

EMPLOYER

circular

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1. The new Business Service Organisation (BSO)

With effect from the 1 April 2009 **the HSC Pensions Service** (formerly HPSS Superannuation Branch) has transferred from the DHSSPS to the Business Services Organisation (BSO). The location and functions of the HSC Pensions staff remains unchanged. However the DHSSPS will retain responsibility for all matters relating to pensions policy. Please refer to the contacts page at the end of this newsletter for information on who to contact should you need to speak to someone about pension issues. The Chief Executive of the BSO is David Bingham the former HR Director of the DHSSPS.

As part of the changes we have introduced a new monthly employer newsletter which will replace the current HSS(S) employer circulars. However, if we need to communicate something urgently we may still need to issue an additional newsletter 'in month'.

The new monthly newsletter will contain regular news on changes to the Pension Scheme and forthcoming high profile topics such as the 'Pensions Choice' exercise.

2. The HSC Pension Scheme

Within this newsletter and in all future correspondence the HSC Pension Scheme will be referred to as follows:-

The **'1995 Section'** of the HSC Pension Scheme (*Normal Pension Age 60*). This refers to members of the scheme as defined in the Health and Personal Social Services (Superannuation) Regulations 1995. Those who were members of the scheme on 31 March 2008 are members of the '1995 Section'.

The **'2008 Section'** of the HSC Pension Scheme (*Normal Pension Age 65*). This refers to members of the scheme as defined in the Health and Social Care (Pension Scheme) Regulations 2008. Employees who joined the scheme for the first time on or after 1 April 2008 are members of the '2008 Section'.

The term HPSS Superannuation Scheme will no longer be used.

3. Changes to Member Contributions from 1 April 2009

Employer Circular HSS 01/2009 informed you of the changes to member contributions from 1 April 2009. Since that circular was published the new Agenda for Change pay rates have been advised changing to the amounts we previously quoted in Annex A and Annex B to that circular. The detailed information within these Annexes is still valid and only the tiered contribution tables require the updated amounts.

The new tiers including the AfC pay rates are detailed below in the Factsheets that have been designed for members to follow. The new factsheets will shortly be posted on the HSC Pensions Service website www.hscpensions/hscni.net.

Factsheet 1 - For All HSC Pension Scheme members (excluding Practitioners and non-GP Providers)

What pension contributions will I pay in 2009/10?

From 1 April 2009 until 31 March 2010 Officer and Practice Staff Scheme members will have their employee tiered contributions based on one of two tables depending on their circumstances.

Part A of this factsheet is relevant to you if you were in HSC pensionable employment on 31 March 2009 and continue to be so in the same employment.

Part B is relevant if, on or after 1 April 2009 you;

- are a new starter
- have returned to the HSC after a break,
- have changed jobs (including a promotion or demotion),
- have voluntarily 'stepped down',
- have received a significant (pensionable) pay rise; i.e. over and above an AfC pay rise.

If you have remained in the same job but your hours have changed, **Part A** of this factsheet refers to you as tiered contributions are always based on your whole time equivalent rate of pay.

When referring to 'year 2009/10' it is the pensions year not the calendar year. The 2009/10 pensions year is from 1 April 2009 to 31 March 2010.

The rules in respect of tiered contributions apply to members of both the 1995 section and the 2008 section of the Pension Scheme.

PART A – Officer and Practice Staff Scheme members in HSC pensionable employment in the same post on and after the 31 March 2009.

Tier	Annual Pensionable Pay (*full time equivalent) – 2009/10	Contribution Rate 2009/10
1	Up to £20,224	5%
2	£20,225 to £66,789	6.5%
3	£66,790 to £105,318	7.5%
4	£105,319 plus	8.5%

Key Points

- Your tiered contribution rate from 1 April 2009 will be based on your 2008/09 pensionable pay set against the above table, assuming that you worked in the same employment on 31 March 2009 and continue to do so.
- Your normal AfC related annual pay awards (or short term fluctuations in pay) should not change the tiered rate in place.
- If you work on a part time basis your tiered contributions are based on your whole time equivalent (WTE) rate of pay. For example, a part timer who actually earned £10,000.00 in 2008/09 but whose WTE rate of pay was £25,000.00 will be on tier 2 (6.5%) in 2009/10.
- Once the tier is set it will only change during 2009/10 if there is a real change in your circumstances such as a new job, promotion, special pay award (i.e. clinical excellence) or if you 'step down'; **Part B** of this factsheet will then apply. If your working hours fluctuate but your contract of employment does not, this is not a change in your circumstances.
- If you have concurrent part time HSC pensionable posts, each post is assessed individually (i.e. ring fenced) when setting the tiers.
- Once a tier has been set it is applied to all of the pensionable pay. For example, a consultant earning £130k will pay 8.5% on the full £130k.
- These rules apply to you if you have Mental Health Officer/Special Class status.
- If you are solely 'working on the bank' it is unlikely that you will have continuous pensionable employment throughout 2009/10 so you must refer to **Part B**.
- If you are classed as a 'manual worker' you will no longer pay a standard rate of 5%. Your tiered contributions will be based on your 2008/09 HSC pensionable pay set against the above table.
- Any arrears of pay paid to you in 2008/09 (i.e. in respect of earlier years) must be taken account of. That is, your 2008/09 pensionable pay must be set against the above table to establish the 2009/10 tier even if it includes late pay awards from 2007/08 or earlier years.
- If you were in receipt of maternity, paternity, or sick pay in 2008/09 the full un-reduced (i.e. deemed) pensionable pay in 2008/09 is used to set the tier in 2009/10.
- Overtime in excess of whole time hours (i.e. 37.5) is not pensionable and does not fall under the tiered contribution rules. Any income earned by a part timer in respect of additional hours worked up to whole time (i.e. 37.5 hours) is pensionable.
- Pennies are ignored for the purposes of setting a tier. For example if you earned £66,789.50 in 2008/09 you pay 6.5% employee contributions in 2009/10.

PART B – Officer and Practice Staff Scheme members who have had a change in circumstances on or after 1 April 2009, or who are new starters.

Tier	Annual Pensionable Pay (*full time equivalent) – 2009/10	Contribution Rate 2009/10
1	Up to £20,709	5%
2	£20,710 to £68,392	6.5%
3	£68,393 to £107,846	7.5%
4	£107,847 plus	8.5%

Key Points

- If you commenced HSC pensionable employment for the first time on, or after, 1 April 2009 your pensionable pay is set against the above table to establish your tiered rate in 2009/10.
- If you commenced HSC pensionable employment on or after 2 April 2009 your pay will be scaled up (i.e. pro-rata) to an annual (365 day) value to establish your tiered rate.
- If you are part time it is the whole time equivalent pay that is used to set the tier. For example, if you started work on 1 June 2009 (working 18.75 hours out of a possible 37.5) and your estimated actual pay from 1 June 2009 to 31 March 2010 is £8000.00 then your estimated WTE pay is £16000.00. Your annualised actual pay will be £9605.26 (£8000.00 divided by 304 days x 365 days). Your tiered rate in 2009/10 would be 5% as it would be based on WTE pay of £19210.52 (£9605.26 x 2).
- If you returned to HSC pensionable employment on, or after 1 April 2009, after taking a break (any length) your pensionable pay is set against the above table to establish your tiered rate. Your pay will be scaled up (i.e. pro-rata) to an annual value to establish your tiered rate. If you are part time the whole time equivalent pay is used.
- If you take up a new employment during pensions year 2009/10 your new pay will be set against the above Table to establish your tiered rate. Your pay will be scaled up (i.e. pro-rata) to an annual value to establish your tiered rate. If you are part time it will be the whole time equivalent pay that is used.
- If you have a permanent change of shifts or receive an extra-ordinary pay award during 2009/10, your new pay will be set against the above Table to establish the correct tier. Your pay will be scaled up (i.e. pro-rata) to an annual value to establish your tiered rate. If you are part time it will be the whole time equivalent pay that is used. The revised tiered rate should commence from the start of the pay period. If the change occurs 'mid month' your employer will apply the new tier from the start of the next pay period.
- If you are working solely 'on the bank' it is unlikely that you will have continuous pensionable employment throughout 2009/10 so your employer must use the above Table to set your 2009/10 tier. You may in fact hold several pensionable posts during the year.
- Overtime in excess of whole time hours (i.e. 37.5) is not pensionable and does not fall under the tiered contribution rules. Any income earned by a part timer in respect of additional hours worked up to whole time (i.e. 37.5 hours) is pensionable. However, remember that your tiered rate is always based on your WTE pay.
- If you receive any special pay awards (e.g. clinical excellence/commitment change) in 2009/10 a new tier must be set using the above Table and based on the new annualised (WTE) pay.
- If you 'step down' into a lower paid new job in 2009/10 a new tier must be set for the new job based on the annualised (WTE) pay set against the above Table.
- This factsheet does not apply to non-GP Providers

Factsheet 2 - For all Practitioner and non-GP Providers

What pension contributions will I pay in 2009/10?

All Practitioner and non-GP Providers HSC Pension Scheme members will have their employee contribution rates reassessed for the Scheme year 1 April 2009 to 31 March 2010. The table below shows the tiered rates taking account of the 2009/10 AfC pay award.

Tier	Annual Pensionable Pay (*full time equivalent) – 2009/10	Contribution Rate 2009/10
1	Up to £20,709	5%
2	£20,710 to £68,392	6.5%
3	£68,393 to £107,846	7.5%
4	£107,847 plus	8.5%

Key Points for Practitioner and non-GP Provider Scheme Members

- The basic rule is if you are a Practitioner or non-GP Provider your 2009/10 tiered contribution rate is based upon your actual 2009/10 certified HSC pensionable pay. Your actual earnings will not be known until earnings are finalised which may be up to 11 months after the year-end. Up to that point contribution rates applied in 2009/10 will be estimated.
- When referring to 'year 2009/10' it is the pension year not the calendar year. It is 1 April 2009 to 31 March 2010.
- Pennies are ignored for the purposes of setting a tier.
- A Practitioner is a GP Provider (i.e. GP partner (including a fixed salary partner), GP shareholder, single-handed GP), Salaried GP, freelance GP Locum, Ophthalmic Medical Practitioner, GDS or PDS General Dental Practitioner, or a General Dental Practitioner employed by a PCT or LHB to perform GDS/PDS. A non-GP Provider is a partner (including a fixed salary partner), shareholder, or single-hander who is not a GP.
- As a GP Registrar is classed as an Officer Scheme member **these rules do not apply to them.**
- HSC Pension Scheme contribution deductions are currently estimated. It is important to note that when GPs certificate of earnings has been certified then arrears of pension contributions may apply. **Salaried GPs and GP Locums (as well as GP Providers and non-GP Providers) shall be required to certify their 2009/10 pensionable pay at the end of the year. Further details will be provided later in the year**
- Business Services Organisation (formerly Central services Agency) will continue to arrange for the appropriate tiered contributions to be applied to General Dental Practitioners (GDPs).
- If you are a GP all your Practitioner income (i.e. GP Partner + GP Locum + OOHs + Bed Fund) is pensionable and must be added together in respect of allocating a tier. You cannot 'pick and mix' to avoid going into another tier band.
- Once a tier has been set it is applied to all of your aggregated Practitioner pensionable pay. For example a GP's total pensionable income is £130,000.00 comprising of Practice based income of £120,000.00 and OOHs income of 10,000.00. The GP would pay 8.5% on their Practice income and OOH income.

- If you are a GP and hold a concurrent salaried Officer post (i.e. Clinical Assistant) that Officer income is kept separate and will be afforded it's own unique tier; i.e. it is ring fenced.
- If you are a GP Provider, Salaried GP, or non-GP Provider and change jobs in 2009/10 your tiered contributions are still based on your aggregated pensionable earnings.
- If you are a non-GP Provider you are a whole time Officer member the tiered rate can only apply to one post.
- If you are a freelance GP Locum your pension Locum forms A and B will provide guidance in respect of tiered contributions.
- **Salaried GPs and GP Locums (as well as GP Providers and non-GP Providers) shall be required to certify their 2009/10 pensionable pay at the end of the year. More details about the end of year certificate will be published later.**
- If you are a salaried GP or GDP and receive a normal annual pay award it should not change your tier.
- If you are a fixed salary Partner and receive a pay increase, your tiered rate may be subject to change when your pensionable earnings are finalised.
- The rules in respect of tiered contributions apply to members of both the 1995 and the 2008 sections of the HSC Pension Scheme.
- If you are a GP or non-GP Provider who starts after 01/04/2009 your aggregated pay is not annualised (i.e. it is not scaled to a full year) for the purposes of setting a tier.
- If you are a GDP your aggregated pensionable earnings are scaled to a full year (i.e. annualised) for the purposes of setting a tier if you started after 1 April 2009.
- If you are a part time GP or GDP your actual pensionable pay is not converted to a whole time equivalent value for the purposes of setting a tier.
- If you are an APMS (Alternative Provider of Medical Services) the same tiered rate contribution rules apply as if you were GMS or PMS.
- If you are GP with Special Interests (i.e. a GPsWSI) and have no other Practitioner posts you are classed as an assistant medical Practitioner and must complete the relevant Certificate at the end of pension year 2009/10. More details about the end of year certificate will be published later.
- If you are a GP who is solely an OOHs GP (i.e. has no other Practitioner posts) you are also classed as an assistant medical Practitioner and will have to complete the relevant Certificate at year-end. More details about the end of year certificate will be published later.
- Bed Fund Posts are regarded as Practitioner posts so your Bed Fund tiered rate must be based on your total GP aggregated earnings, not solely on your Bed Fund income.
- If you are a salaried GP or GDP and in receipt of maternity/paternity pay in 2009/10 the full deemed pensionable pay (i.e. the unreduced pay) must be used to set the tiered rate.
- If you are a salaried GP or GDP and in receipt of sick pay in 2009/10 the full deemed pensionable pay (i.e. the unreduced pay) must be used to set the tiered rate.
- If you are buying added years or the additional pension the extra contributions are not affected by your tiered contribution rate. Please refer to circular HSS(S) 07/2008 if you were subject to the pensionable earnings cap and are buying added years. The added years pensionable pay cap, if relevant, is £123,600.00 in 2009/10.

4. The New Scheme Guide for Members

A new guide to the Scheme will soon be available to order and will be published on a new HSC Pensions Service website which will be launched in May 2009. The new guide gives details on both the 1995 and 2008 sections of the scheme. The new comprehensive guide will replace the following booklets:-

- HSC Superannuation Scheme guide
- HSC Pensions Scheme guide
- Scheme Guide for GP Practice staff and employees of Directional Bodies
- Leaving the Scheme
- Increasing your Benefits
- Benefits for Practitioners
- Early Retirement

The guide is designed as a one-stop shop for all members. It has clear signposts for different member types and colour coding to differentiate between the '1995 section' and the '2008 section'.

It covers various topics of retirement provision for example:-

- Membership and contributions
- Retirement
- Leaving
- Illness, Injury, and Family Benefits
- Help and General Information
- Joiner Questionnaire

The guide refers to certain factsheets where members can obtain more in depth details on certain topics, these factsheets will also be placed on the website.

Please note that the new guide is for employers to supply to new starters only. It is not for distribution to current scheme members.

5. An Interim Ill Health Retirement Application Form – AW33-09 Int

The current ill Health application process requires employers and applicants to complete Form AW33 and employers Occupational Health Physicians to complete Form OHD (1). This can sometimes cause delays as HSC Pension Service sometimes receives the AW33 without the OHD (1) and vice versa.

As a result a new interim form **AW33-09 Int** is now available (*copy attached*) which simply combines the existing AW33 and the OHD (1). It is our intention to replace this interim form with a more comprehensive form and guidance in September. Until then, employers are requested to use the **AW33-09 Int** for all new ill Health retirement applications. Any applications already received by HSC Pensions Service prior to this notification will be processed as normal.

6. The New HSC Pensions Service Website

A new HSC Pensions Service website is due to be launched in May 2009, with the information published on the new site in a user-friendly structure that we hope you will find easy to navigate. Employers and members will be able to access Scheme guides and forms, pension modellers and various factsheets explaining in depth the provisions of the HSC Pension Scheme. We will write to you again with more details shortly before the site becomes active.

How to contact us:

By Telephone:

Switchboard -	028 71 319000
Scheme Administration (<i>membership, benefits etc</i>)	028 71 319120
Practitioners	028 71 319125
Pension Payroll	028 71 319110
Pension Policy	028 71 319141

Opening times;
9.00am to 5.00pm – Monday to Friday

Fax

028 71 319144

Website address:

A new website will be launched in May 2009. We will write to you again with more details shortly before the site becomes active.

By email:

Until the new website becomes active general enquiries can continue to be e-mailed to superannbr@dhsspsni.gov.uk

If you have any comments about the content or format of this newsletter please email them to superannbr@dhsspsni.gov.uk