



Health & Social Care Pension Scheme 2015

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**HSC Pension Service
Business Services Organisation**



HSC Pension Service Pensioner Newsletter

This newsletter is for all pensioners of the HSC Pension Schemes and contains important information about an ongoing consultation that may affect your pension



October 2020

Public Service Pension Schemes Consultation

In 2015 the government implemented reforms to all main public service pension schemes. Public service pensions are some of the most generous pension schemes available, rewarding those who dedicate their working lives to public service.

The government maintains its commitment to ensuring that public servants are rewarded at the end of their careers and the need for schemes to be sustainable and affordable in the future.

The reforms that took place in 2015 did not apply to those closest to retirement. The Court of Appeal found this to be discriminatory against younger members and so the government has since been taking steps to fix this.

The Department of Finance (DoF) is consulting on proposals to remedy discrimination in the main unfunded public service pension schemes made under the Public Service Pensions (Northern Ireland) Act 2014.

The consultation is asking for views on the choices offered to pension scheme members

This consultation is the next stage in the process to remove the discrimination. It sets out options for how this will be done by providing members with a choice of which set of pension scheme benefits, those under their old scheme or the new scheme, they would like to have for the remedy period (between 1 April 2015 and 31 March 2022). These changes will apply across all the main public service pension schemes.

Who is affected by the consultation proposals?

Members of a public service pension scheme on 1 April 2015 who joined on or before 31 March 2012 will be in scope for these proposals. This includes those members who are currently active, deferred or retired.

How the changes could affect pension scheme members

Addressing the discrimination essentially gives members a choice of scheme benefits during the remedy period, increasing the value to some members.

The majority of individuals will see no change in their pension's tax liabilities. A minority of members may see changes, which could be a return of tax already paid or more tax to pay. Where individuals have overpaid tax HM Revenue and Customs (HMRC) will repay this. Where there are tax charges owed the individual must pay these but only for the 4 tax years before their scheme benefits change.

Where a member chooses new scheme benefits for the remedy period, at the point of retirement, their annual allowance tax position will be reassessed. Where an annual allowance tax charge arises from their choice, the scheme will compensate individuals for the tax charge.

A copy of the consultation is available on the DoF website and can be accessed by clicking the following link:

<https://www.finance-ni.gov.uk/consultations/consultation-proposed-changes-transitional-arrangements-2015-schemes>



Public Service Pension Schemes Consultation - cont

How to respond to the consultation

The consultation is asking for views on the choices offered to pension scheme members

This consultation will run for 12 weeks and will close at midnight on Wednesday 18 November 2020. Responses can be submitted by email to: DoFpensionspolicy@finance-ni.gov.uk

Alternatively, responses can be sent by post to:

Public Service Pensions, Policy and Legislation Branch

Pensions Division

Department of Finance

Waterside House

75 Duke Street

Londonderry

BT47 6FP

Any questions or requests for further information pertaining to the consultation should be directed to Department of Finance at the address above.

