



EMPLOYER

HSC Pension Service

TECHNICAL UPDATE

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1. Annual Allowance: Deadline for 2012/2013 Scheme Pays Election

The deadline for submitting a Scheme Pays Election notice (SPE2) to HSC Pension Service for 2012/13 is 31 July 2014. This is subject to retirement or reaching age 75 before this date.

Notes on how to complete the SPE2 can be found in the factsheet 'Annual Allowance Charge and SPE2 Guidance Notes' available on the Factsheets page of the Member's section on the website at:

<http://www.hscpensions.hscni.net/members/members/factsheets/>

Please note that HSC Pension Service will not normally accept voluntary Scheme Pays Elections as this may lead to members incurring interest on their Annual Allowance charge from HMRC.

For more information about Annual Allowance and Scheme Pays please visit the Tax Information pages of the HSC Pension Service website at: <http://www.hscpensions.hscni.net>.

HMRC's guidance is available in their Registered Pension Schemes Manual (RPSM) at:

<http://www.hmrc.gov.uk/manuals/rpsmmanual/RPSM06105000.htm> and members may find the following pages useful: RPSM06109060, RPSM06109100 and RPSM06109070.

2. Proposed Employee Contribution Rates for Scheme year 1 April 2014 to 31 March 2015 (Year three of three)

Background

Details of the proposed 2014/2015 employee contribution rates have recently been provided. The rates shown are in respect of the third year of a three year review period.

The rates shown are due to be implemented from 1 April 2014 for the Scheme year 1 April 2014 to 31 March 2015. However, these proposals will be subject to normal Assembly processes and approval first. The details shown in this Technical Update are therefore, provisional.

Please note that the contribution rates shown may be subject to change following further consultation.

Consultation in respect of the proposed contribution rates started on 19 December 2013 and this is anticipated to last until 10 February 2014. As with Scheme year 2013/2014 the table shown may be adjusted for those new to post etc. from April 2014 to reflect any pay uplift that is applied. In the event of any change, you will be informed and details will be published on the HSC Pension Service website. Whilst HSC Pension Service will inform the larger payroll providers of these changes, you must ensure that systems are in place for the correct deduction and collection of contributions.

More detailed information about the contribution rates will be provided in a future edition of the Technical Update. Arrangements will also be made to update the employer and member information shown on the HSC Pension Service website in the early part of February 2014.

Proposed 2014/2015 Contribution Rates before tax relief (gross)

2014-15 employee contributions before tax relief (gross)

Full-time pensionable pay	Contribution rate (before tax relief) 2013/14 (gross)	Contribution rate (before tax relief) 2014/15 (gross)	Contribution rate increase 2014/15 (percentage points) (gross)
Up to £15,431.99	5%	5%	0
£15,432.00 to £21,387.99	5.3%	5.6%	0.3
£21,388.00 to £26,823.99	6.8%	7.1%	0.3
£26,824.00 to £49,472.99	9%	9.3%	0.3
£49,473.00 to £70,630.99	11.3%	12.5%	1.2
£70,631.00 to £111,376.99	12.3%	13.5%	1.2
£111,377.00 and over	13.3%	14.5%	1.2

As you will see there are still seven contribution tiers. The employer's contribution rate remains at 13.3% for the Scheme year 1 April 2014 to 31 March 2015.

The rules on the application of contribution rates remain unchanged.

The table should also be used for new joiners and staff who have a change in their circumstances. Please note that it is their annualised 2014/15 whole time equivalent pensionable pay that must be used.

Disclosure - Notifying Members of the New Rates

Under Disclosure legislation all employees must be notified of the changes, not just Scheme members. To alert employees to the revised contribution rates and to assist employers in communicating this information, HSC Pension Service will make the following arrangements:

Leaflet

Again, in accordance with Disclosure legislation, you must ensure that all your employees, not just Scheme members, are provided with advance notice of the new contribution rates. To ensure you meet your disclosure responsibilities, HSC Pension Service will provide a leaflet for you to distribute.

Employers

From approximately the beginning of February, employers must ensure all employees receive the leaflet before 1 April 2014.

Copies of the leaflet can be downloaded from our website at:

<http://www.hscpensions.hscni.net/wp-content/uploads/2013/03/Member-Contribution-Increases-Leaflet2.pdf>

In order to deal effectively with any future disputes or complaints about disclosure, employers are reminded that you should keep records of how such materials are distributed.

Poster

Pensions will also make available to you, via the HSC Pension Service website, an A4 poster to alert employees to the forthcoming changes to contribution rates. You should download copies and ensure that posters are placed in areas where employees are most likely to notice them. This poster is available on the HSC Pension Service website at:

<http://www.hscpensions.hscni.net/wp-content/uploads/2013/03/Tiered-Contributions-Poster-2014.pdf>

HSC Pension Service website

The HSC Pension Service website will also be updated during the early part of February 2014 with the latest details of contribution rates and provide specific factsheets for further information.

Important – The contribution rates shown in this letter are the latest rates provided by the Department of Health, Social Services and Public Safety and may be subject to change following further consultation. Should any of the contribution rates shown in this letter change, Employing Authorities will be informed and the HSC Pension Service website will be updated.

3. Revised Process of paying GP Practice Staff Contributions — April 2014

From April 2014, all GP Practices will pay actual contributions on a monthly basis. Electronic returns will be completed monthly and HSC Pension Service will collect contributions via direct debit on a specified date each month.

An electronic monthly return from (GP1) has been created and can be downloaded from the 'Forms' section of our website: <http://www.hscpensions.hscni.net/forms/>

GP Practice managers are required to complete the yellow boxes on the monthly return form (GP1). **This form should not be used until April 2014.**

Electronic GP1 forms must be completed and **emailed** to hscpensions@hscni.net no later than the 5th day of the following month. Please see detail below. A paper copy will not be accepted. There will be **no exceptions**.

HSC Pension Service will process the direct debit collection on the 14th day of the same month (or the next available day). Again, there will be **no exceptions** and the direct debit date is **non-negotiable**. This is vital in order to keep administration to a minimum for both the GP Practices and HSC Pension Service.

Detailed below are the dates that must be adhered to for the year 2014/15 so that GP Practices can make actual payments on a monthly basis and to also allow easier reconciliation of payments by HSC Pension Service.

Month Payment Relates To	Date GP1 to be returned	Direct Debit Date
April 2014	05 th May 2014	14 th May 2014
May 2014	05 th June 2014	16 th June 2014
June 2014	05 th July 2014	16 th July 2014
July 2014	05 th August 2014	14 th August 2014
August 2014	05 th September 2014	15 th September 2014
September 2014	05 th October 2014	14 th October 2014
October 2014	05 th November 2014	14 th November 2014
November 2014	05 th December 2014	15 th December 2014
December 2014	05 th January 2015	14 th January 2015
January 2015	05 th February 2015	16 th February 2015
February 2015	05 th March 2015	16 th March 2015
March 2015	05 th April 2015	14 th April 2015

A copy of the direct debit mandate can be found on our website at:

<http://www.hscpensions.hscni.net/wp-content/uploads/2012/11/DIRECTDEBITINSTRUCTIONTEMPLATENB1.pdf>

If your bank details have changed since we last collected GP Payments, please complete and return a copy of this mandate to HSC Pension Service.

4. Auto-enrolment

Revised legislation (SI2013/2556 The Automatic Enrolment (Miscellaneous Amendments) Regulations 2013) was passed in October 2013, with the first changes coming into effect from November 2013 and further changes from April 2014.

Due to these changes The Pension Regulator (TPR) have produced new guidance and updated their existing detailed guidance. This is available at:

<http://www.thepensionsregulator.gov.uk/employers/automatic-enrolment-detailed-guidance.aspx>

Where appropriate there is a list at the back of the guidance identifying the changes. All employers, even if they have already staged, should make themselves familiar with the changes and from when they are effective.

TPR have confirmed that the opt-out period for auto-enrolment has not changed from four weeks (with a further two weeks if the opt-out form is incorrectly completed) after the later of:

- the staging date
- or
- the date relevant notification was sent to the eligible employee.

This time limit is also confirmed in the employers section of the SD502. However, TPR have confirmed that “the automatic enrolment joining window is extended from one month to six weeks”. This means there are no changes to the current opt-out arrangements for members who are auto-enrolled.

Important note for employers who have not yet reached their staging date:

Until an individual employer reaches their staging date, as confirmed by TPR, HSC employers must continue to enrol **all** new employees into the HSC Pension Scheme from their start date, unless the individual is not eligible to join this Scheme. The method of notifying HSC Pension Service of a new joiner has not changed.

HSC employers who have not staged can check their staging date with TPR at:

<http://www.thepensionsregulator.gov.uk/employers/tools/staging-date.aspx>

TPR does not inform HSC Pension Service of any HSC employer's staging date, any queries about staging dates should be directed to TPR.

5. Application for refund

The refund of contributions application form (REF 1) has been amended so that employers can enter details of the NICO earnings of employees for specific years. Please ensure these details are included when returning the application form to enable HSC Pension Service to calculate the refund amount due.

6. Disclosure of Senior Managers Remuneration (Greenbury) 2014

Our annual exercise to provide the pension entitlement of senior managers for Accounts and Annual Reports is starting soon. This is a reminder that all information should have been sent into HSC Pension Service by the 24th January 2014. This is to enable us to provide the necessary disclosure information to submit your accounts. If you have not already done so, please send this information immediately as HSC Pension Service will be unable to guarantee that late requests will be dealt with in time for submission of accounts.

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.

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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