

EMPLOYER

Technical Update



HSC PENSION SERVICE

HSCPTU 03/11

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www.hscpensions.hscni.net

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1. Annual Allowance – Employer presentation and FAQs

An employer presentation is now available as a guide for employers around the reduced annual allowance. The guide presentation explains more about;

- What is the annual allowance?
- What is changing?
- Who in the HSC could be affected?
- How is the annual allowance calculated?
- Annual Allowance Example
- Carry Forward
- Statutory Deadlines
- What does this mean for employers?
- What does this mean for members?

You can find this guide on the website: www.hscpensions.hscni.net/employers/emp-material/emp-material-fs.htm

There is also an Employers FAQ document available on the website: www.hscpensions.hscni.net/employers/emp-material/emp-material-faq.htm

2. Medical and Dental Practitioner Dynamising Factors for 2010 - 2011

The 'dynamising factors' used to up-rate the HSC pensionable earnings of all Practitioners (GPs, Ophthalmic Medical Practitioners and General Dental Practitioners) have now been confirmed.

The increase for the full year ending 31 March 2011 is as follows:

- 01 April 2010 – 31 March 2011 = 4.6%

Those Practitioners who retire from April 2010 to February 2011 are afforded a proportion of the 4.6%.

The 'dynamising factors' are based on the September 2010 CPI rate of 3.1% plus 1.5%.

3. Added Years Contributions for Scheme Members previously subject to the Pensionable Earnings Cap

Scheme membership accruing from 1 April 2008 is no longer subject to a pensionable earnings cap. However Scheme members who were subject to the pensionable earnings cap in respect of some or all of their membership before that date and who are buying:

- Added years; and/or
- An unreduced lump sum;

under a contract that started before 1 April 2008, will pay the additional contributions only based on notional capped pay as follows:

£117,600.00 for year 2008/09
£123,600.00 for year 2009/10
£123,600.00 for year 2010/11
£129,600.00 for year 2011/12

For example, a member who was previously subject to the cap and who earns £140,000.00 in year 2011/12 will pay tiered employee contributions on the full amount. However, the additional contributions in respect of their added years / unreduced lump sum are limited to pay of £129,600.00, because the contract started before 1 April 2008.

Contributions in respect of an added years or unreduced lump sum contract starting on or after the 1 April 2008 are not capped even if the member was previously subject to the pensionable earnings cap.

Members must pay additional added years contributions in respect of all their HSC pensionable posts.

4. Reminders

- 1. Please check that when an employee starts employment that you ensure added years contributions are deducted if a member is currently paying into an added years contract. If a member is paying added years, they should pay the additional contributions in all employments. HSC Pensions will be carrying out regular checks to ensure the correct amounts of contributions are being deducted.**
- 2. Please ensure that when someone joins or leaves the scheme that all documentation is sent into us in a timely manner. It is important that when a member leaves a particular employment we receive a termination notice with details of the final superannuable salary provided. Failure to do so will result in a delay of benefits payable at pension age.**
- 3. Please ensure that all pension application forms are sent to us no later than 3 months prior to the retirement date to enable us to gather all information to pay pension benefits.**
- 4. Employers can greatly assist us by ensuring that their interactions and subsequent amendments with members' records are done carefully and accurately to ensure that the data which comes across on interface is accurate and up-to-date. This will also help to reduce the number of queries that we raise with you. We would appreciate a prompt response to any queries that are raised to ensure accurate records are upheld.**

Distribution List:

The Chief Executive of the HSC Board & HSC Trusts
The Director of Finance and Director of Human Resources of the:
HSC Board;
The Business Services Organisation;
The Patient and Client Council;
The Public Health Agency;
HSC Trusts;
Each Special Agency;
GP Practices;
Dental Practitioners;
Out of Hours Providers;
Directional Bodies; and Staff Representative Bodies.

How to contact us:

By writing to us at:-

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Londonderry
BT47 6FP

Via e- mail at:- hscpensions@hscni.net

By Fax:- 028 71 319144

For urgent enquiries only, you can contact us by Telephone: 028 7131 9111

9.00am to 5.00pm – Monday to Thursday; 9.00am to 12.00 Friday

Any enquiries relating to this update should be emailed to Emma Cocks, HSC Pension Service - emma.cocks@hscni.net

If you have any comments about the content or format of this newsletter please email them to hscpensions@hscni.net