



HSC Pension Service

Business Services Organisation

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## Factsheet for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme

This factsheet provides information in question and answer format for members of the 2015 Scheme who are also members of the 1995/2008 Scheme about how the 2015 Scheme will affect their 1995/2008 Scheme benefits.

If you are not moving to the 2015 Scheme because you have Full Protection, or joined the Scheme for the first time on or after 1 April 2015, this factsheet does not apply to you.

### **I am due to move to the 2015 Scheme. What will happen to the pension benefits I have already built up?**

The benefits you have built up prior to moving to the 2015 Scheme will remain in the 1995 or 2008 Section as appropriate. At retirement these benefits will be treated separately and calculated in accordance with the rules of the 1995 or 2008 Section.

### **How will my benefits be calculated?**

Provided you have not had a continuous break in HSC pensionable employment of five years or more ending after you join the 2015 Scheme, the 1995/2008 Scheme benefits will be based on your final salary at or near retirement. This is known as 'final salary linking'. The final salary is the best of the last three years in the 1995 Section or the average of the best three consecutive years out of the last ten in the 2008 Section.

## **How will my benefits be calculated if I have had a break of five or more years ending after I join the 2015 Scheme?**

If you have a break in HSC pensionable employment of five years or more ending after you join the 2015 Scheme, the 1995/2008 Scheme benefits will be calculated on your final salary at or near to when the break began. Pensions Increase will be added when the benefits are brought into payment to bring their value up to date. In this circumstance only it is not necessary to end your contract or employment, or contract for services if you are a Practitioner, and a 24 hour break is not required when claiming these benefits.

## **When is the Normal Pension Age (NPA) for each Section/Scheme?**

NPA in the 1995 Section is age 60 for most members or 55 for members with Special Class or Mental Health Officer status who meet certain conditions.

NPA in the 2008 Section is age 65.

NPA in the 2015 Scheme is linked to your State Pension Age (SPA) or age 65 if later. You can find out when your SPA is by using the calculator on the gov.uk website.

## **When can I claim my 1995/2008 Scheme benefits and what affect does this have on continuing to build benefits in the 2015 Scheme?**

The benefits you have built up before moving to the 2015 Scheme can be taken unreduced at your NPA in the 1995/2008 Scheme or taken on an earlier date (on or after reaching minimum pension age) with a reduction for early payment. You will need to end your contract of employment or contract for services if you are a Practitioner, and take a 24 hour break unless you have had a break of five years or more ending after you join the 2015 Scheme (see above).

If your benefits were in the 1995 Section, you cannot undertake HSC work for more than 16 hours per week in the following month. In addition you will not be able to build up further pension rights in the 2015 Scheme.

If your benefits were in the 2008 Section, you can build up further pension rights in the 2015 Scheme as long as a 24 hour break is taken before returning to HSC employment.

## **What are my options at retirement?**

You can take your 2015 benefits at your choice of:

- the same time as your 1995/2008 Scheme benefits with a reduction for early payment; or
- at your NPA in the 2015 Scheme, paid without reduction; or

- on any date between the above with a reduction for early payment if appropriate; or
- after your NPA with the addition of a 'late retirement' factor.

You may if you wish take your 2015 Scheme benefits, return to work and start building a new pension provided you are under age 75 and have not claimed 1995 Section benefits.

**I have bought or I am buying Added Years or a Bigger Survivors pension in the 1995 Section. What will happen to those?**

If you have already bought or are buying Added Years or an Unreduced Lump Sum or Bigger Survivors pension, by payment of regular additional contributions, and you move to the 2015 Scheme then you can continue to make the additional contributions up to the chosen contract end date or up to your last day in the 2015 Scheme if earlier.

You will be able to claim the value of the Added Years benefits from the payable date in the contract, without the need to claim all your 1995 Section benefits and without the need to formally retire, so no 24 hour break is needed. You will also be able to continue to build up benefits in the 2015 Scheme.

**I have bought or I am buying Additional Pension (AP) in the 1995/2008 Scheme. What will happen to that?**

If you have already bought or are buying AP by payment of regular additional contributions and you move to the 2015 Scheme you can continue to make the additional contributions up to the chosen contract end date or up to your last day in the 2015 Scheme if earlier.

If the AP is in the 1995 Section **only** you will be able to claim the value of the AP benefits from the payable date in the contract, without the need to claim all your 1995 Section benefits and without the need to formally retire, so no 24 hour break is needed. You will also be able to continue to build up benefits in the 2015 Scheme.

If the AP is in the 2008 Section you will only be able to access the AP element when you claim your 2008 Section benefits.

**I have been in my previous HSC scheme for less than two years before moving to the 2015 Scheme. Will I have to have my previous contributions refunded?**

No. Your period of previous membership will continue to be classed as 'active' for as long as you are an active member of the 2015 Scheme. This will avoid the need for you to have to take a refund of contributions and maintain the prospect of a pension being paid under the previous scheme rules, when you retire.

**I have an application for consideration of ill-health retirement outstanding. Will I still move to the 2015 Scheme?**

No. You will remain in your current Section of the 1995/2008 Scheme until your application is decided or you have exhausted all appeal avenues if the application was unsuccessful.

**If, after I move to the 2015 Scheme, I qualify for ill-health retirement how will my benefits be calculated?**

This will depend on the tier of ill-health pension you are entitled to and whether you have maintained the final salary link (this means you have not had a single break in pensionable employment of five or more years).

For example:

For a **tier 1** award – the value of your benefits built up in the previous Scheme is calculated by reference to your pensionable pay at or near retirement **plus** the total value of pension benefits built up in the 2015 Scheme. Both amounts would be unreduced for early payment.

For a **tier 2** award – the value of your benefits built up in the previous Scheme is calculated by reference to your pensionable pay at or near retirement **plus** the total value of pension benefits built up in the 2015 Scheme **plus** the ‘tier 2 addition’ which is a pro rata increase to your 2015 Scheme benefits only based on 50% of your prospective membership up to your NPA.

**Do I need to make fresh death benefit, partner etc. nominations in relation to my 2015 Scheme benefits?**

No. Any election or notice you have given about your 1995/2008 Scheme entitlement will automatically apply to your 2015 Scheme benefits. Similarly if you make any new elections in the 2015 Scheme these will automatically also apply to your 1995/2008 Scheme benefits.

**What death benefits are payable on the death of an active 2015 Scheme member?**

**1. Lump sum on death**

A lump sum on death is payable and is calculated using relevant earnings in the 2015 Scheme **only** rather than in accordance with the relevant 1995 or 2008 Section regulations. This means that the lump sum is:

The higher of:

- i. 2 x the relevant earnings in the last 12 months of pensionable service (this could be extended after the date of death if there is entitlement to untaken annual leave); or

- ii. 2 x the revalued pensionable earnings for the Scheme year, up to 10 years earlier, with the highest revalued pensionable earnings.

It is important to note that relevant earnings in the 1995/2008 Scheme are excluded in the calculation of the lump sum.

A member who dies with less than 365 days membership in the 2015 Scheme will have their relevant earnings in the 2015 Scheme uprated to 365 days using the formula:

$$\frac{\text{Relevant earnings in the 2015 Scheme} \times 365}{\text{Number of days pensionable service in the 2015 Scheme}}$$

For part-time members this is their actual relevant earnings not a notional whole time equivalent amount.

The lump sum must be claimed and paid within two years of the member's death being notified to the Scheme Administrator. After two years the lump sum will become an unauthorised payment which is not a permitted payment under the 2015 Scheme.

## **2. Initial adult and child survivor pensions**

For adult survivor and child pensions, the initial rate is dependent on the member's employment on the date of death and is paid at the rate of pensionable earnings in the 2015 Scheme.

Where the member was:

- Not in a practitioner or non-GP provider employment – based on the rate of the member's annual pensionable earnings at the time of death (unless the member was absent, on reduced or nil pay).
- In a practitioner or non-GP provider employment – based on the member's pensionable earnings during the last complete quarter before their death.

## **3. Continuing adult and child survivor pensions**

The rate of continuing adult and child survivor pensions are calculated with reference to the relevant proportion of an amount payable as if a Tier 2 ill-health pension had become payable to the member. The 2015 Scheme Tier 2 addition is used and applied to the 2015 Scheme service only. In respect of the 1995/2008 Scheme service, an annual rate of pension is paid that is equal to the relevant proportion of the pension that would have been payable to the member if the member had retired with a normal Age retirement pension on the date of death.

**Provisions exist in the 1995/2008 Section for pensionable pay to be protected in certain circumstances. Will this still apply?**

Yes. If you still qualify for final salary linking and your pensionable pay reduces through no fault of your own then 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 claim them, 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).

In addition, if your previous benefits are in the 1995 Section only you may be able to apply for voluntary pay protection if you have reached your minimum pension age and you step down to a job where your pay reduces by at least 10%. You can read more about this in the factsheet 'Voluntary protection of pay 1995 Section only' [here](#).

**I am a Practitioner member and currently have certain 'flexibilities' on retirement. What happens to these?**

There are no Practitioner flexibilities in the 2015 Scheme. However Practitioners who have previous pension rights in the 1995/2008 Scheme will have their 'Officer' flexibility rights protected up to the point of joining the 2015 Scheme or the date they became a Practitioner, if that is later. A Flexibility Value Earnings Credit (FVEC) is created for 'Officer' membership other than that which **must** convert to Practitioner membership under the 1995/2008 Scheme regulations. The FVEC is updated annually by a factor up to the last day of pensionable service in the 2015 Scheme. FVEC factors and further information about this will be confirmed in due course.

**I was a Mental Health Officer in the 1995 Section before moving to the 2015 Scheme. How does this affect me?**

There are some other provisions for you to be aware of which are explained in FAQs that can be read [here](#).

**I have HMRC Enhanced Protection or Fixed Protection 2012 / 2014. Does moving to the 2015 Scheme affect my protection?**

Yes. You can read the factsheet about the effect of the 2015 Scheme on Enhanced and Fixed Protection [here](#).

**Is there any further information available?**

There is supporting information in the 2015 Scheme Guide which can be accessed via the [homepage](#) of our website.

**Please note:**

If you were not a member of the 1995/2008 Scheme on 1 April 2012 you can still qualify for Full or Tapered Protection if on the date you returned to pensionable HSC employment you had **not** had a break of five or more years and you satisfied the relevant age criteria as at 1 April 2012.

If you were a member of another public sector pension scheme on 1 April 2012 and would have been entitled to Full or Tapered Protection under that scheme's rules had you remained in that scheme **and** you join the HSC scheme without a break of five or more years then you may be eligible to join the 2008 Section as either a Protected or Tapered Protected member.

For more information about this please read the FAQs on our website at:

<http://www.hscpensions.hscni.net/>