This is another issue which falls in to this category and is seen by this Department as primarily a matter between the Agency, the Department of Health and Children and the Department of Finance. The most appropriate way of giving statutory effect to these changes may be within whatever new pension structures may be established on the health side.

On the question of the pensionability of part-time employees generally, this Department will await the Government's decision on the Commission's final report before deciding, in conjunction with the Department of Finance, on the manner in which pensionability for part-time local authority employees will be introduced.

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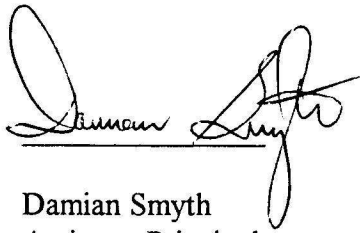
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The Protection of Employees (Part-Time Work) Bill, 2000 may be relevant in this connection also.

As to the measures now proposed in relation to the health service it is noted that contributions would be levied on a pro-rata basis. It is assumed that this means, for example, that a fully insured permanent part-time employee who works 25% of equivalent full-time hours would pay 25% of the contributions the fully insured full-time employee would pay. It is also noted that the pension entitlement of the part-time employee would be fully co-ordinated with the social welfare old age contributory pension and that these measures are being proposed pending finalisation of the Commission's final report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Damian Smyth', written over a horizontal line.

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cc Ms Sarah Kyne, Pensions Section, Department of Finance
Mr Fergal Lynch, Personnel Management and Development, Department of Health and Children