



HSC Pension Service

Provided by



Business Services Organisation

EMPLOYER TECHNICAL UPDATE

CONTENTS

1. Foreword
2. Applications for Consideration for Ill Health Retirement - Update
3. Coronavirus Act 2020 - Change to Pension Legislation
4. Guidance where employees are not furloughed but have a temporary reduction in hours
5. Annual Allowance Information Required
6. Delivering through the Pandemic
7. Contact Us



HSC (P) 02-20-21

July 2020

1. Foreword

This Employer Technical Update (ETU) provides information on the recent changes in legislation contained in the Coronavirus Act 2020. These changes have temporarily removed some restrictions in The HSC Pension Scheme Regulations which will permit recent retirees to return to HSC Employment immediately without the requirement to adhere to the 16 hour per week rule and to allow members who retired with Special Class Status to increase their commitment without suffering financial penalties against their pension.

An update is provided on the issue which has arisen around applications for consideration for Ill Health Retirement and the lack of resources within the Occupational Health Service to process these applications.

Finally we have included “a good news story” on how HSC Pension Service managed to maintain Business as Usual during the first 2 months of the pandemic and how staff within the branch stepped up to the mark in achieving and exceeding all expectations during the “new normal”

2. Applications for Consideration for Ill Health Retirement - Update

As you are aware there is an ongoing issue with the assessment of applications for consideration for Ill Health Retirement. This process is carried out by the Occupational Health Service (OHS) a branch of the Department of Finance. Unfortunately due to ongoing resource issues, the OHS has been unable to provide a full service.

Originally only cases which were deemed to be of a serious or terminal nature were being assessed. As of 26th June OHS have confirmed that they are prepared to also assess those cases where the member is in or about to enter financial hardship, i.e. moving on to a no pay scenario.

HSC Pension Service is working with OHS to find a long term solution to this issue and will keep employers updated of the position.

Action for Employers: Inform key personnel in HR of the current position and ask that they determine which applicants have or are about to enter into non-paid sick leave and inform HSC Pension Service immediately.



3. Coronavirus Act 2020 - Change to Pension Legislation

Following the introduction of the Coronavirus Act 2020 a number of temporary adjustments have been made to the HSC Pension Scheme Regulations. These adjustments include the temporary Omission of Regulation 84 and the amendments of Regulation 85 of The Health and Personal Social Services (Superannuation) Regulations (Northern Ireland) 1995 and equivalent in 2008 & 2015 Schemes

These temporary changes to legislation basically means:

1. The 16 hours per week rule is omitted. There is no requirement for retiree's returning to HSC Employment to restrict their hours of work to 16 per week in the first month after retirement.
2. The limit on earnings normally imposed on Special Class Nursing Staff or Mental Health Officers on return to HSC Employment aft retirement is suspended.

If and when there is a change in legislation HSC Pension Service will notify employers immediately.

Action for Employers: Ensure all relevant staff/affected members are aware of the temporary change in legislation.

4. Guidance where employees are not furloughed but have a temporary reduction in hours

If an employee has a reduction in contractual hours (e.g. from whole-time to part-time) their pensionable pay will also reduce. As a result, the affected employee will accrue lower pension benefits during the period that their pay is reduced. The benefits they receive in retirement will therefore be permanently affected.

It is important to add that the reduction in pay is also likely to affect valuable life assurance benefits payable from the scheme when a member dies.

Whilst on reduced hours the member will pay employee contributions on their reduced pensionable pay using the same tiered rate as before any reduction was applied. Employer contributions will be paid on the salary actually received.

Action for Employers: Ensure staff who are considering reducing their hours of employment are made aware of the implications for their HSC Pension.



5. Annual Allowance Information Required

Employers are required in legislation to provide information to HSC Pension Service to update Annual Allowance data views for members. This data view informs members whether they have exceeded the Annual Allowance limit in the HSC Pension Scheme. The requirements specify that employers must provide pay (and membership) information to HSC Pensions by 6 July following the end of the tax year.

Failure to provide the required information may result in HMRC imposing fines on employers as follows:

- up to £300 per member
- £60 per day per member until the member's records are updated

If the information is not provided, we will not be able to conduct the necessary calculations to check whether the member has exceeded the Annual Allowance limit. We will not be able to generate an Annual Allowance data view and notify potentially affected members in a timely manner. Members could be subject to fines and late payment penalties from HMRC.

Action for Employers: If you have not already submitted the information please do so as soon as possible

6. Delivering through the Pandemic

Two months & two metres.. How we did it!

As the world became exposed to the coronavirus so the strengths and weaknesses of different public and private sectors fell victim to a similar exposure. The outbreak of Novel Coronavirus certainly created great concern and unrest within the Business Services Organisation but there is strong evidence that it has driven positive change and creativity within our workforce. This was unquestionably apparent within the team at HSC Pension Service.

Certainly at the outset of the crisis the initial step was to reference the Business Continuity Plan (BCP). But really, did any BCP's make adequate provisions for a pandemic situation? The Senior Management Team in pensions met to agree Business Continuity levels in the event of pandemic levels of disruption. Key Performance Indicators were agreed correlating with reduced workforce levels. It was thought that a fully operational service could only be cautiously guaranteed if there was at least 80% of the workforce present; reducing to delivering on retirement applications and payroll functions only should the workforce reduce to as low as 20%. Premises were immediately made as socially distanced *friendly* as possible (if there is such a thing!). Yet the official guidance that soon followed meant that we needed to move quickly to remote working. Within days, almost 90% of the workforce was working from home (WFH). Those who remained on-site were happy to do so for personal reasons and their roles have proved essential to our overall success.



6. Delivering through the Pandemic - cont

More than two months on and it is remarkable to report that a full service has been delivered and continues despite the fast evolving pandemic situation that disrupted all of society on such a vast and challenging scale. Not only did normal service delivery levels prevail but the pension service team also managed to do this despite other non-pandemic related pressures. The delivery of these services under such extreme and unprecedented pressure is testament to the whole team in pensions and their close alignment with the BSO values; “*Working together, Excellence, Compassion and Openness and Honesty.*”

The Agency workers within the pension team are highly valued and there was a spirited mindfulness that providing a full service could go some way in securing their continued employment. As staff vacancies arose within the team due to natural movements, the contribution by agency staff became even more vital; even lending their talents to pioneering some technological advancement and invaluable assistance in the delivery of remote working. Despite training and induction constraints to recruiting new staff, 2 business critical posts have been filled by means of innovative remote induction and training methods. A recruitment exercise is currently well underway to fill the other vacancies in the coming weeks, with social distancing measures being fully considered for the approaching interviews.

End of year (EOY) is a pressurised time for most service areas but particularly so in a finance driven environment such as pensions. Traditionally, the financial year end sees increased numbers of retirement applications and yet all retirements were timely administered with all baccs and direct debit transactions processed remotely. P60 advice notes were issued to almost 40,000 pensioners, weeks ahead of regulatory requirements and CETV's were prepared for disclosure on time.

Information required for the EOY resource accounts is firmly time bound and can only be provided once the financial year has ended i.e. after 31/03/2020 therefore this had to be managed very closely so that all statistics and processes completed by individual teams fed into the resource account disclosures. Due to excellent communications between teams working remotely HSCPS were able to supply the information required within the tight timeframes required by the Department of Health so that faster closing was achieved. During the challenging period that had emerged in March, not only were these deadlines met but there was the added challenge of a server move and a system upgrade within a one week timeslot.

Once EOY processes were completed, both Test and Live system services migrated over to a new infrastructure and software upgraded to enable regulatory disclosures to HMRC in the new financial year. The timeframes were constricted as this had to be achieved prior to week 1 payroll at the start of April 20. Parallel arrangements had to be made too for the ongoing NI Fire and Rescue Service (NIFRS) onboarding project. Although the NIFRS Finance Director offered to pause any project progression during the crisis, pension senior personnel felt this could still be progressed by the team and continues to move at a fast pace.

The implementation of the HSC pay award in March 2020 meant added pressure too at this time. The Pension Payroll Team were required to recalculate almost 500 pensionable pay figures. Additionally, the Pension Admin team had to revisit hundreds of other pension events such as



6. Delivering through the Pandemic - cont

Moreover the UK Government's Coronavirus Action Plan envisaged that changes to legislation might be necessary in order to give public bodies across the UK the tools and powers they need to carry out an effective response to this emergency. A key area of this legislation enabled action to increase the available HSC workforce by removing barriers to allow recently retired HSC staff to come back to work and tackle the outbreak without abatement of their pension. This change was made, implemented and communicated to stakeholders via newsletters, website and technical updates. Factsheets were quickly developed to help explain the changes. Restrictions do not permit that Pension workshops can yet be arranged for the forthcoming year and considerations to deliver these remotely are underway. However in the interim the team have increased the One to One Pension Consultations by 50% and are developing other One to One consultation services in order to fully support our members during this time of financial uncertainty. A 40% increase in finance and death benefit related queries has revealed how vulnerable we are as a society in terms of our health and financial wellbeing.

This success story is down to the remarkable talents and skills of all staff, some that may have otherwise remained hidden. Although physically distanced, and I deliberately do not use the term *socially* distanced, there has been and remains a united connection within the teams. Staff keep in touch regularly on a personal as well as a professional basis, setting themselves team challenges for personal goals. Staff shielding and living alone have been at the forefront of everyone's thoughts too. An occasional "how are you?" goes a long way and is a welcome act of kindness to show our fellow feelings to all. It was important also as a cohesive team to be mindful of some staff who had additional pressures at this time such as home schooling and increased caring roles. Staff can be proud of the connected, sense of belonging that they have established; showing strength to colleagues finding it difficult to weather the crisis, particularly in the early days. Staff have drawn on the profit of this empathy when chatting with vulnerable members and pensioners too as they witness a sense of isolation with some callers. They find a friendlier and longer chat seems to ease apprehension and as a consequence, has a positive effect on staff. Certainly there has been an increased sense of our members and pensioners wanting to put "financial matters in order". Staff are happy to provide extra reassurance and assistance at this time. We have also realigned processes to allow for difficulties that may be faced by those shielding, such as requirements for witnessing of declarations. Exposure to the upsurge in negativity can make the most optimistic of us feel frustrated and deflated and that can be as contagious as the disease itself.

Although we miss face to face contact to an extent, thanks to technology, we can enjoy some visual contact. It's great to check in with our colleagues visually and to see their creative attempts at home hairdressing! And let's be honest, everyone has been enjoying a good old nosey at all the WFH background scenes! We ensure we show our appreciation towards each other and encourage valuable downtime as the weekend approaches and particularly before the Bank Holiday breaks... yes we've had 3 in these two months!



6. Delivering through the Pandemic - cont

There has been an overwhelming sense of pride among staff and there have been calls to have a platform to recognise and reward staff who have shown great strengths during this situation. This is something we will review once a fresh “new” normality resumes, whenever that may be. In the meantime, we aim to stay safe, stay connected and continue to deliver the best service we can to all our valued members and pensioners as proud employees of the Business Services Organisation. We consider it a privilege to serve our frontline staff.

When it rains...look for the rainbow!

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



7. Contact Us

By writing to us at:-

HSC Pension Service

Waterside House

75 Duke Street

Londonderry

BT47 6FP

By Telephone: 028 7131 9111

Due to COVID-19 we are operating on temporary cover

10.00 am to 12.00pm / 2.00 pm to 4.00pm - Monday to Thursday

10.00 am to 12.00pm - Friday



Find us on Twitter - @hscpensions



Find us on Facebook - HSC Pension Service

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

