

Tax Rules – Former Members – FAQs

Q. How do I calculate the Capital Value of my deferred (sometimes called preserved) HSC benefits?

A. To check the likely Capital Value of your deferred HSC Scheme benefits multiply the current gross value of your annual pension by 20 and add your lump sum.

$$(\text{Pension} \times 20) + \text{Lump sum} = \text{Capital Value}$$

Q. Can I still transfer my HSC Pension Scheme Benefits?

A. The current restrictions and conditions on transferring your HSC Scheme benefits remain as a former member. However, if you meet the conditions, your benefits can only be transferred to another “registered” scheme.

If you request to transfer the value of your benefits abroad then again the transfer must be to another “registered” scheme abroad. You will need to write to HSC Pension Service with the details of the other scheme so that the possibility of the transfer can be investigated.

If you are able to transfer, then you should take appropriate financial advice before you make your final decision.

Q. In what circumstances can I have a refund of my Scheme contributions?

A. It is possible to have a refund of your Scheme contributions only if you have less than 2 years qualifying membership.

If you are eligible for a refund, then the returned contributions are subject to a tax recovery. The tax is 20% on all contributions up to £20,000 and 40% on all contributions in excess of £20,000.