



HSC Pension Service

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Business Services Organisation

# EMPLOYER TECHNICAL UPDATE

## CONTENTS

1. Foreword
2. ICATS
3. Career Break - Retrospective Payments
4. Career Breaks and Annual Leave
5. Final Pay Control
6. Locum Employment - Percentage Contribution Rate
7. Annual Benefit Statements
8. Contact Us



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# 1. Foreword

This Employer Technical Update ETU provides an update on a number of issues which can impact both the value of benefits accrued by members and the correct calculation and payment of contributions to the scheme by members. It also includes potential additional costs which may be incurred by employers through the Final Pay Control regulations (point 5).

It is important, especially for Medical Staff, that the correct tiered percentage rate of pension contributions is applied as soon as possible in order to eliminate potential underpayments and claw back of contributions from members. This issue is covered in points 2 & 6 of the ETU.

Point 3 provides a reminder for employers on how to administer the collection of contributions from staff on authorised leave who wish to continue to contribute to the scheme and point 4 outlines how payments made for annual leave in such circumstances should be treated.

Finally notification of the upload of Annual Benefit Statements for 2017/18 is recorded in point 7.

# 2. ICATS

HSC Pension Service requires a list of all Medical Staff employed in the ICATS programme. This information is required to ensure the members pension history and contribution rates are recorded correctly in line with the Scheme Regulations.

**Action for Employers:** Provide a list of Medical Staff employed in the ICATS programme to include their contracted weekly hours and dates of employment in the programme to [John.Coyle@hscni.net](mailto:John.Coyle@hscni.net)



### 3. Career Break - Retrospective Payments

From 1 April 2008 the HSC Pension Scheme Regulations changed to allow a member who commenced a period of authorised leave on or after this date (including a career break where the contract of employment is retained), to choose to remain pensionable.

Where the authorised leave is to be pensionable the employer must treat the member as they would any other active member of the Scheme and ensure that employee and employer pension contributions are paid continuously throughout the period.

i.e. by the 19th day of the month following that which earnings (if there were any) would have been paid.

**Before the leave begins therefore, employers must make arrangements to collect the employee contributions continuously during the break. Arrears cannot be allowed to accumulate and payments made on returning to the Scheme.**

Unfortunately HSC Pension Service is receiving increased requests for retrospective payments of contributions which cannot be accommodated

Further information can be found on the Authorised Leave/Career Break available at: <http://www.hscpensions.hscni.net/membership-contributions-and-pay/>

**Action for Employers:** Ensure all staff are aware of the rules concerning the payment of contributions during periods of Authorised Leave/ Career breaks.

### 4. Career Breaks and Annual Leave

If a member who leaves on a career break, has a period of Annual Leave which has not been taken prior to the career break and a payment is made to that member in respect of Annual Leave owing, that members date of leaving pensionable employment must be extended by the period of leave for which the payment is made.

For example, Peter's last day of service before a career break is 31/03/2018. Peter has 2 days annual leave he has not taken which he receives a payment for. Peter's actual last day of scheme membership is 02/04/2018.



## 4. Career Breaks and Annual Leave - Cont

The relevant regulation which covers this scenario is below::

*If, when a member leaves superannuable employment or dies, a payment is made in respect of leave not taken –*

*(a) the member's superannuable employment will be treated, subject to paragraph (3), as continuing for a period equal to the period of leave for which payment is made; and*

*(b) the payment will be treated as the member's superannuable pay for that period.*

**Action for Employers:** Ensure the correct termination date is updated on the member's record for pension purposes. Form T55A must be submitted to HSC Pension Service to advise of cessation of pensionable employment.

## 5. Final Pay Control

Final Pay Controls are only applicable to members of the 1995 Section transitional 1995/2015 CARE Scheme members who retain their Final Salary link to the HSC Pension Scheme benefits.

If a member receives an increase to pensionable pay that exceeds the allowable amount in any of the three years prior to their last day of service, the employing authority that awarded the excess pay will be liable for a final pay control charge.

Therefore all employers who are responsible for completing Part 11 of the AW6 Pension application form for 1995 scheme members must provide total pensionable pay figures for the four years prior to retirement so a final pay control assessment can be carried out. The pension application cannot be processed until all required information is received.

**Action for Employers:** Record the pensionable pay figures where required



## 6. Locum Employment - Percentage Contribution Rate

When an employer recruits the services of Medical Staff on a locum basis they must inform Payroll Shared Services (PSS) of the Whole Time Equivalent annual pay that member would receive for the services provided.

This will allow PSS to set the correct tiered rate of pension contributions to be paid and eradicate any potential overpayments or underpayments of contributions.

For example: A doctor earns £30 per hour on a standard working week of 40 hours. Annual Pensionable Salary will be  $(£30 \times 40) \times 52.14 = £62,568$  Whole Time Equivalent.

**Action for Employers:** Medical HR must inform PSS of the annual WTE Pensionable Pay for locum Medical Staff at time of recruitment.

## 7. Annual Benefit Statements

The 2017/18 Annual Benefit Statements (ABS) have been uploaded to the Member Self Service (MSS) portal. The Portal can be accessed at the following link from a HSC network computer <https://mypension.hscni.net/>

HSC Pension Service asks employers to encourage staff to sign up to the MSS Portal where they can review their pension service history and view their ABS.

**Action for Employers:** Encourage members who have not done so, to sign up to the HSC Pension Service MSS Portal.



## 8. Contact Us

**By writing to us at:-**

HSC Pension Service

Waterside House

75 Duke Street

Londonderry

BT47 6FP

**Via e- mail at:-** [hscpensions@hscni.net](mailto:hscpensions@hscni.net)

**By Telephone:** 028 7131 9111 (9.00am to 5.00pm – Monday to Thursday; 9.00am to 12.00pm Friday)



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If you have any suggestions for the newsletter or would like a particular topic covered in future publications please do not hesitate in contacting us by emailing: [hscpensions@hscni.net](mailto:hscpensions@hscni.net)

