



EMPLOYER

HSC Pension Service

TECHNICAL UPDATE

CONTENTS

Consultation on amendments to the Health Service Pension Scheme (HSCPS) Regulations – Tiered Contributions 1

2012/13 GP Providers (and non-GP Providers) Certificate of Pensionable Income 2

HSC Pension Service Life Assurance Cover for Bank Staff 3

1. Consultation on amendments to the Health Service Pension Scheme (HSCPS) Regulations – Tiered Contributions

Background

A previous technical update informed you that HSC Pension Service has been advised by the Department of Health that proposals have been made to amend Health Service Pension Scheme Regulations 1995 and Health Service Pension Scheme Regulations 2008.

Consultation has now ended and the proposed Regulation amendments will come into operation on 20 November 2013 and will be backdated to 1 April 2013.

The amendments implement revised pensionable pay/earnings bands for the Scheme year 1 April 2013 to 31 March 2014 as a consequence of the national 1% increase to pay which was effective from 1 April 2013.

Employers should use the new table shown in this Newsletter on this basis: the amendments are wholly beneficial in that they increase the threshold of pensionable pay/earnings required to determine the level of member contributions payable. The changes insert new pay/earnings thresholds only, there is no increase in the percentage of contributions payable and no change to the way the tables are used.

Officers or Practice Staff members

Table 1 - This table is for use when assessing a person's contribution rate for 2013/2014 in respect of Officers or Practice Staff members, who are employed by the same employer at the end of the last scheme year and the beginning of the current scheme year.

The general basic rule is that the tier for existing Officers and Practice Staff Scheme members for 2013/2014 is based on their 2012/2013 full year whole-time equivalent (WTE) pensionable pay, unless there has been a change in circumstances.

Table 1 - Scheme Year 2013-2014

Pensionable Pay band 2012/2013	Contribution percentage rate
Up to £15,278.99	5.0%
£15,279.00 to £21,175.99	5.3%
£21,176.00 to £26,557.99	6.8%
£26,558.00 to £48,982.99	9.0%
£48,983.00 to £69,931.99	11.3%
£69,932.00 to £110,273.99	12.3%
£110,274.00 to any higher amount	13.3%

Table 2 – This table should be used for Officer or Practice Staff members who are new starters (and staff who have changed jobs or 'stepped down'), or returning to the HSC after a break on or after the 1 April 2013 or whose rate of pay for an existing job changes, including increments to pay (except in circumstances where there is a change in duties that is unplanned or unlikely to last for 12 months or more).

Their contribution rate should be reassessed based on their estimated annual pensionable pay (notional whole time for part time employees) and allocated a new contribution rate if applicable. The pay figure to be used is the annualised amount; i.e. the hypothetical pay from 1 April 2013 to 31 March 2014.

Table 2 –Scheme Year 2013-2014

Pensionable Pay band	Contribution percentage rate
Up to £15,431.99	5.0%
£15,432.00 to £21,387.99	5.3%
£21,388.00 to £26,823.99	6.8%
£26,824.00 to £49,472.99	9.0%
£49,473.00 to £70,630.99	11.3%
£70,631.00 to £111,376.99	12.3%
£111,377.00 to any higher amount	13.3%

As employers will be aware, technically a change in pay (other than due to an unexpected change in duties or one unlikely to persist for at least 12 months) would normally cause an in year re-assessment of a members contribution tier. So if a member's original rate has been assessed using their pensionable pay (notional whole time for part time employees) for year ending 31 March 2013 and a member's pay then increases on or after 1 April 2013, the reassessment should be done using the new pay rate and Table 2 for the Scheme year ending 31 March 2013.

It is important for employers to be aware however that that the purpose of Table 2 is to revalue the contribution tiers in line with general uplifts to the national AfC pay bands Therefore, no one receiving the 1% pay increase should drift into a higher banding because of that very increase. However, if a member receives an increase over and above the national 1% a reassessment of their contribution rate would be required and may result in the member being allocated a higher contribution rate.

All Practitioner (GP, General Dental Practitioner, Ophthalmic Medical Practitioner) and non-GP Provider NHS Pension Scheme members.

The following table has been proposed for all Practitioner and Non-GP provider members and is intended to replace the current tiered contribution table for Scheme year 1 April 2013 to 31 March 2014.

Pensionable Pay band	Contribution percentage rate
Up to £15,431.99	5.0%
£15,432.00 to £21,387.99	5.3%
£21,388.00 to £26,823.99	6.8%
£26,824.00 to £49,472.99	9.0%
£49,473.00 to £70,630.99	11.3%
£70,631.00 to £111,376.99	12.3%
£111,377.00 to any higher amount	13.3%

Again, the arrangements for Practitioner and non-GP Provider members are different because their earnings can vary significantly from year to year and may only be finalised following completion of their tax return, sometime after the end of the scheme year. Pensionable earnings and contribution rates are set retrospectively and so the separate approach used for existing and new-to-post officer members is unnecessary.

This means that the tiered rates for Practitioner and non-GP Provider members in any year should first be set on a provisional basis, using a 'best estimate' of expected earnings and the latest contribution table available. The estimate can be based on finalised earnings and the relevant earnings bands for an earlier year, or an estimate of future earnings and the earnings bands for the current year.

Once the GP or non-GP Provider's actual earnings for the scheme year are known, the final tier is set and, if necessary, the contributions they made on a provisional basis, adjusted.

Notifying Your Employees

Could we please ask that you alert all your employees about the new table as part of your own internal communication arrangements.

More detailed guidance on the application of tiered contributions can be found on the HSC Pension Service website at: <http://www.hscpensions.hscni.net/>

2. 2012/13 GP Providers (and non-GP Providers) Certificate of Pensionable Income

The 2012/13 Certificates of Pensionable Income that all GP Providers (and non-GP Providers) must complete are now available. Both the main and limited company versions can be obtained from HSC Pension Service website by clicking onto <http://www.hscpensions.hscni.net/forms/>

The Certificates must, in law, be completed by all Providers; i.e. GP (and non-GP) partners, single-handers, or shareholders.

A GP Provider is legally required to complete a Certificate in respect of every practice, surgery, or centre where they are a Provider; i.e. partner, single-hander, or shareholder.

A non-GP Provider is legally required to complete a Certificate in respect of one practice, surgery, or centre even though they may be involved in several. This is because they can only superannuate income from practice, surgery, or centre.

The Certificates are available in pdf and excel format. Also on the website is comprehensive guidance in respect of completing the Certificates.

The statutory deadline for completing the 2012/13 Certificates is **28 February 2014**.

3. HSC Pension Service Life Assurance Cover for Bank Staff

Bank Staff are entitled to death in service cover i.e. 2 x their actual pensionable/reckonable pay if they are in active pensionable employment on the day they die.

For example, a member who works 9am to 5pm, Monday to Wednesday every week, will be covered for death in service from 9am on the Monday until 5pm on the Wednesday only. Therefore, if they were to die after 5pm on the Wednesday and before they resumed work at 9am on the following Monday they would not be entitled to death in service cover. Their entitlement would be death within 12 months of leaving as their last day of active pensionable service would have been the Wednesday prior to death.

Bank Staff who are available to work by virtue of being on the list or bank are not regarded as being in active pensionable employment; however, they are still entitled to life assurance cover although the benefits payable will differ from death in service.

If Employers are in any doubt regarding the level of benefits payable upon the death of a bank worker they should email hscpensions@hscni.net before providing guidance or estimates to the late member's next of kin.

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:-

HSC Pension Service
Waterside House
75 Duke Street
Londonderry
BT47 6FP

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

By Fax:- 028 71 319144

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