

HSC Pension Scheme Unreduced Lump Sum Retiring Allowance (ULSRA) FAQs

Q Who may need to buy an unreduced lump sum for the period prior to 25/03/1972?

A Reduced lump sums are payable to:

- Men who are or have been married, or have a civil partner or surviving nominated partner who they have nominated to receive a full dependents pension; or
- Women who are or have been married, or have a civil partner or surviving nominated partner who they have nominated to receive a full dependents pension.

Q What are the methods of payment?

A There are two payment methods:

- Purchase can usually be made by additional contributions deducted from pay.
- Some members may also have the option to pay the full cost by paying a lump sum contribution.

Please see the ULSRA Factsheet for details of eligibility and limits on contributions.

Q How much will it cost if payment is made by additional contributions?

A The price is set as a percentage of pensionable pay, for each year of cover being purchased. The percentage varies according to the age of the member and when they plan to retire but is fixed at the outset so the member will have the same percentage deducted from their pay in every pay period. Tax relief will usually be available through PAYE.

Q How is an application for payment by additional contributions made?

A Application is made on form AB54. You must verify the member's date of birth before sending the application to HSC Pensions. Deduct the contributions from the pay at the same time as the standard membership contribution.

Q When will the additional contributions start and end?

A The contract must start from the member's next or a future birthday and run for a minimum of 2 years. Members can choose to complete the payments on their 60th or 65th birthday, but members of the special classes can also choose age 55.

Q How much will it cost if payment is made by lump sum contribution?

A There is a cost factor (in £'s) for each £100 of pensionable pay the member receives. The cost factor varies depending on their age when they apply, but is the same each year of cover purchased.

HSC Pensions will confirm the cost of any purchase by lump sum contribution.

Q How is a payment by lump sum made?

A The member must pay you the full gross cost and apply to HMRC for tax relief. Payment must be made within 3 months of the date on the application. You must verify the member's date of birth before sending the application to HSC Pensions.

Q Is tax relief available on the contributions?

A HM Revenue and Customs allow tax relief on pension contributions up to 100% of relevant UK earnings for the tax year.

Q Can an application be made whilst absent from work or when pay is reduced?

A No. An application cannot be made when absent from work or during a period when earnings are reduced or have ceased. The application will only be accepted if we are satisfied that the member is in good health and there is no reason why their health would prevent them from completing the payments.

Q Can a member cancel an ULSRA contract?

A A member will normally be expected to pay the extra contributions until their chosen end age. If payments change or stop before that age, the number of added years they are buying will normally be affected. Any request to stop making payments should be made in writing and sent to HSC Pensions for approval.

Q Can a member have an Additional Pension as well as purchasing an ULSRA?

A Yes, but the total contributions cannot exceed any limits set by the Scheme or HM Revenue and Customs.

Q Can a member who is buying added years purchase an ULSRA as well?

A Yes, but the total contributions cannot exceed the Scheme limits shown on the Factsheet.

Q Does the employer need to make additional contributions?

A No, ULSRA contributions are made entirely by the member.