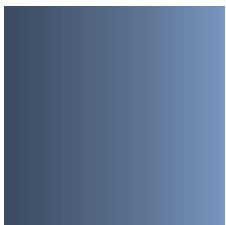
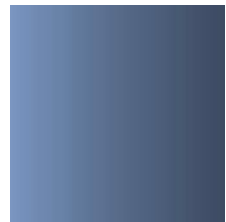
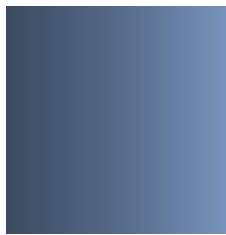




1995/2008 Pension Service Scheme Members Guide



Welcome

Welcome to the guide for the 1995/2008 HSC Pension Service Scheme for Northern Ireland. This Scheme closed with effect from 1 April 2015 except for some members entitled to continue in this Scheme through ‘Protection’ arrangements. On 1 April 2015 a new HSC Pension Service Scheme was introduced. This new Scheme covers all former members of the 1995/2008 Scheme not eligible to continue in that Scheme as well as new HSC employees on or after 1 April 2015.

To determine which Scheme, you are eligible for please visit our website at:

<https://hscpensions.hscni.net/hsc-pension-scheme/>

If you have been a member of the 1995/2008 Scheme before moving to the 2015 Scheme please see the 12-part, online guide for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme available on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/hsc-pension-schemes/hsc-pension-scheme-guides/>

If you only have Pension Credit membership in the Scheme, the information in this guide may not apply. Information for Pension Credit members is available on our website at:

<https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/transferring-benefits-in-or-out-hsc/>

We hope that you find this guide useful and informative. If you have any feedback about it then please contact us using the details on page 45.

How will this guide help you?

For those who are eligible to continue in or who have previously been a member of this Scheme, this guide explains the two different sections of the 1995/2008 HSC Pension Service Scheme (referred to as ‘this Scheme’ in this guide) and the different types of members there are. This will help you understand which section of this Scheme you belong to.

By reading this guide you should get a good idea of the benefits that this Scheme provides. We also explain the main features and highlight where to get more information if you need it. More detailed information is available on our website at: <https://hscpensions.hscni.net/>. This includes a range of factsheets that explain specific parts in more detail.

Membership of the HSC Pension Service Scheme allows you to receive tax relief on your contributions and on any lump sum, within certain limits, you receive when you retire. Pensions are taxed in the same way as income when they are in payment.

There are limits on the amount of pension benefits you can have without incurring additional tax. More information about this can be found on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/annual-allowance-lifetime-allowance-2/annual-allowance/>

The small print

This guide is intended to provide you with a general overview of the benefits provided by the 1995/2008 HSC Pension Service Scheme. We have taken great care to get the details right at the time of publication but it does not give a complete or legally binding statement of the law and regulations which govern this Scheme. Nothing in this guide can override the Regulations which set out the conditions of entitlement and determine the rate at which benefits are payable. In the event of any conflicting information, the Regulations will prevail. You can find the most up to date version of this guide on our website at:

<https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/hsc-pension-schemes/hsc-pension-scheme-guides/>. If you are in any doubt about how your benefits are calculated or what you may be entitled to, please contact your local pension administrator or HSC Pension Service.

Like other public sector pension schemes, the HSC Pension Service Scheme contains provisions which, in certain extreme circumstances, could result in the offsetting or forfeiture of all or a part of a member's benefits.

Offsetting (a reduction in the amount of benefits payable) can be authorised if as a result of member's criminal, negligent or fraudulent act or omission a loss to public funds occurs arising out of, or in connection with, the member's employment.

Forfeiture (loss of all or part of pension rights) can be authorised where the Secretary of State is satisfied that the offence has been gravely injurious to the State or is liable to lead to serious loss of confidence in the public service.



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General information

How does this guide work?

This guide provides information for the different types of HSC workers in Northern Ireland who are entitled to join or continue in this Scheme and explains the different benefits that apply to them. It is important for you to understand that your benefit will depend upon your type of employment, when you joined or re-joined this Scheme and any decisions you may have already made about your HSC Pension.

We use colour coding within this guide to help you identify the different sections of this Scheme and to show you which benefits are applicable to you.

If there are different benefits for different sections of this Scheme they are explained in separate coloured boxes, orange for the 1995 Section and blue for the 2008 Section.

Icons (small pictures) are used throughout this guide to indicate the different types of HSC worker. If the icon is crossed out, the benefit described does not apply to that type of member.

Which icon are you?



HSC staff (officers)

This group covers most employees working in the HSC, clinical commissioning groups (CCGs), commissioning support units (CSUs) and area teams (ATs).

Practice and approved employer staff (officers)

This group includes general practice staff, non-GP providers and eligible staff of an independent provider granted access to the Scheme. It also includes eligible staff of an employer granted direction or determination status by the Secretary of State.



Practitioners

This means general practitioners (GPs), general dental practitioners (GDPs), and ophthalmic medical practitioners (OMPs).

Important

The NHS has separate pension schemes in England, Scotland and Wales. If you change employer and have pensionable employment in another NHS scheme, you might wish to consider transferring your pension benefits. More information about this is available on our website at:

<https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/transferring-benefits-in-or-out-hsc/>

What counts as pensionable pay/pensionable earnings?

Your pensionable pay/earnings are determined by your employment or engagement terms as shown in the table below.

<p>Employed by:</p> <ul style="list-style-type: none"> • an HSC organisation; or • a GP surgery; or • a direction body; or • an independent provider 	<p>Pensionable pay includes:</p> <ul style="list-style-type: none"> • salary • wages • fees 	<p>Pensionable pay excludes:</p> <ul style="list-style-type: none"> • bonuses • payments to cover expenses • payments for overtime in excess of full time equivalent hours • non-consolidated pay awards/increases
<p>A member who is engaged as:</p> <ul style="list-style-type: none"> • a GP or non-GP provider • a general dental practitioner 	<p>Pensionable earnings:</p> <ul style="list-style-type: none"> • as set out in the Providers certificate of pensionable income and other GP pension forms, see our website for more information • as set out in the general dental practitioner's annual reconciliation report (ARR), see our website for further information 	<p>Pensionable pay excludes:</p> <ul style="list-style-type: none"> • non-HSC income • expenses

Protection of pay

If through no fault of your own your pay level is reduced, you can apply for the higher rate of pay to be protected for pension purposes. You must do this within three months of your pay reducing. When you leave, your benefits to the date of reduction will be based on this rate of pay, or your rate of pay at retirement (whichever is the higher amount).

2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please also read the information for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about protection of pay. This is available on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/hsc-pension-schemes/hsc-pension-scheme-guides/>

Earnings cap

You are subject to the pensionable earnings cap for any membership prior to 1 April 2008 if you either:

- first joined this Scheme on or after 1 June 1989 or
- joined before 1 June 1989 but had a break in pensionable employment of 12 months or more that spanned 1 June 1989

Annual Benefits Statements (ABS)



Annual Benefits Statements provide you with information about your pay, annual leave, local benefits offered by your employer and HSC Pension Service Scheme benefit information (if applicable). The statements are available online for you to view at any time and are refreshed once a year with the information your employer provides to us. For more information about the statements and how to access them please visit the ABS information via Member Self Service website at:

<https://mypension.hscni.net/>



Summary of the main features and benefits

A brief summary of this Scheme's benefits is shown in the table below. The following pages explain these benefits in more detail, describe how they are calculated and who they apply to.

Feature or benefit	HSC staff (officers) and practice and approved employer staff (officers) 		Practitioners 	
	1995 Section	2008 Section	1995 Section	2008 Section
Member contributions	5% - 14.5% depending on rate of pensionable pay		5% - 14.5% depending on amount of pensionable earnings	
Pension	An annual pension worth 1/80th of the best of the last 3 years' pensionable pay per year, and pro rata for any part year, of membership	An annual pension worth 1/60th of reckonable pay per year, and pro rata for any part year, of membership	An annual pension worth 1.4% of total uprated annual earnings	An annual pension worth 1.87% of total uprated annual earnings
Retirement lump sum	3 x pension. Option to exchange part of pension for more cash at retirement up to a limit	Option to exchange part of pension for cash at retirement up to a limit. Some members may have a compulsory amount of lump sum	3 x pension. Option to exchange part of pension for more cash at retirement up to a limit	Option to exchange part of pension for cash at retirement up to a limit. Some members may have a compulsory amount of lump sum
Normal pension age (NPA)	60	65	60	65
Minimum pension age	55 (50 if you joined before 6 April 2006)	55	55 (50 if you joined before 6 April 2006)	55
Pensionable pay	Normal pay and certain regular allowances		Pensionable earnings from HSC work	
Uprated earnings	Not relevant		The final value of pensionable earnings after adding all years' revalued earnings. Revaluation factors are a way of increasing the recorded value of each year's pensionable earnings to maintain their buying power by reference to current earning values (also called Indexation Factors and Dynamising Factors)	
Lump sum on death (active member)	2 x final years' pensionable pay (actual pensionable pay for part time workers)	2 x reckonable pay (actual reckonable pay for part time workers)	2 x average annual uprated pensionable earnings	

Membership and Contributions

Eligibility to continue in the 1995/2008 HSC Pension Service Scheme

This Scheme closed with effect from 1 April 2015 except for some members entitled to continue in this Scheme through ‘Protection’ arrangements. For more information about Protection arrangements please visit our website at:

<https://hscpensions.hscni.net/hsc-pension-scheme/scheme-forms/pp1-guidance/>

The 1995/2008 Scheme closed to all members from 31 March 2022. All members actively contributing to the HSC Pension Service Scheme from 1 April 2022 are in the 2015 Scheme.

There are two sections of this Scheme called the 1995 Section and the 2008 Section with different eligibility requirements.

You will not be eligible to continue in either section if you:

- are aged over 75
- have reached 45 years’ pensionable calendar* membership
- only hold an honorary HSC appointment
- are not a practitioner and are employed through a General Dental Services (GDS) or Personal Dental Services (PDS) contract.

*Special Class members are restricted to 40 years maximum membership at age 55 and 45 years thereafter

If you are a member of the 2008 Section, please also see the information about maximum pensionable membership on page 18.

There are further restrictions on eligibility to join this Scheme for some members who are already in receipt of their HSC pension. For more information please visit our website at:

<https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/ill-health-retirement/returning-to-work-with-a-tier-2-ill-health-pension/>

Opting out of this Scheme

You can opt out of this Scheme at any time. You can do this by completing the application to leave the HSC Pension Service Scheme (SD502) form which is available to download and print from our website at: https://hscpensions.hscni.net/wpfd_file/sd502-application-to-leave-the-scheme-form/ If you are in HSC employment you may rejoin if you continue to satisfy the eligibility conditions. You may be required to join the 2015 Scheme depending on your circumstances. You may not rejoin if you are absent from work for any reason.

Important

Whilst you are a contributing member of this Scheme, you are entitled to death in membership benefits including life assurance and family benefits. If you leave this Scheme these benefits may no longer be payable or depending upon your circumstances a lower amount may be payable. Please see the ‘Life assurance and family benefits’ section on page 38 for more details.

Costs and Contributions

The cost of providing the HSC Pension Service Scheme is shared between members and employers. As a member you pay a contribution towards your pension based upon your pensionable pay; the more you earn, the higher your contribution rate may be. Employers pay the rest. There are several rates of member contribution, which are set against nationally agreed full time pay rates. These range from 5% to 14.5%.

If the overall cost of providing the Scheme changes, the amount you and employers contribute may also change. Pension contributions are taken from your pay before tax so you receive tax relief on any amount you pay. This can reduce the net amount that you pay depending on your contribution rate, earnings level and personal rate of tax.



Increasing pension saving

You can increase the amount of benefits you receive at retirement by paying extra contributions. These are called Additional Voluntary Contributions or AVCs. There are different ways of doing this and each buys you different benefits.

Buying Additional Pension

Additional pension is a flexible way of increasing your HSC pension. Under this option you elect to buy a set amount of annual pension, which you can pay for either with a lump sum payment or by regular contributions deducted from your pay for an agreed period of time. The minimum amount of additional pension you can buy is £250 and the maximum amount is £5,000. Additional pension is protected against inflation by being index linked both before and after retirement. You can choose whether your additional pension is just for you or also provides benefits for your dependants when you die. There is a tool to calculate the cost of buying additional pension on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/estimates-calculators/calculators/>

Other ways of increasing your HSC Pension

1995 Section

Buying back previously refunded membership - half cost Added Years

If you had a refund of contributions for any membership before 6 April 1978, or for a later period when you were a self-employed practitioner you may be able to buy this membership back as Added Years at half the normal cost.

Unreduced lump sum:

Some members may have a reduced lump sum for membership before 25 March 1972.

You can choose to buy an unreduced lump sum so that your retirement lump sum is three times your pension.

Full cost Added Years:

The option to buy full cost Added Years closed to new applications on 31 March 2009. If you started a contract before that date you may complete it, provided you remain in the 1995 Section and do not have a break in membership of 12 months or more.

Scheme membership built up from 1 April 2008 is no longer subject to a pensionable earnings cap. However, if you were subject to the pensionable earnings cap in respect of some or all of your membership before that date and are buying:

- full or half cost Added Years; and/or
- an unreduced lump sum.

Under a contract that started before 1 April 2008, you will pay the additional contributions only based on notional capped pay.

The most that you can pay in additional contributions is 100% of your taxable pay less your standard contributions. These are subject to an overall maximum tax-free annual allowance limit set by HMRC.

2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please also read the information for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about continuing with existing purchases. This is available on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/increasing-your-benefits-additional-pension-added-years-errbo/>

Important

Annual allowance (AA)

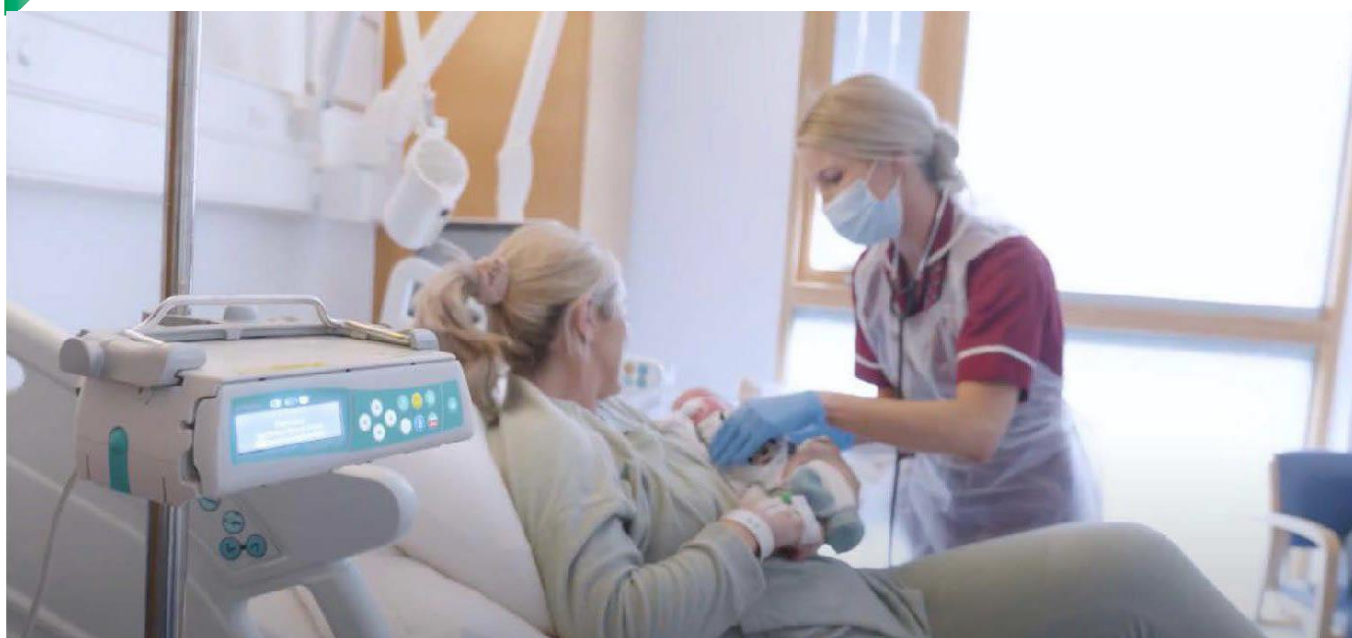
There is a maximum amount of pension saving that you can build up in any one year before incurring a tax charge. This is known as the 'annual allowance (AA)' and includes benefits built up in the HSC Pension Service Scheme as well as other pension savings. The annual allowance is set by HM Revenue and Customs (HMRC). The current standard annual allowance is £40,000 and will be increased to £60,000 from 6 April 2023. Your annual allowance may be tapered down to a lower limit from 6 April 2016 if you have a taxable income of more than £240,000 or £260,000 from 6 April 2023. Your annual allowance may be lower if you have flexibly accessed any defined contribution scheme provisions. This includes the HSC Money Purchase AVC Scheme.

Lifetime allowance (LTA)

There is a limit on the amount of tax-free benefits you can be provided with from this Scheme. This is known as the 'lifetime allowance'.

The government has announced that the lifetime allowance will be removed from 6 April 2023 and abolished from 6 April 2024. If you retire on or after the 6 April 2023 there will be no lifetime allowance charge on the pension benefits paid to you. The maximum retirement lump sum, known as the pension commencement lump sum, you will be able to take tax free is £268,275 unless you have lifetime allowance protection from HMRC.

You can get more information about tax charges and your options to pay the pensions savings charge on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/annual-allowance-lifetime-allowance-2/lifetime-allowance/>



Transferring previous pension benefits

You may apply to transfer your previous pension rights into this Scheme if your previous pension scheme is registered by HMRC and we receive your application within the time limits set out below.

The transfer will buy you a membership credit in this Scheme and therefore increase your HSC Pension Service benefits. If you are considering a transfer please contact your employer who will explain what you need to do. You can download the Transfer In Guide and application pack from our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/hsc-pension-schemes/hsc-pension-scheme-guides/section-6-transferring-scheme-benefits/>

Important

There are additional time limits that must be met in respect of transfers between Club schemes. More information is available in the Transfer In Guide and application pack which is available on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/transferring-benefits-in-or-out-hsc/>. If you have been a member of the NHS Pension Schemes in England, Scotland or Wales it is important to note that your benefits will not transfer automatically to this Scheme. You must apply in writing to HSC Pension Service for a transfer to be made.

1995 Section

Important notice

Applications to transfer benefits into this Section must be made within **12 months** of joining this Scheme for the first time. A transfer payment cannot be accepted if our Option forms are completed or you join after age 60. Special rules apply to HSC employees transferring from NHS Pension Schemes in England, Scotland or Wales or where the employment is transferred as a result of a transfer under TUPE arrangements.

2008 Section

Important notice

Applications to transfer benefits into this Section must be made within **12 months** of becoming eligible to join this Scheme for the first time. A transfer payment cannot be accepted if our Option forms are completed or you join after age 65. Special rules apply to HSC employees transferring from NHS Pension Schemes in England, Scotland or Wales or where the employment is transferred as a result of a transfer of undertaking (TUPE).

Leaving

Leaving early

This Scheme provides a number of options for those who leave or opt out before retirement. The options available depend on your length of membership.

Option	Less than two years' membership when you leave*	At least two years' membership when you leave
Leave your benefits in this Scheme and take a deferred pension	No, unless you have transferred in a personal pension	Yes
Transfer the value of your benefits to another HMRC registered pension arrangement subject to satisfying time limits	Yes, if you are under normal pension age; and you joined your new pension arrangement within 12 months; and you apply for the transfer within 12 months of joining your new arrangement	Yes, if under normal pension age but only to another occupational pension scheme that provides defined benefits
Refund of your contributions, less tax and National Insurance contributions	Yes, if under normal pension age and you have not transferred a personal pension into the Scheme	No

*Membership in the 1995 Section counts as qualifying membership in the 2008 Section of this Scheme. Having at least two years' qualifying membership in total means you are not eligible for a refund of pension contributions.



Transferring your pension benefits out of this Scheme

If you leave the HSC or leave this Scheme, you may be able to transfer your HSC benefits to another registered pension scheme before you reach your normal pension age. A transfer payment is worked out by converting the value of your pension rights to a current cash equivalent value. This is done using factors supplied by the Scheme actuary in relation to your age at the date of calculation.

Taking a refund

If you have been in this Scheme for less than two years you may be able to have your contributions refunded, less tax. You will not be entitled to claim a refund if:

- you are over normal pension age as you will be entitled to pension benefits
- you are a 2008 Section member in receipt of a 1995 Section pension but have not reached normal pension age for the 2008 Section. In this circumstance your 2008 Section benefits will be deferred until your normal pension age or will be reduced if claimed early.
- you have transferred in a personal pension

Further information

For more information about leaving this Scheme please read the Leaving Early and Transferring Out Guide available on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/opting-out-or-leaving-the-scheme/>

2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please also read the information for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about your options if leaving the Scheme. This is available on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/hsc-pension-schemes/hsc-2015-care-scheme/>

Rejoining this Scheme

Important

This Scheme closed with effect from 1 April 2015. Some members were entitled to stay in the Scheme through protection arrangements. This was found to discriminate against younger members and changes were made to remove this discrimination. You can find out more about the changes on our website: <https://hscpensions.hscni.net/hsc-pension-scheme/mccloud-ruling-hsc/>

All members contributing to the HSC Pension Service Scheme from 1 April 2022, are members of the 2015 Scheme.

Rejoining this Scheme before retirement

If you change jobs within the HSC, you will be able to re-join the Scheme. If you are eligible to rejoin the Scheme and

- i) have built up pension benefits in either the 1995/2008 Section, and
- ii) the break in membership is 12 months but no more than 5 years,

your pension benefits from the 1995/2008 Section at retirement will be worked out in whichever of the following two ways gives the highest financial outcome for you:

- i) your period of membership in the 1995/2008 Section using the final year's pensionable pay (or reckonable pay); or
- ii) your period of membership in the 1995/2008 Section using the pensionable pay (or reckonable) at the time of the break, re-valued to your retirement date.

If you have a break in membership of more than 5 years the comparison will be worked out on your pay at the time of the break only.

If you are a practitioner and rejoin the Scheme after a break in membership of no more than 5 years, any pension in the 1995 or 2008 Section will be based on all your practitioner earnings up to your last day in that Section. Those earnings will then be revalued to the date of your retirement.

If you stop work as a practitioner after re-joining the Scheme or have a break in membership of more than 5 years, the revaluation will cease at the point this work ends.

More information can be found on our website.

Rejoining this Scheme after retirement

1995 Section

If you are in receipt of an HSC Pension Service you can rejoin the Scheme after a 24-hour break if you are aged under 75 years. On rejoining you will build up additional benefits in the 2015 Scheme.

2008 Section

If you are in receipt of an HSC Pension Service you can rejoin the Scheme after a 24-hour break if you are aged under 75 years. On rejoining you will build up additional benefits in the 2015 Scheme.

Retirement

Normal pension age

The normal pension age is the age that you can retire from HSC employment and have your pension paid without reduction or enhancement. The actual age that applies to you will depend on which section of this Scheme you are in and your status. The differences for each type of member are described below.

1995 Section

The 1995 Section's normal pension age is 60. If you work beyond age 60 your pension will be payable from when you eventually retire but will not be backdated. If you have one HSC job you must retire from the job for at least 24 hours to qualify for your pension. If you have two or more concurrent pensionable jobs in the HSC you are only required to retire for at least 24 hours in one of them provided that the remaining jobs totals 16 hours a week or less. However, you must cease to be pensionable in all your other jobs. If you are retired prematurely due to redundancy or interest of efficiency of the service, you should read the additional information in the Premature retirement section of this guide on page 29. You may not rejoin this Scheme once you are in receipt of a pension (unless it is an ill health retirement pension and you are under age 50).

2008 Section

The 2008 Section's normal pension age is 65. If you work beyond age 65 your pension will be payable from when you eventually retire and it will be increased because it is being paid later. More details about this are in the late retirement section of this guide on page 32. You must stop work in all your jobs for at least 24 hours to enable all of your retirement benefits to be paid. A 24 hour break is not required if you partially retire and utilise flexible retirement options.

Maximum pensionable membership and age restrictions – 2008 Section

Members can build up 45 years pensionable membership in total. If you reach 45 years pensionable membership and continue in HSC employment you can, if you wish, continue to pay contributions into the 2008 Section. To be eligible you must apply in writing giving notice of your intention to stay in pensionable employment beyond 45 years. HSC Pension Service, on behalf of the Secretary of State, and your employing authority should receive that notice no earlier than three months before you reach the 45-year limit and by the end of the pay period during which you reach this limit. HSC Pension Service will, exceptionally, consider late applications if there are extenuating circumstances.

Contributions can then be paid until you reach age 75, opt out or claim your pension.

For members who elect to contribute to the 2008 Section after they have reached 45 years pensionable membership, any benefits payable will be assessed taking into account the reckonable pay up to the date you stop contributing to the scheme or retire. Pension benefits will be calculated using the most beneficial 45 years.

1995 Section



Members with Special Class/Mental Health Officer (MHO) Status

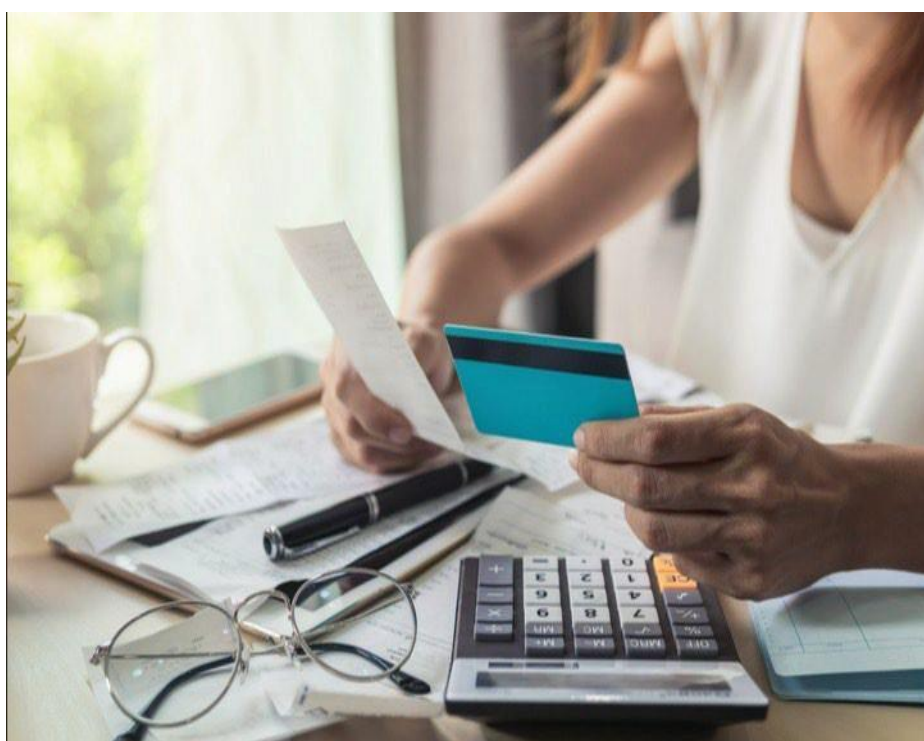
Nurses, midwives, health visitors and physiotherapists in post on or before 6 March 1995 who have not had a break in pensionable employment of any one period of five years or more, may have the right to retire from a normal pension age of 55 without a reduction to their pension. MHOs in post on or before 6 March 1995 with at least 20 years' MHO membership, who have not had a break in pensionable employment of any one period of five years or more may also have the right to retire from 55. If your benefits are deferred your normal pension age will be age 60. To be eligible for Special Class or MHO status and the right to retire from a normal pension age of 55 certain criteria must be met. Further information detailing these criteria can be found in the Special Class and MHO information available from our website at:

<https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/membership-contributions-pay/special-class-status/>

2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please read the information for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about special class and mental health officers. This is available on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/membership-contributions-pay/special-class-status/>

You may choose to retire from work before your normal pension age although your benefits will be reduced because they will be paid earlier than expected and for longer than if you had retired at your normal pension age. Further details on this are included in the early retirement section of this guide on page 28.



Benefits at retirement

This part of the guide describes the benefits that you can expect to receive from this Scheme when you choose to retire at normal pension age.

1995 Section

The pension for 'officers' is based on your final years' pensionable pay at retirement, or in either of the two preceding years if higher.



2008 Section

The pension for 'officers' is based on your reckonable pay at retirement. This is the average of the best consecutive three years pensionable pay out of the final ten years prior to retirement. Each year in the last ten will first be revalued in line with the Consumer Price Index (CPI).



In both the 1995 and 2008 Sections the pension for 'practitioners' is based on a percentage of your earnings throughout your career. These earnings are revalued to maintain a current value at retirement.



2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please read the information for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about claiming your benefits. This is available on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/hsc-pension-schemes/hsc-2015-care-scheme/>

Pension and lump sum

In both sections of this Scheme you will receive an annual pension. In the 1995 Section you will automatically receive a retirement lump sum which will normally be three times your annual pension. Members of both sections are able to give up some of their annual pension, up to a maximum amount, in exchange for a larger lump sum.

Mixed employment - pension flexibilities

Practitioners who have also worked as HSC staff or as a GP registrar may have built up pension benefits on a final salary basis as well as on a CARE basis. Members who have this type of mixed employment will have additional calculations applied to their pension records to ensure that the most favourable amount of benefits are paid to them.



Further information

More details about practitioner pension benefits and flexibilities are available on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/partial-retirement/>

Members working part time



For calculating benefits, membership means the actual amount of membership you have built up in this Scheme. For example, someone who has worked part time, 50% of standard full-time hours, for 20 years will have 10 years' membership counting towards their benefit calculations. The other main factor in calculating benefits, final years' pensionable pay, or reckonable pay, is based on the full-time equivalent salary for that job. In the example given the 50% part time worker may have earned £12,500 a year but for the purpose of calculating benefits the 100% full time rate of £25,000 is used.



Benefit examples

1995 Section benefit examples - officers



You will receive a pension and a retirement lump sum based on the best of your last three years' pensionable pay.

Your pension is 1/80th of the best of the last three years' pensionable pay for each year of pensionable membership in this Section. Part years will also count proportionally towards your pension.

Your pension is calculated as follows:

pensionable pay x pensionable membership in days x (1/80 x 1/365) = pension

Your retirement lump sum is normally three times the pension. It is calculated as follows: **annual pension x 3 = retirement lump sum**

Example 1

A midwife retires after 28 years and 173 days' pensionable membership with the best of the last three years' pensionable pay of £25,650.

Her pension is $\text{£}25,650.00 \times 28 \text{ years } 173 \text{ days} \times (1/80 \times 1/365) = \text{£}9,129.48 \text{ per year } 3$

Her retirement lumpsum is $\text{£}9,129.48 \times 3 = \text{£}27,388.44$

The following table can be used to provide a guide to your estimated pension amount. It shows how much annual pension is payable for years of membership at different pay levels.

		Pensionable pay (£s)					
		20,000	30,000	40,000	50,000	70,000	100,000
Membership - Number of years	1	250	375	500	625	875	1250
	2	500	750	1000	1250	1750	2500
	3	750	1125	1500	1875	2625	3750
	4	1000	1500	2000	2500	3500	5000
	5	1250	1875	2500	3125	4375	6250
	6	1500	2250	3000	3750	5250	7500
	7	1750	2625	3500	4375	6125	8750
	8	2000	3000	4000	5000	7000	10000
	9	2250	3375	4500	5625	7875	11250
	10	2500	3750	5000	6250	8750	12500
	20	5000	7500	10000	12500	17500	25000
	30	7500	11250	15000	18750	26250	37500
	40	10000	15000	20000	25000	35000	50000
	45	11250	16875	22500	28125	39375	56250

1995 Section benefit examples - practitioners



You will receive a pension based on a percentage of your career earnings and a retirement lump sum.

Your pension is based on 1.4% of your revalued career earnings. This is achieved by recording your pensionable earnings for each year of membership in the Scheme and applying a revaluation factor. The revaluation factor used to revalue your earnings each year is 1.5% above the amount of the annual increase due under the Pensions Increase Acts. The resulting figure is known as your updated earnings.

Your pension is calculated as follows: **updated earnings x 1.4%**

Your retirement lump sum is normally three times the pension.

The following table can be used to provide a guide to your estimated pension amount:

Average annual practitioner earnings (£s)							
Based on 40 years membership	40,000	50,000	60,000	70,000	80,000	90,000	100,000
Annual practitioner pension for each year of membership (£s)	560	700	840	980	1,120	1,260	1,400
Total annual practitioner pension (£s)	22,400	28,000	33,600	39,200	44,800	50,400	56,000

Example 2

A GP retires at age 60. Her earnings for each of the years as a practitioner are revalued and added together giving an updated earnings figure of £1,500,000. This total is multiplied by 1.4% to give her annual pension. Her retirement lump sum is three times that amount.

Her pension is: **£1,500,000 x 1.4% = £21,000 per year and a retirement lump sum of £63,000**

2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please read the information for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about claiming your benefits. This is available on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/hsc-pension-schemes/hsc-2015-care-scheme/>

2008 Section benefit examples - officers



You will receive a pension based on your reckonable pay. Your reckonable pay is the average of the best three consecutive years' pensionable pay in the last ten.

Your pension is 1/60th of your reckonable pay for each year of pensionable membership in this Section. Part years will also count proportionally towards your pension. You will have the choice of taking a retirement lump sum by reducing your annual pension.

Your pension is calculated as follows:

$$\text{reckonable pay} \times \text{pensionable membership in days} \times (1/60 \times 1/365) = \text{pension}$$

The following table can be used to provide a guide to your estimated pension amount. It shows how much annual pension is payable for years of membership at different pay levels.

		Reckonable pay (£s)					
		20,000	30,000	40,000	50,000	70,000	100,000
Membership - Number of years	1	333	500	667	833	1167	1667
	2	667	1000	1333	1667	2333	3333
	3	1000	1500	2000	2500	3500	5000
	4	1333	2000	2667	3333	4667	6667
	5	1667	2500	3333	4167	5833	8333
	6	2000	3000	4000	5000	7000	10000
	7	2333	3500	4667	5833	8167	11667
	8	2667	4000	5333	6667	9333	13333
	9	3000	4500	6000	7500	10500	15000
	10	3333	5000	6667	8333	11667	16667
	20	6667	10000	13333	16667	23333	33333
	30	10000	15000	20000	25000	35000	50000
	40	13333	20000	26667	33333	46667	66667
	45	15000	22500	30000	37500	52500	75000

Example 3

A midwife retires after 28 years and 173 days' pensionable membership with reckonable pay of £25,650.

Her pension is: **£25,650 x 28 years 173 days (in days) x (1/60 x 1/365) = £12,172.62 per year**

2008 Section benefit examples - practitioners



You will receive a pension based on your career earnings.

Your pension is based on 1.87% of your revalued career earnings. This is achieved by recording your pensionable earnings (the amount of your income that represents your earnings for HSC work) for each year of membership in this Section and applying a revaluation factor. The revaluation factor (also known as Indexation Factors and Dynamising Factors) used to revalue your earnings is 1.5% above the amount of the annual increase due under the Pensions Increase Acts. The resulting figure is known as uprated earnings.

Your pension is calculated as follows: **uprated earnings x 1.87%**

The following table can be used to provide a guide to your estimated pension amount

Average annual practitioner earnings (£s)							
Based on 40 years' membership	40,000	50,000	60,000	70,000	80,000	90,000	100,000
Annual practitioner pension for each year of membership (£s)	748	935	1,122	1,309	1,496	1,683	1,870
Total annual practitioner pension (£s)	29,920	37,400	44,880	52,360	59,840	67,320	74,800

Example 4

A GP retires at age 65. Her earnings for each of the years as a practitioner are revalued and added together giving an uprated earnings figure of £1,500,000. This is multiplied by 1.87% to give her annual pension.

Her pension is: **£1,500,000 x 1.87% = £28,050.00 per year.**

2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please read the information for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about claiming your benefits. This is available on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/hsc-pension-schemes/hsc-2015-care-scheme/>

Retirement lump sums (Pension Commutation)

From both sections of this Scheme you are able to take some of your benefits as a retirement lump sum, providing you were actively contributing to the Scheme on or after 1 April 2008. This part of the guide describes your entitlement and options and provides some examples to show how these are calculated.

You may be able to take a maximum lump sum of 25% of your capital value. This is determined by a limit set by Her Majesty's Revenue and Customs (HMRC) and adopted by the Scheme Regulations. It is calculated by multiplying your pension by 20 and adding any lump sum to be paid. It applies across your entire pension arrangements so your HSC retirement lump sum may be limited to a smaller amount if you have other pension savings in payment. You cannot commute your pension to provide an additional lump sum that would cause you to exceed HMRC's authorised lump sum limits.

1995 Section

The 'Benefits at retirement' section of this guide explained that you will receive a retirement lump sum which is normally three times your annual pension. You also have the option of receiving a larger retirement lump sum and a smaller annual pension providing you were actively contributing to the Scheme on or after 1 April 2008.

You have to give up some of your pension to get more retirement lump sum. You will receive £12 of lump sum for every £1 of pension you give up.

Your capital value is determined by the HMRC rules and is calculated by multiplying your reduced pension by 20 and adding your total retirement lump sum. In the majority of cases the maximum lump sum you can take works out as approximately 5.36 times your annual 1995 Section pension.

Example 5

The midwife in example 1 decides to take a larger retirement lump sum when she retires. She receives £12 of lump sum for each £1 of annual pension given up so she chooses to exchange £500 of her annual pension to get an extra £6,000 lump sum ($£500 \times £12 = £6,000$).

Her benefits are now:

Pension	£9,129.48 - £500.00	= £8,629.48 per year
Retirement lump sum	£27,388.44 + £6,000.00	= £33,388.44

The maximum lump sum she could take is £21,516 higher than her normal lump sum. She would have to give up £1,793 of her annual pension to get this so her benefits would be:

Pension	£9,129.48 - £1,793.00	= £7,336.48 per year
Retirement lump sum	£27,388.44 + £21,516.00	= £48,904.44

2008 Section

There is no basic lump sum entitlement in the 2008 Section but you do have the option of receiving a retirement lump sum by giving up part of your pension.

The capital value of your benefits is determined by HMRC rules and is calculated by multiplying the pension you will receive by 20 and adding any retirement lump sum. In the majority of cases the maximum lump sum you can take works out as approximately 4.28 times your 2008 Section pension.

You have to give up some of your pension to get a retirement lump sum. You will receive £12 of retirement lump sum for every £1 of pension you give up.

Example 6

The midwife in example 3 decides to take a retirement lump sum when she retires. She receives £12 of lump sum for each £1 of annual pension given up so she exchanges £1,500 of her annual pension to get a retirement lump sum of £18,000 (£1,500 x £12 = £18,000).

Her benefits are now:

Pension	£12,172.62- £1,500.00	= £10,672.62 per year
Retirement lump sum		= £18,000.00

The maximum lump sum she could take is £52,164.00.

She would have to give up £4,347.00 of her annual pension to get this so her benefits would be:

Pension	£12,172.62-£4,347.00	= £7,825.62 per year
Retirement lump sum		= £52,164.00

2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please read the information for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about claiming your benefits. This is available on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/hsc-pension-schemes/hsc-pension-scheme-guides/>

Early retirement

Early retirement pension

An early retirement pension is reduced because it is being paid early and for longer than if you had retired at your normal pension age. The amount of the reduction depends on how many years before normal pension age the pension is being claimed and is applied to the pension before commutation (the exchange of some pension for a lump sum). Further information on early retirement is available on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/retirement/>

You may claim payment of your pension before your normal pension age if you meet all of the following criteria:

- have been in the Scheme long enough to qualify for pension benefits (currently two years)
- have ceased all HSC employment
- have reached normal minimum pension age. This varies depending on which Section you are in and when you started pensionable employment.

1995 Section

If you were an active member of this Section between 31 March 2000 and 5 April 2006 and have continued in active membership of this Section, you may take your pension from age 50. If you were not an active member between these dates then you cannot take your pension until age 55.

Members with deferred benefits who left this Scheme after 30 March 2000 may also choose to retire early on a reduced pension. Members who left this Scheme before 31 March 2000 cannot claim their benefits until age 60.

2008 Section

The minimum pension age is 55.

In the unlikely event that your reduced pension is less than the Guaranteed Minimum Pension (GMP), you will not be able to take actuarially reduced early retirement benefits. HSC Pension Service will advise you if this is the case and your options will be explained.

Pensions that are paid early are increased with inflation each April, but this will only start once you reach age 55, at which point your pension will be increased to take account of changes since it was awarded.

Premature retirement on redundancy

If you are retired prematurely because of redundancy your benefits may be paid immediately. You must have:

- at least two years' qualifying membership
- reached the minimum pension age
- two years' continuous employment
- contractual terms and conditions which entitle you to claim the redundancy pension as an alternative to receiving, either in whole or in part, the cash redundancy payment from your employer.

If you are made redundant after the minimum pension age you may choose to take your redundancy payment and have your pension paid at normal pension age, or take your pension benefits immediately. Whether your benefits will be unreduced or partially reduced will depend on your contractual terms and conditions.

If you choose to take your pension immediately your employer will use your redundancy payment to meet any additional costs that arise, paying the balance (if any) to you.

Where the amount of the redundancy payment is sufficient to meet the additional costs, your benefits will be paid in full.

Where the amount of the redundancy payment is not sufficient to meet the total additional cost of unreduced benefits, your employer will pay any shortfall if your contractual terms and conditions provide for this.

Where your contractual terms and conditions do not provide for your employer to pay any shortfall you will have the option to:

- pay the shortfall yourself and receive all of your benefits unreduced;
- pay part of the shortfall yourself and avoid the early retirement reduction in part; or
- make no top up payment yourself and receive benefits which are in part unreduced and part reduced.

Premature retirement in the interests of efficiency

If you are retired prematurely in the interests of the efficiency of the service your benefits may be paid without reduction and your employer will meet the cost of paying the pension early. To qualify you must have:

- reached the minimum pension age
- at least two years' qualifying membership
- at least two years' continuous employment.

More than one job in the HSC

If you are retiring on redundancy or in the interests of the efficiency of the service and you have more than one job in the HSC, you may either:

- take your benefits in respect of all your pensionable HSC jobs. If you do this, you must leave all your jobs for at least one day; or
- take your benefits only in respect of the employment from which you are retiring prematurely.

Further information

Further details on premature retirement can be found on our website at:

<https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/retirement/>

Helping you achieve a work-life balance

Both sections of this Scheme allow you to choose to retire between the minimum pension age and age 75 but there are also features to help you make the transition between work and retirement as you approach your normal pension age.



1995 Section

Flexible retirement

The 1995 Section allows you to retire and take your pension between age 55 (50 for some members) and 75. You can choose the time that suits you best. Your benefits will be reduced if they are paid before your normal pension age. There is also a facility to protect your pension if you wish to step down to a less demanding job.

Voluntary protection of pay (step down)

If you have two or more years' membership and you are over the minimum pension age and your pay reduces by at least 10%, you can apply for the higher rate of pay to be protected for pension purposes. An application must be made after 12 months but within 15 months of the pensionable pay reducing. This can only be done once; your pay must not have been subject to any other deductions in the previous 12 months and the reduction to your pay must be as a result of you taking up a job in a less demanding role or with less responsibilities. Your pensionable pay must remain reduced for at least a year. When you leave, your benefits to the date of reduction will be based on this rate of pay, or your actual rate of pay if that is better for you.

From 1 October 2023 you may be able to draw down some of your pension following partial retirement. More information can be found on our website: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/partial-retirement/>

2008 Section

Flexible retirement

The 2008 Section was designed to provide a great deal of flexibility around retirement. You can choose to retire between age 55 and 75 but the benefits would be reduced if they are paid before your 65th birthday. You do not actually have to leave the HSC to start drawing some of your pension and taking a lump sum. After you reach the minimum pension age you can consider moving towards retirement by reducing your working time or perhaps switching to a less demanding role. If you reduce your working time, your reckonable pay will still be based on your full-time equivalent salary. If you switch to a less demanding role, any higher earnings you may have had in the ten years prior to you finally retiring will be considered. You can also take the whole of your benefits by leaving the HSC. You may be able to return to employment and rejoin this Section or you could choose to keep working beyond the normal pension age and earn a larger pension.

Draw down

If you reduce your pensionable pay by at least 10% and you have reached the minimum pension age of 55, you may partially retire and take some of your benefits. You can take a minimum of 20% (or any minimum amount set by HM Revenue and Customs) and a maximum of 80% of your own pension entitlement and continue to build up future membership. The benefits would be reduced if they are paid before your 65th birthday. Your pensionable pay must remain reduced for at least a year otherwise you will cease to be eligible for the pension that you have taken. You can draw down your benefits twice before retiring completely.

More information can be found on our website: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/partial-retirement/>

2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please read the information for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about the impact of claiming your benefits early. This is available on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/hsc-pension-schemes/hsc-pension-scheme-guides/>

Late retirement

If you remain in employment after your normal pension age, you may continue to earn benefits as long as you stay in this Scheme, up to age 75 (65 if you have Special Class status and are a member of the 1995 Section) or until you reach 45 years' Scheme membership. Your pension benefits will be based on your pensionable pay and membership when you do eventually retire. At age 75 you become entitled to your benefits without having to have a break in your employment.

1995 Section

There are no provisions to increase any of your benefits because they are paid after your normal pension age.

2008 Section

If you retire from active membership after age 65, any of your pension earned before age 65 will be increased to take account of the fact that it is being paid later than your normal pension age.

2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please read the information for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about the impact of claiming your benefits late. This is available on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/hsc-pension-schemes/hsc-pension-scheme-guides/>

Providing for your dependants (allocation)

If you are in good health you can choose to allocate (give up) part of your own pension to provide a bigger pension for any dependant on your death. This allocation can be to a spouse, civil partner, qualifying partner, or in certain circumstances, a child. The allocation must be made before you retire and you cannot reverse this decision once it is made. Please read the Allocation factsheet before completing the application form. These can be found in the 'Death and Family Benefits' section of our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/death-and-family-benefits/>

State Pension Scheme and other pension schemes

This Scheme is completely separate from State Pension arrangements or any other pension schemes you may be a member of. This means that you will normally get a separate basic State Pension as well as your HSC Pension Service.

The State Pension changed to a single tier system from 6 April 2016.

This change will not affect your HSC Pension Service. You will continue to pay contributions to this Scheme based on your tiered contribution rates and earn a pension as explained in this guide.

Before 6 April 2016 the State Pension scheme had two tiers: the basic State Pension and the additional State Pension. Scheme members paid a lower rate of National Insurance contributions because they contributed to this Scheme instead of the additional State Pension. This is known as contracting out.

The introduction of a single tiered State Pension meant that contracting out ended and members no longer pay a lower rate of National Insurance. This may have an impact on your take home pay.

If you have arranged your own personal pension, or have pensions from other employment, these are payable as well as your pension from this Scheme but it is up to you to choose when you take these.

Because of pension tax legislation, you may need to tell us about these pension arrangements including any that are already in payment, when you come to retire.

Applying for your benefits

Your pension will usually be paid monthly for the rest of your life. HSC Pension Service benefits are protected against inflation by the application of Pensions Increase (PI) linked to a measure set by the government. This means that they may increase each year, in April, for as long as they are being paid. In your first year of retirement a part year increase may apply.

Retiring from HSC employment

When you are retiring you need to apply for your benefits using a form available from your employer. To ensure that you receive your benefits on time this should be completed at least three months before your intended retirement date.

Claiming deferred pension benefits

A deferred pension is a pension which is not in payment and is not being added to through active Scheme membership.

If you have deferred pension benefits in this Scheme, these will usually be paid at your normal pension age provided you are not in HSC employment. To claim these benefits you will need to complete the Preserved Retirement Benefits form (AW6P) available from our website at:

https://hscpensions.hscni.net/wpfd_file/aw6p-pension-application-for-preserved-members/

Illness, life assurance and family benefits

Ill health retirement

If you have at least two years' membership and are too ill to work in your present job you may be able to retire early and take your pension benefits. There are two tiers of ill health retirement and the benefits you get will depend on whether or not you are capable of undertaking employment elsewhere, see tables overleaf. The minimum pension age does not apply in the case of ill health retirement. Ill health pensions may be increased each April by the application of Pensions Increase.

It may be possible to move between the tiers after retirement where our medical advisers indicate your condition may meet Tier 2 requirements within three years of retiring.

If you are terminally ill you may take your benefits immediately as a serious ill health lump sum.

Your benefits may be reduced or withdrawn if you take up further employment after retiring early due to ill health.

You may apply to be considered for ill health early retirement by completing the consideration of entitlement to ill health retirement benefits (AW33E) form which you can get from your employer.

If you are a deferred member and you become too ill to undertake regular employment you may apply to take your pension early without reduction. Your benefits will not be enhanced. The consideration of entitlement for early payment of deferred benefits due to ill health (AW240) form is available to download from our website at:

https://hscpensions.hscni.net/wpfd_file/aw240-application-for-consideration-for-ill-health-retirement-for-recent-leavers-and-deferred-scheme-members/.

Do not delay completing and returning this form as that may affect the date from which we can pay the benefits.

If you are a deferred member who is terminally ill (whose life expectancy is less than a year), you may be able to opt to commute your benefits to a single lump sum. This only applies if your benefits were deferred on or after 6 March 1995.

Tier 1 or Tier 2 ill health retirement benefits are based on your membership within the section of this Scheme in which you are an active member.

Further information

Further details about ill health retirement and examples of how it will be calculated can be found on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/ill-health-retirement/>

2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please read the information for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about how your 1995/2008 benefits are affected by an ill health pension. This is available on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/hsc-pension-schemes/hsc-pension-scheme->

Ill health retirement tiers

1995 Section

	Definition	Entitlement
Tier 1	Unable to do current job due to permanent ill health.	Membership already built up without reduction. No enhancement to benefits.
Tier 2	Unable to carry out regular employment of like duration to HSC employment up to your normal pension age due to permanent ill health.	Tier 1 benefits, plus an enhancement of two-thirds of your prospective membership to normal pension age. Total membership may not exceed prospective membership at 60.

2008 Section

	Definition	Entitlement
Tier 1	Unable to do current job due to permanent ill health.	Membership already built up without reduction. No enhancement to benefits.
Tier 2	Unable to carry out regular employment of like duration to HSC employment up to your normal pension age due to permanent ill health.	Tier 1 benefits, plus an enhancement of two thirds of your prospective membership to age 65. Total membership may not exceed prospective membership at 65.

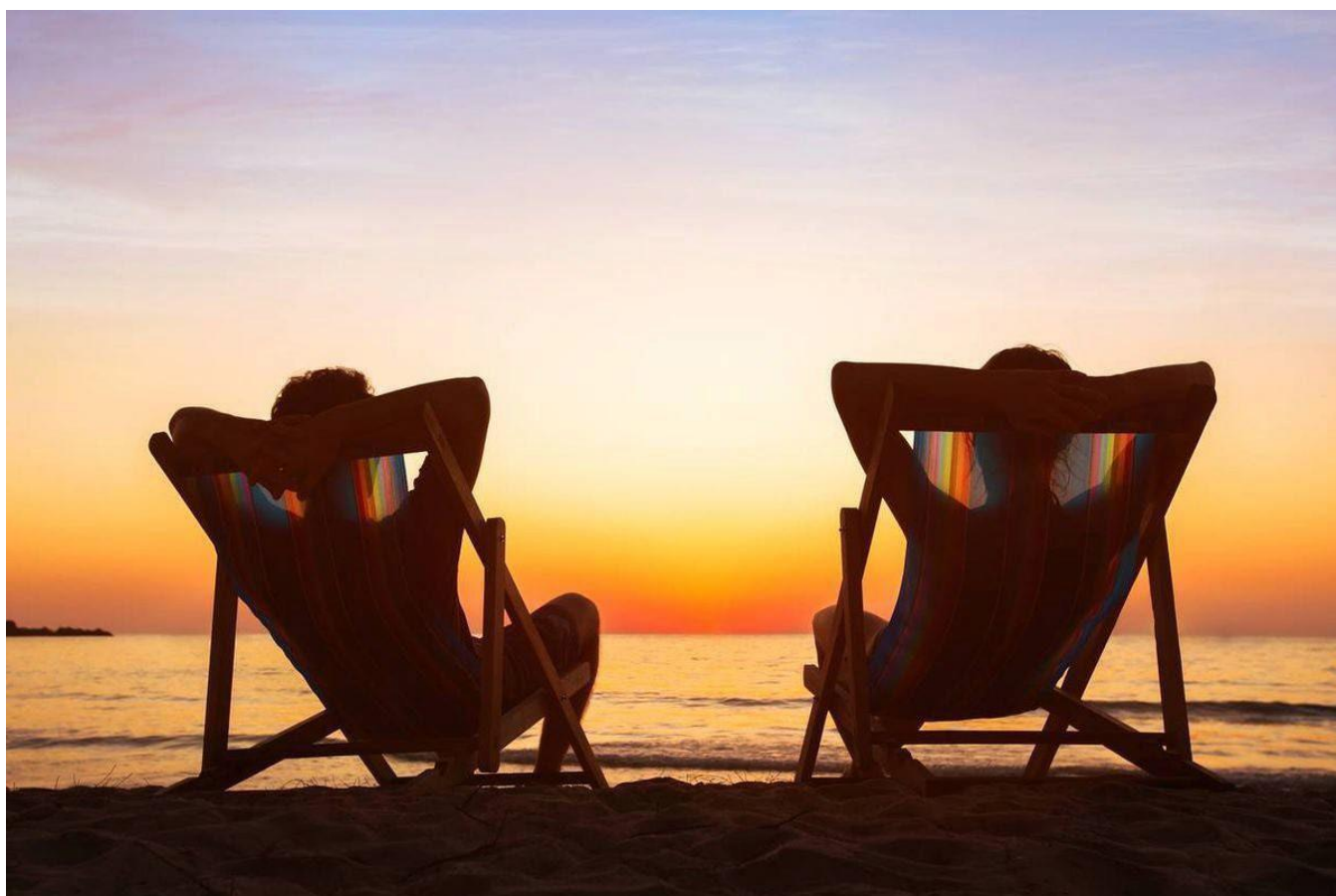
Important

Your ill health retirement benefits may be affected by HMRC's annual allowance legislation. If you are accepted for Tier 2 this does not mean you will meet HMRC's Serious Ill Health Condition; a separate test will be undertaken. You can get more information about this in the 'Ill health retirement' information available on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/ill-health-retirement/>

Serious ill health lump sum

If you become terminally ill you may take your benefits immediately as a lump sum and they will not be tested against the annual allowance limits. To claim a serious ill health lump sum, you will need to complete the application to commute ill health retirement benefits (AW34-A) along with the Scheme Retirement Benefits form (AW6), available from your employer.

If you are age 75 or over the serious ill health lump sum will be subject to a serious ill health lump sum charge of 45%, payable by the member. This tax charge is deducted from the lump sum before payment.



Life assurance and family benefits

This Scheme provides lump sum and pension benefits to eligible dependants in the event of your death. The benefits payable will depend on your circumstances at the time of your death, these are listed on page 40-43.

Lump sum on death benefit nomination

This Scheme allows you to nominate one or more people or one organisation to receive the lump sum on death benefit. A nomination can be made, changed or cancelled at any time. To make or change a nomination you should complete the lump sum on death nomination form (DG3). To cancel an existing nomination, you should complete the existing nomination cancellation form. Further information can be found on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/death-and-family-benefits/>

Any lump sum due will be paid to your spouse, registered civil partner or qualifying scheme partner. If you do not want this to happen you should nominate someone else to receive the benefit. A form to nominate who you want to receive this benefit can be downloaded from our website at: https://hscpensions.hscni.net/wpfd_file/pn1-partner-nomination-form/. Please note that the lump sum may be subject to inheritance tax if it is not paid to your spouse, or civil partner. A lump sum payment to a qualifying scheme partner may also be subject to inheritance tax.

If you have not nominated a person to receive a lump sum and you do not have a spouse, registered civil partner or qualifying scheme partner the lump sum will be paid to your estate.

Important

HMRC has strict rules about the payment of the lump sum on death benefit. The lump sum on death benefit must be paid within two years of the member's death first being notified to us.

After two years the lump sum will be subject to a HMRC tax charge of up to 45%.

HSC Pension Service has no discretion and must deduct this tax charge from the lump sum payment.

If you die after reaching age 75 and you were 75 on or before 5 April 2011 the lump sum will be converted to an annual pension paid to your dependant.

If you die after reaching age 75 and you were 75 on or after 6 April 2011 the lump sum is subject to a lump sum death benefit charge of 45% if paid to an organisation or the marginal rate of the recipient. This tax charge is deducted from the lump sum before payment.

Payment of dependants' pensions

These are payable to your dependant (spouse, civil partner, qualifying Scheme partner or dependent child) from the date of your death. If you are not in a legally recognised relationship, there are criteria that must be met for your partner to qualify for benefits and these will be checked in the event of your death. A partner nomination (PN1) form to nominate a non-legal partner can be downloaded from our website at: https://hscpensions.hscni.net/wpfd_file/pn1-partner-nomination-form/

Important

It is important that you keep your nominations up to date to ensure that your benefits are paid as swiftly as possible to who you want to receive them. Forms are available on our website to nominate who you wish to receive any lump sum and also to register your partner for a pension at: <https://hscpensions.hscni.net/hsc-pension-scheme/scheme-forms/>

Adult dependant's pension

An adult dependant's pension is payable for life to an eligible spouse, civil partner or qualifying Scheme partner. More information is given on page 40.

Married, civil partners and qualifying Scheme partners

The adult dependant's pension will depend on your status and which section of the Scheme you are a member of.

1995 Section

The adult dependant's pension for your spouse or civil partner will be 50% of your own pension based on all your membership.

The adult dependant's pension for a qualifying scheme partner will be based on your membership from 6 April 1988 only.

2008 Section

The adult dependant's pension will be equal to 37.5% of your own pension.

Children's pensions

If your pensionable employment ended on or after 1 April 2008 children's pensions are payable for an eligible child or children until the age of 23. If the child remains unable to earn a living due to a condition which existed both at your retirement and at the date of your death, the children's pension can be paid indefinitely.

Benefits payable

Each section of the Scheme provides slightly different benefits. The following tables show the benefits that are payable from each section.

1995 Section

Benefit	Death in membership (on or after 2008)	Death of a pensioner member	Death with deferred pension	Death of a recent leaver with less than two years' qualifying membership ¹
Lump sum on death	2 x annual pensionable pay or average uprated earnings for practitioners ⁶	The lesser of: 5 x pension less pension already paid or 2 x pay less any retirement lump sum	3 x pension payable if member had retired on date of death	3 x annual pension the member would have received had they retired on the date of death
Adult dependant's pension (at least two years membership)	<p>A continuing adult dependant's pension of either:</p> <p>50% of the notional⁷ tier 2 Ill Health pension if under Age 60 at the date of death: or</p> <p>50% of the notional Age pension if over Age 60 at the date of death.</p> <p>Either pension will be based on all membership, but if you are the qualifying Scheme partner of a member either pension will not include any membership prior to 6 April 1988.</p> <p>Plus, a short-term pension equal to the rate of pensionable pay² for the first 6 months</p>	<p>A continuing adult dependant's pension of 50% of the member's pension in payment³ based on all membership</p> <p>If you are the qualifying Scheme partner of a member the pension will not include any membership prior to 6 April 1988</p> <p>Plus, a short-term pension equal to the rate of the member's pension in payment for the first 3 months or 6 months if there is at least one eligible dependent child</p>	<p>A continuing adult dependant's pension of either:</p> <p>50% of the notional⁷ tier 2 ill health pension if date of death within 12 months of leaving; or</p> <p>50% of the notional Age pension if date of death is more than 12 months after leaving.</p> <p>Either pension will be based on all membership, but if you are the qualifying Scheme partner of a member either pension will not include any membership prior to 6 April 1988.</p> <p>No short-term pension is payable</p>	Not applicable
Adult dependant's pension (less than two years membership before age 60)	A short-term pension equal to the rate of pensionable pay ² for 6 months only	Not applicable	Not applicable	No pension is payable

Adult dependant's pension (less than two years membership after age60)	<p>A continuing adult dependant's pension of 50% of the notional⁷ Age pension</p> <p>Plus, a short-term pension equal to the rate of pensionable pay² for the first 6 months</p>	<p>Not applicable</p>	<p>Not applicable</p>	<p>Not applicable</p>
Children's pension	<p>A children's pension of 25% of the notional⁷ tier 2 ill health pension⁸ for 1 child (50% shared equally for two or more children)⁴</p> <p>A short-term pension equal to the rate of pensionable pay² may be payable for 3 or 6 months⁵</p>	<p>A children's pension of 25% of the pension³ for 1 child (50% shared equally for two or more children)⁴</p> <p>A short-term pension equal to the rate of pension paid may be payable for the first 3 or 6 months⁵</p>	<p>A children's pension of either 25% of the notional⁷ tier 2 ill health #pension if date of death within 12 months of leaving for 1 child (50% shared equally for 2 or more children); or</p> <p>A children's pension of 25% of the Age pension⁸ where date of death is more than 12 months after leaving for 1 child (50% shared equally for 2 or more children)⁴</p> <p>No short-term pension is payable</p>	<p>A children's pension of 25% of the notional⁷ tier 2 ill health pension⁸ (50% shared equally for 2 or more children)⁴</p> <p>No short-term pension is payable</p>

* The table above does not include re-employed and partial retirement pensioner members

1. A member who dies within 12 months of leaving the Scheme who did not build up enough pensionable membership to qualify for pension benefits and has not been paid a refund or transfer value
2. If the member was in a practitioner or non-GP provider employment, it is the rate of pensionable earnings during the last complete quarter before the member's death
3. Will not include any additional pension being paid unless dependent's cover has been purchased with it
4. Higher rates may be payable if there is no adult dependant's pension payable
5. Three months where the child is not dependent on the adult receiving the adult dependant's pension or Six months where there is no adult dependant's pension payable; otherwise no short-term pension is payable
6. A lump sum on death benefit is payable for members with less than two years' membership
7. A 'notional' pension is the amount that would have been payable as at the member's date of death
8. The pension will be based on a minimum of 10 years pensionable membership

Where your marriage or civil partnership took place after you left pensionable employment the adult dependant's pension payable will be based on membership from 6 April 1978 only.

Where you started a partnership after you left pensionable employment/retired, in qualifying cases, the adult dependant's pension will be based on membership from 6 April 1988 only.

If you bought additional pension with dependents cover there will be extra benefits payable. More information is available on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/increasing-your-benefits-additional-pension-added-years-errbo/>

The lump sum on death benefit must be paid within two years of the date upon which the Scheme Administrator was first notified of the member's death otherwise it will be subject to a HMRC tax charge of up to 45%. HSC Pension Service has no discretion and must deduct this tax charge from the lump sum payment.

2008 Section

Benefit	Death in membership (on or after 2008)	Death of a pensioner member	Death with deferred pension	Death of a recent leaver with less than two years' qualifying membership ¹
Lump sum on death	2 x reckonable pay or average uprated earnings for practitioners ⁵	The lesser of: 5 x pension less pension already paid or 2 x reckonable pay less any retirement lump sum taken	2.25 x annual pension the member would have received had they retired on the date of death assuming they did not take a lump sum	2.25 x annual pension the member would have received had they retired on the date of death assuming they did not take a lump sum
Adult dependant's pension (at least two years membership)	<p>A continuing adult dependant's pension of either:</p> <p>37.5% of the notional⁷ tier 2 Ill Health pension if under Age 65 at date of death; or</p> <p>37.5% of the notional Age pension if over Age 65 at date of death</p> <p>Plus, a short-term pension equal to the rate of pensionable pay³ for the first 6 months</p>	<p>A continuing adult dependant's pension of 37.5% of the member's pension in payment²</p> <p>Plus, a short-term pension equal to the rate of the member's pension in payment for the first 3 months or 6 months if there is at least one eligible dependent child</p>	<p>A continuing adult dependant's pension of either:</p> <p>37.5% of the notional⁷ tier 2 Ill Health pension if date of death within 12 months of leaving; or</p> <p>37.5% of the notional⁷ Age pension if date of death more than 12 months after leaving</p> <p>No short-term pension</p>	Not applicable
Adult dependant's pension (less than two years membership before age 65)	A short-term pension equal to the rate of pensionable pay ³ for 6 months only	Not applicable	Not applicable	No pension payable

<p>Adult dependant's pension (less than two years membership after age 65)</p>	<p>A continuing adult dependant's pension of 37.5% of the notional⁷ Age pension.</p> <p>Plus, a short-term pension equal to the rate of pensionable pay³ for the first 6 months</p>	<p>Not applicable</p>	<p>Not applicable</p>	<p>Not applicable</p>
<p>Children's pension</p>	<p>1A children's pension of 18.75% of the notional⁷ tier 2 ill health pension⁸ for 1 child (37.5% shared equally for two or more children)⁴</p> <p>A short-term pension equal to the rate of pensionable pay³ may be payable for the first 3 or 6 months⁵</p>	<p>A children's pension of 18.75% of the pension⁹ in payment for 1 child (37.5% shared equally for two or more children)⁴</p> <p>A short-term pension equal to the rate of pension paid may be payable for the first 3 or 6 months⁵</p>	<p>A children's pension of either 18.75% of the notional⁷ tier 2 ill health pension⁸ if date of death within 12 months of leaving for 1 child (37.5% shared equally for two or more children); or</p> <p>A children's pension of 18.75% of the Age pension⁸ where date of death is more than 12 months after leaving for 1 child (37.5% shared equally for two or more children)</p> <p>No short-term pension is payable</p>	<p>A children's pension of 18.75% of the notional⁷ tier 2 ill health pension⁸ (37.5% shared equally for two or more children)⁴</p> <p>No short-term pension is payable</p>

The lump sum on death benefit must be paid within two years of the date upon which the Scheme Administrator was first notified of the member's death otherwise it will be subject to a HMRC tax charge of up to 45%. HSC Pension Service has no discretion and must deduct this tax charge from the lump sum payment.

If you bought additional pension with dependants' cover there will be extra benefits payable. You can find more information about additional pension on our website at: <https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/increasing-your-benefits-additional-pension-added-years-errbo/>

Bank staff and freelance GP locum

A bank worker or freelance GP locum who is available for work but who is not actually at work when they die is not covered for 'death in service' benefits.

For example, if they are contracted to work 9am to 5pm, Monday, Tuesday, and Wednesday they are covered for 'death in service' benefits upon joining the Scheme from 9am Monday until midnight on Wednesday. But, if they were to die on the Thursday, regardless of whether they were due to return to work the following Monday, they would not be regarded as being in pensionable employment and not eligible for 'death in service' benefits.

Instead, the Scheme would pay death benefits as if they had died within 12 months of leaving pensionable employment.

For example, if they are contracted to work 9am to 5pm on a Monday only they are covered for 'death in service' benefits upon joining the Scheme from 9am Monday until midnight. But If they died on the Tuesday, regardless of whether they were due to return to work at some time in the future, they would not be regarded as being in pensionable employment and not eligible for 'death in service' benefits.

Instead, the Scheme would pay death benefits as if they had died within 12 months of leaving pensionable employment.

Further information

Further details about life assurance and family benefits is available on our website at:

<https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/death-and-family-benefits/>



Help and general information

HSC Pension Service contact details

You can contact us at:

HSC Pension Service
Waterside House,
75 Duke Street,
Londonderry,
BT47 6FP

Telephone: 02871 319 111
Website: <https://hscpensions.hscni.net>
Email: hscpensions@hscni.net

If you live outside the United Kingdom the telephone number is 0044 2871 319 111. The phonenumber is open from 10am to 12pm, 2pm to 4pm Monday to Thursday and 10am to 12pm Friday's. We are closed on Public Holidays.

Our member newsletter also provides important news and information about the Scheme. Please scan the QR code to view.



Further information

For information about our complaints and disputes procedure please go to:

<https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/hsc-pension-schemes/hsc-pension-scheme-guides/section-11-complaints-and-disputes/>

How we use your information

The Business Services Organisation Authority – HSC Pension Service will use the information provided for administering your HSC Pension Service Scheme membership and processing payment of your HSC Pension Service benefits. We may share your information to administer and pay your HSC Pension Service, enable us to prevent and detect fraud and mistakes, for debt collection purposes, or as required by law. For more information about who we share your information with and how long we keep your personal data and your rights, please visit our website at:

<https://hscpensions.hscni.net/privacy-policy-2/>

Notice about data given to HSC Pension Service

We have a duty to protect the public funds we administer. To this end we may use the information provided to us for the prevention and detection of fraud and share it with other bodies administering public funds solely for the reasons below:

- no pensions are being paid to persons who are deceased
- occupational pension income is being declared by housing benefit claimants
- re-entry to HSC employment is disclosed.

While the main purpose of these exercises is the detection of fraud, the exercises help ensure the best use of public funds.

Some general points

Scheme rules

The rules of the HSC Pension Service Scheme are laid down in regulations agreed by Parliament. They are the Health and Personal Social Services (Superannuation) Regulations (Northern Ireland) 1995 and subsequent amendments, plus the Health and Social Care (Pension Scheme) Regulations (Northern Ireland) 2008 and subsequent amendments. You can view these on our website: <https://www.legislation.gov.uk/nisr?title=health%20service%20pensions>

The Scheme is “registered” under the Finance Act 2004.

The Scheme was contracted out of the State Second Pension Scheme (S2P) under the Pensions Act 1995 until 5 April 2016.

Scheme Administrator

The Scheme Administrator is the HSC Business Services Authority, a Special Health Authority. You can contact the Scheme Administrator using the contact details on page 45 of this guide.

Pension Scheme Fund

The HSC Pension Service Scheme does not have an invested pension fund as per private sector pensions, but as a statutory scheme, benefits are fully guaranteed by the government.

Contributions from both members and employers are paid to the Exchequer, which meets the cost of Scheme benefits.

Independent financial advice

If you are in any doubt which pension arrangements will be the best for you, you should seek financial advice.

Under the Financial Services and Markets Act of 2000, all financial advisers have to decide whether to be 'independent' or 'restricted'.

A financial adviser who is 'independent' can offer a range of financial services and products from across the entire market, whereas a financial adviser who is 'restricted' can only offer the products from one or a series of companies.

Before you ask for advice, make sure you know which type of adviser you are dealing with. Most financial advisers will charge for their advice.

Your employer may be able to help you find a source of independent financial advice or you can use the contacts below to obtain a list of local companies.

IFA Promotions Limited - www.unbiased.co.uk

The Personal Finance Society - www.findanadviser.org

It is advisable to check that any company you choose is authorised with the:

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

Telephone: 0800 111 6768 or visit their website: www.fca.org.uk