



HSC Pension Service

Provided by



Business Services Organisation

EMPLOYER TECHNICAL UPDATE

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HSC (P) 03-17/18

Jan 2018

1. Foreword/Executive Summary

Included in the January Employer Technical Update

HSC Pension Service has produced this Employer Technical Update (ETU) to raise awareness amongst employers and other associated bodies of important issues affecting the HSC Pension Scheme.

Important updates on the correct application of the Auto-Enrolment & Casual Employment Scheme membership rules is included. These sections also include implications for both members and employers if these rules are not strictly applied.

Further information on the “Brewster” case and guidance for employers in dealing with applications for survivor’s benefits for co-habiting couples is also included.

Updates are also provided on Annual Benefit Statements and what constitutes Pensionable Pay for the calculation of Scheme Contributions and Benefits.

As you are aware, it is that time of year when Applications must be submitted for the disclosure of information in relation to Senior Manager’s pension benefits. Important dates are listed in the **Senior Managers Cash Equivalent Transfer Value Figures** which must be adhered to if you are to have the information required to publish in your Draft Accounts.

2. Auto Enrolment and eligibility to be members of the HSC Pension Scheme

When an Employer is re-enrolling an employee into the HSC Pension at their particular staging date, they must ensure that the member meets the eligibility criteria for HSC Pension Scheme membership. To be eligible to be re-enrolled into the HSC Pension Scheme an employee must, in addition to the standard auto enrolment rules:

- Be employed by an HSC organisation
- Be aged between 16 and 75
- Not be in receipt of a 1995 Scheme Pension (there are some exceptions to this rule which HSC Pension Service can confirm on request)
- Not be absent from work for any reason on the date of re-enrolment

If a member does not meet all of the above rules their re-enrolment into the HSC scheme the member or their dependents will not be entitled to accrue any benefits in the Scheme.



2. Auto Enrolment and eligibility to be members of the HSC Pension Scheme - cont

Individuals not entitled to join or be re-enrolled in the HSC Pension Scheme include, but are not limited to:

- Lay Members
- Board members without a contract of employment for other HSC services within that organisation
- Non-Executive Board member (other than GP, GPCC)
- Social Enterprise staff who are not Direction body members of the HSC Pension Scheme.

If a member does not meet the eligibility criteria to join initially or to be re-enrolled into the HSC Pension Scheme at the staging date, they should be enrolled in the National Employment Savings Trust Scheme (NEST)

Action for Employers: Ensure all staff in your organisation are enrolled or re-enrolled into the correct pension scheme, i.e. HSC Pension Scheme or NEST

3. Bank/Casual Employment (Three month Rule) Reminder

Both Employers and Scheme members must be aware of the rules surrounding membership of the scheme for Bank/Casual employees.

The pensionable start date of any bank post is the first day the member actually performs any duties and pays contributions, not the date they joined the bank.

A bank employee's pension record may remain open, even if they do not work for up to a period of **three months only**, as long as they remain 'on the bank' of the employer and return to pensionable work within three months.

If the break exceeds three months, the pensionable employment must be closed down on the last day the member actually worked. It is of utmost importance that employers are aware of and apply the Three Month Rule.

Implications if 3 Month Rule is not adhered to:

- Members may have an expectation to be eligible for in Service Ill Health Retirement
- Members may have the expectation that they are covered for Death in Service Benefits
- Litigation cases may be taken against Employers

Action for Employers: Ensure the Three Month Rule is managed correctly for all Bank/Casual staff employed in your organisation.



4. Payment of survivor benefits for unmarried partners

Following the ruling of the Brewster case on 8th February 2017 co-habiting partners are no longer legally required to complete and submit the Partner Nomination form PN1 in order to qualify for survivor's benefits.

Effect of the ruling

The change applies to members with Scheme membership **on or after 1 April 2008**. This is the date when the provision for nominated partners was brought in for the purposes of the HSC Pension Scheme.

- A partner nomination form (PN1) is no longer required in respect of claims for payment of survivor benefits to unmarried partners.
- Employers should still encourage the use of the partner nomination facility by completion of the PN1.
- In the absence of a partner nomination form, claimants will still need to provide evidence of financial dependency or interdependence in the two years prior to the member's death in accordance with the HSC Pension Scheme regulations.

Action for employers: Any claims must be made using the 'claim for adult dependant's pension on death of an active member (AW11)

Where the employer is aware, or becomes aware, of a claim which has been previously rejected or of a partner who has not previously made a claim because they believed there was no entitlement, you should arrange for the 'claim for adult dependant's pension on death of an active member (AW11) to be completed.

Employers should still encourage completion of the partner nomination form (PN1).

We are still waiting for confirmation of some of the finer details; however we will keep you informed via the ETU, Employer Newsletter and our website.

5. Annual Benefit Statements

Annual Benefit Statements as at 31/03/2017 have been produced and are in the process of being uploaded to the Member Self Service <https://mypension.hscni.net/> Currently 50,000 statements have been loaded on to the MSS Portal. HSCPS will be launching a poster campaign across all Employers to encourage members to enrol.

HSCPS have uploaded 2 instructional videos on to our website explaining to members how to enrol, obtain activation key if necessary and access their details on MSS. The online videos can be accessed at <http://www.hscpensions.hscni.net/quick-links/member-self-service/>

Action for Employers: Encourage employees to access the MSS Portal to view their pension record and Annual Benefit Statements.



6. Pensionable Pay

We have recently received a number of queries in relation to what qualifies as pensionable earnings.

The regulations state that a member's pensionable earnings are made up of:

- salary
- wages
- fees, and
- other regular payments made to the member in respect of their employment.

However, this does not include:

- bonuses
- expenses
- overtime, or
- non-consolidated pay awards or increases

If a member is receiving a regular increase of wages for extra responsibilities, this would form part of the member's pensionable pay and must be included in all pensionable pay calculations.

Action for Employers: Ensure all pensionable pay and contribution deductions are correct.

7. Senior Managers Cash Equivalent Transfer Value Figures

All requests for disclosure information as a result of the Greenbury Report must be received by HSC Pension Service between 08 January 2018 and 9 February 2018 to enable us to provide you with the necessary disclosure information by 1 April 2018. This will allow you time to prepare and submit your draft accounts by 24 April 2017. Please note, we can't guarantee that requests or queries received after 9 February 2018 will be dealt with by 1 April 2018.

Who should employers request Greenbury figures for?

The definition of 'Senior Managers' given in the Department of Health Group Manual for Accounts 2015-16 (para 2.33) is:

"...those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments."

It goes on to say that *"The Chief Executive or Accounting/Accountable Officer should be asked to confirm whether this covers more than the executive and non-executive directors (for CCGs – attendees at Governing Body meetings). It is usually considered that the regular attendees of the entity's board meetings are its senior managers"*

Action for Employers: Ensure all Disclosure Information Requests are submitted to HSC Pension Service before 09th February 2018.



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

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

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

