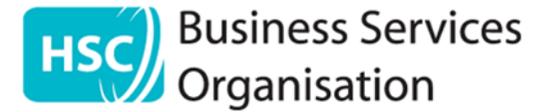


“Working in partnership to administer the HSC Pension Scheme”

HSC Pension Scheme Employer’s Charter

Your roles and responsibilities in locally administering the HSC Pension Scheme



(For the attention of HR & Finance Directors, Pension Officers and those responsible for administering the HSC Pension Scheme (including outsourced providers)).

This guide has been produced in consultation with the Department of Health, Social Services and Public Safety, HSC Pension Service and HSC employers.

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

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Contents

This document contains information relevant to Scheme employers.

Foreword

Introduction

1: Who is this document for?

2: The role of the Scheme employer

2.1 - Nominating a local Scheme administrator

2.2 - Administration of pension events

2.3 - Collection and submission of contributions

2.4 - Providing information to HSC Pension Service

2.5 - Providing information to Scheme members

3: Consequences of non-compliance

4: The role of HSC Pension Service

5: When will this charter be updated?

6: Glossary of terms / meaning of abbreviations used



Foreword

The HSC Pension Scheme has been a cornerstone of the HSC's reward package since its creation. Whilst the scheme remains the subject of significant modernisation, to reflect both its affordability and its suitability to the current workforce, it continues to allow HSC staff to save effectively for their retirement.

The effective administration of the HSC Pension Scheme requires successful and timely interaction between you as employers and HSC Pension Service (HSCPS). The Department of Health, Social Services and Public Safety (DHSSPS) and HSC employers have worked with HSCPS in recent years to improve not only the quality of service that you and scheme members receive, but also the manner in how we all communicate in administering the scheme's regulations.

I see the development and implementation of this Employer's Charter as a key activity that will enable improved administration within all our organisations. We have aimed to provide you, as employers, with total clarity on your local Scheme administration requirements and have crucially summarised what you can expect from HSCPS.

Adherence to this Charter is vital if Scheme members are to receive timely and accurate pensions. The current level of organisational change, pension legislative change and budgetary pressures further reinforce the requirement for improved and more efficient administration.

HSCPS is no different to any other public sector organisation and will be required to deliver significant efficiency savings during the coming years. By providing you, the employers, with improved clarity of your roles and responsibilities, I believe we can reasonably expect to see a steep change in the level of effort expended in areas such as obtaining and validating member details or the collection of Scheme payments.

We welcome your comments on this first edition of the Charter and aim to develop its content over time (as a living document) in a manner that supports you in administering the Scheme.

The role of employers in administering the Scheme is crucial and our success is reliant on your compliance. Whilst the DHSSPS will work with HSCPS to try and minimise instances of non-compliance, this Charter does provide details of the measures that will be adopted when non-compliance issues occur.

This Charter signals another step forward on a long term journey that aims to provide not only employers but also individual Scheme members with better access to their pension details and, in time, an ability to keep all this information up to date using on-line facilities. The Charter is intended for those with Board accountability in addition to those Human Resources, Payroll and Pensions staff who undertake operational scheme administration activities. Please ensure that all appropriate individuals within your organisations receive a copy. Your support in working in partnership with HSCPS to collectively meet the Charter's objectives will be to the benefit of all concerned.

Martin Bradley MBE
Head of HSC Pension Service



Introduction

HSCPS and Scheme employers must work effectively together in order to effectively and efficiently administer the HSC Pension Scheme on behalf of the DHSSPS.

This document has been produced in consultation with the DHSSPS, HSC employers and HSCPS to set out the role and responsibilities* required from each Scheme employer to enable successful administration of the HSC Pension Scheme.

The HSC Pension Scheme is governed by rules laid down in regulations agreed by DHSSPS. These regulations are also bound by all primary legislation that has relevance to Occupational Pension Schemes. This means that the roles and responsibilities outlined within this document are a legal requirement to which all Scheme employers must fully comply.

This document is important as the respective roles and responsibilities of HSCPS and Scheme employers have evolved over time from a number of different perspectives. The primary ones amongst these being:

- **Changes in legislation that demand up to date information.**
- **Accurate membership and service information that will be a key element of existing and future online services.**
- **Business readiness for future HSC Pension Scheme changes.**
- **Increase in demand from Pension Scheme members to obtain timely and accurate membership information.**

(* This document outlines what the responsibilities of Scheme employers are at a high level – it does not include the specific lower level details about how each of these duties should be performed.)



1: Who is this document for?

This document is applicable to all Scheme employers. This includes all HSC Organisations, GP Practices and Directional Bodies.

As appropriate, within these organisations this document should be used by:

HR Director / Finance Director (or the Director with lead responsibility for the local administration of HSC pension matters) who is accountable for the delivery and resourcing of local administration of the HSC Pension Scheme.

HR administrators who need to be aware of the organisation's responsibilities in regard to the HSC Pension Scheme to be able to inform the staff employed within their organisation as necessary. The Pension Scheme can and should be used as a key part of an employer's recruitment and retention program as it provides valuable staff benefits.

Pension administrators who are responsible for the day to day administration of the Scheme.

Payroll administrators within organisations from where pension data is delivered.

Outsource providers who provide a pension administration service on behalf of the employer.

● ● ● ● 2: The role of the Scheme employer

Scheme employers play a vital role in the administration of the HSC Pension Scheme. Their local administrative duties require the fulfilment of these primary activities:

- **Appoint a named person(s) within the organisation who is the contact point for the day to day administration of the HSC Pension Scheme within your organisation.**
- **Undertake the necessary administration procedures for:**
 - **New members of staff who wish to join the Pension Scheme;**
 - **Members of staff who leave the organisation and either retire, defer their membership or obtain a refund (if eligible).**
 - **Any members of staff who die within service.**
- **Collect employer and employee Scheme contributions and submit them on a monthly basis to HSC Pension Scheme Account. This includes ensuring that the correct contribution bandings are applied.**
- **Provide accurate, timely membership data, and information about Scheme members currently or previously within their organisation (where available) to HSCPS on a standard basis or in response to a request. (This includes undertaking reconciliation between employer held and HSCPS held data).**

- **Provide Scheme members with information about the Scheme, their individual benefits and other basic retirement information.**
- **Undertake accounting requirements (i.e. IAS26).**

Each of these activities is now broken down and explained in further detail in the subsequent sections.

Note: To facilitate all of these activities listed above it is necessary that local administrators regularly keep abreast of Pension Scheme changes which are outlined in Employer Technical Updates, the Employers' Forums and on the HSCPS website.

2.1 - Nominating a local Scheme administrator

Every Scheme employer must nominate:

1. A lead person(s) who is the contact point for the day to day administration of the duties outlined in this guide.
2. A named senior accountable officer. Any changes in responsibility should be notified to:
martin.bradley@hscni.net

The amount of resource needed to locally administer the HSC Pension Scheme is dependent on the size of your organisation. Small organisations such as Directional Bodies or GP Practices may be able in most cases to incorporate these duties as only one part of someone's overall responsibilities, where larger HSC Organisations should consider the need to have at least one dedicated full-time Pensions Officer.

The funding, and resourcing of these roles is the responsibility of your organisation's management and budget holders.

Note: If your Payroll and Pensions administration has been outsourced, HSCPS requires contact details for who is accountable for local administration within the outsourcing organisation and who is undertaking the actual administration within the provider. Outsourcing does not remove the organisation's accountability under the Scheme's Regulations. Therefore, the Scheme employer must ensure that staff involved in the administration of the Scheme are suitably competent.

2.2 - Administration of pension events

The table below outlines the primary 'pensions events' which Scheme employers must undertake as part of their local administration responsibilities.

Pension Event	Main Undertakings	Data / Information Required	Relevant Notes	Timescale
New starters (Joiners) within Organisation	<p>Provide copy of Scheme Booklet to Scheme member on employment.</p> <p>Determine eligibility of staff member to join the Scheme.</p> <p>Determine any information about member relevant to administering the HSC Pension Scheme.</p> <p>Determine whether member of staff wishes to join the Scheme or opt out. (The member should be automatically admitted unless they opt out or are ineligible).</p>	<p>Complete Electronic Interface with Payroll to join the Scheme (J2 if Directional Bodies and GP Practices)</p> <p>Required information by HSCPS:</p> <ul style="list-style-type: none"> • Start date • Tiered contribution rate • Whole-time/part-time • Employment type • Standard hours (if part-time) • Actual hours (if part-time) • Name • National Insurance number • Title • Payroll reference number <p>Complete Form SD502 if the member decides to opt out and retain.</p>	<p>New starters also include those who decide to latterly opt in, those who become eligible or Bank Re-joiners.</p> <p>HSCPS has produced a Joiner Questionnaire available on the HSCPS website. Use of this ensures that all pertinent information needed to join (or opt out of) the Pension Scheme is collected by the Scheme employer.</p>	<p>Within the first month of member joining the Scheme.</p>
Transfer In	<p>Inform member to contact HSCPS.</p>			<p>Within 12 months of joining the Scheme (1995 Section).</p> <p>Within 12 months of being eligible to join the Scheme (2008 Section).</p>

Pension Event	Main Undertakings	Data / Information Required	Relevant Notes	Timescale
Increasing Pensions	<p>Provide members with information on ways to increase HSC Pension benefits (Buying Additional Pension (AP) or Money Purchase (AVC)).</p> <p>Set up necessary deductions and payments from payroll.</p>	<p>If member chooses:</p> <p>a) AP, then employer should complete Part B of form AP1 and send to HSCPS for approval. Then establish if application is agreed.</p> <p>b) AVC, then employer should work with the chosen provider and complete the required paperwork after the member is accepted, to make the necessary deductions and payments to them.</p>	<p>Information for members on increasing pension benefits is provided on the HSCPS website at http://hscpensions.hscni.net</p>	<p>Dependent on option chosen by member.</p>
Estimates	<p>If employer unable to complete estimate, contact HSCPS by completing the standard estimate request form in order to fulfill estimate obligations.</p>	<p>Employers will need to complete standard estimate form and submit to HSCPS.</p>		<p>HSCPS' statutory target is 20 working days. Employers should seek to provide members with estimates in a timely manner and at least 3 months before the member's retirement date (if this is known).</p>

Pension Event	Main Undertakings	Data / Information Required	Relevant Notes	Timescale
Premature Retirements (Redundancy)	<p>Obtain estimates for employee.</p> <p>Terminate employment status and submit retirement application.</p>	<p>Obtain redundancy estimates from HSCPS at least three months before expected retirement date.</p> <p>Complete and forward form AW6 three months before retirement (and AW171 if the award needs to be revised because of updated details).</p>	<p>Redundancy factors for calculating employer costs are available on the HSCPS website.</p>	<p>Three months before retirement.</p>
Ill Health Retirees	<p>Collect appropriate medical evidence in connection with potential requests for ill health retirement and submit form to determine eligibility.</p> <p>If serious ill health then complete appropriate form.</p>	<p>Complete form AW33 (then complete AW6 once notification received that application has been accepted).</p> <p>In cases where the OHS has advised that commutation of benefits is appropriate, employee should complete and sign form AW34 if they wish to avail of this option.</p>	<p>(Only 1 application can be made for retirement. For instance, members may not have concurrent ill health and age retirement applications).</p>	<p>Ill health applications should be made as soon as applicable for the benefit of the member. (The timing of an Ill health application is very important and should ideally be submitted well before paid sick leave ends).</p>
Bereavement	<p>Provide information to next of kin or legal representatives on procedures to claim benefits.</p> <p>Pay short-term death benefits to dependants of deceased members.</p> <p>Terminate employment record.</p> <p>Send completed forms to HSCPS.</p>	<ul style="list-style-type: none"> • Complete form AW135 for initial survivor benefits. • Complete form AW9 or AW11 for benefits. 	<p>If member is in the 2008 Section, employers should contact HSCPS to obtain the Life Assurance Lump Sum Value.</p>	<p>Bereavement applications should be made as soon as applicable.</p>

Pension Event	Main Undertakings	Data / Information Required	Relevant Notes	Timescale
<p>Retirees</p> <p>(Only 1 application can be made for retirement from each Section of the Scheme.)</p>	<p>Provide a copy of the Retirement Booklet to Scheme member.</p> <p>Terminate employment status and submit fully completed retirement application.</p>	<p>Complete and forward form AW6 three months before retirement.</p> <p>Complete form AW171 if the award needs to be revised because of updated details.</p>	<p>It is good practice for members to receive an estimate of their benefits before commencing the retirement process. (This includes verifying the Guaranteed Minimum Pension)</p>	<p>Three months before retirement date.</p>
<p>Scheme Leavers</p>	<p>Provide information to leavers – Leaving the Scheme Factsheet.</p>	<p>HSCPS needs leaving details from form T55A.</p>	<p>Leavers also include employee terminations, employee opt outs, bank/as and when posts not paid for 3 months and moving between different Scheme employers.</p>	<p>Within one month of leaving.</p>

Note – HSCPS will only accept current versions of all forms as listed on the HSCPS website. Any submissions made on old forms will not be accepted. HSCPS will exercise discretion for short periods (or where reasonable) after any forms are changed and will ensure that employers are informed when new versions are published, via the Employer Technical Update.

2.3 - Collection and submission of contributions

The Scheme employer must:

- **Set the member to the correct pension tier based on their pay. (Annual guidance from HSCPS provides details on this.)**
- **Collect the amount of contributions from the member as per the appropriate tiered contribution rate (and additional pension/added years contributions if applicable).**
- **Submit both the employer and employees contributions due in a prompt and accurate manner not later than the 19th day of the month following the month in which the earnings were paid, (where the 19th is a weekend or bank holiday, payment must be submitted to arrive before the weekend or holiday). Statutory interest may be charged in cases of late payment. (Scheme employers should note that this is a legal requirement and contributions should always be submitted as soon as it is practicably possible). Employers should always reconcile the amount being paid to HSCPS with payroll details before submission.**
- **For GP Providers complete the “end of year certificate” by no later than 28 February each year and send to HSCPS.**

2.4 - Providing information to HSC Pension Service

Successful administration of the HSC Pension Scheme is completely dependent on the accuracy and updatedness of membership records. This enables information to be provided to members quickly and eventually for their pension benefits to be paid on-time and accurately.

The way that the HSC Pension Scheme is organised means that HSCPS is completely dependent on obtaining membership information from Scheme employers to hold in their central administrative database and processing systems.

It is therefore imperative that all Scheme employers must provide accurate service data and information about Scheme members currently (or previously) within their organisation to HSCPS on a regular timely basis or in response to an information request.

Specifically this requires:

- The submission of the annual return of service and salary details (by electronic interface) by no later than 2 months (Officers) or 13 months (Practitioners) after the end of the financial year. This information (shown in the table below) must be included where applicable:

- Membership details:

- Employee contributions
- Employee pensionable pay
- Employee gross rate of pay
- Non-pensionable days (number of and dates)
- Number of part-time hours/sessions worked
- Number of part-time deemed hours/sessions
- Additional pension contributions
- Change to start date
- Change to whole/part time and date

- Any changes to membership details in year:

- Pension start date
- Date of change
- Whole-time/part-time indicator
- MHO status
- Actual hours/sessions
- Contribution rate
- National Insurance number
- Employment type
- Standard hours for the grade

- **The submission of relevant changes to HSCPS (electronic interface) within a month of those changes being notified to the local administrator or effective date.**
- **The provision to HSCPS of adhoc service and salary information promptly where reasonable (within a maximum of 20 working days) when requested by HSCPS (whether by email, telephone or post).**
- **Undertaking reconciliation between employer held and HSCPS held data.**
- **That all relevant application forms are completed, authorised and submitted promptly to HSCPS for members.**
- **The provision of information in line with relevant Government Legislation such as those relating to personal taxation (i.e. Annual Allowance or Life Time Allowance).**
- **HSCPS be informed where an employee is currently in receipt of an HSC Pension. The individual member should also be instructed to contact HSCPS immediately.**



Note: HSC Pensions will return received data errors to employers via reconciliation reports.

2.5 - Providing information to Scheme members

The Scheme employer must:

- **Be able to answer questions from Scheme members about the HSC Pension Scheme. (Remember, HSCPS provides a range of information on its website and a helpline if you don't know the answer to a particular query).**
- **Provide Scheme information to new appointees by giving them a copy of the Scheme Guide and informing them that without exception, they are automatically members of the Scheme unless they opt out.**
- **Provide Scheme information to leavers by giving them a copy of the Leaving Early and Transfer Out factsheets, to inform them of the different options in regard to their pension.**
- **Tell re-employed retirees (under normal retirement age) or ill health Tier 2 retirees to contact HSCPS regarding abatement.**
- **Ensure members are kept informed of any changes to the Scheme that may affect them, using information provided by HSCPS.**

Making members aware that:

- **There are options to increase their pension such as by buying additional pension in the HSC Pension Scheme.**
- **Previous pension provision must be transferred into the HSC Pension Scheme (if required) within the relevant timeline.**
- **They will give up several valuable benefits if they choose to opt out of the HSC Pension Scheme.**
- **They must register their unmarried partner with HSCPS (where applicable) if they want benefits to be paid to that partner after their death.**
- **Their pension is affected when they are on unpaid leave of absence.**

- Educate members on options for planning how and when to retire, e.g. pension calculations and options for flexible retirement.
- Make members aware of the benefits of the HSC Pension Scheme throughout their careers. The key benefits which should be communicated to staff are:
 - The HSC Pension Scheme is a defined benefit contributory pension scheme. It is one of the most important and valuable benefits available to eligible staff. The employer makes a substantial contribution towards the cost of the pension.
 - The HSC Pension Scheme not only provides the member with a regular income after retirement, but also provides their family or other dependants with financial protection after the member dies.
 - All eligible staff, both full time and part time, are automatically members of the Scheme unless they elect to opt out.
 - If the member becomes too ill to work, they may receive their pension early.
 - The member can increase their pension credit by buying an additional pension. They may also be able to transfer in pension credit from another scheme.
- The HSC Pension Scheme will pay a lump sum if the member dies before retirement and we may pay children and dependants pensions.
- The member can choose to have part of their pension paid as a lump sum at a ratio of 1:12 (give up £1 pension for an extra £12 lump sum). Subject to HMRC limits.
 - The pension is index-linked to protect its value against the effects of inflation.

Note: Scheme employers should not under any circumstances provide financial advice to Scheme members. Only factual information about the rules of the Scheme, the potential value of the members' benefits and the impact of any decisions they may make (such as losing death benefits by opting out) should be discussed.

● ● ● ● 3: Consequences of non-compliance

Both HSCPS and Scheme employers are bound by the obligations of the statutory regulations and must work together to adhere to their requirements. The principle ones contained in the Occupational Pension Schemes (Disclosure of Information) Regulations 1996 require:

- **The payment of pension benefits in the due month of retirement providing all relevant information has been received.**

(To comply, Scheme employers should ensure that retirement application forms are completed and forwarded to HSCPS around 3 months before the date of retirement and that necessary membership information is accurate and up to date.)

- **Estimates of retirement benefits to be provided to members within 20 working days of request.**

- **The Occupational Pension Schemes (Transfer Values) Regulations 1996 require HSCPS to calculate a Cash Equivalent Transfer Value within three months of request.**

(Scheme employers must ensure that data is kept up to date and that accurate information is provided to HSCPS promptly, on request.)

Failure to comply with your requirements

Scheme employers who do not carry out their responsibilities in a timely and accurate manner can have a detrimental effect on their employees. For instance, if membership records are not adequately maintained then HSCPS may not be able to pay out benefits on retirement to members or we may not be able to provide accurate information to inform financial planning or enable transfers to be undertaken.

Scheme employers should note that it may not always be possible for HSCPS to later repair a situation which has had a detrimental impact on a member's pension position through the employer failing to carry out their responsibilities at the correct time.

Cases of member dissatisfaction can result in referrals to the Pensions Ombudsman or the Pensions Regulator and they have the power to impose fines on schemes and employers (and their individual managers) who do not comply with Scheme requirements.

Further to this, the DHSSPS, HSC employers and HSCPS will escalate any serious instances of misadministration or malpractice of the HSC Pension Scheme as appropriate depending on the nature of the issue.

In particular, failure by Scheme employers to provide accurate and timely member information as required by HSCPS, will result in appropriate escalation with the DHSSPS, HSC employers and senior HSC management as applicable. This is consistent with the guidelines set out by the Pensions Regulator in regard to effective record keeping.

● ● ● ● 4: The role of HSC Pension Service

HSCPS' role as central administrator of the HSC Pension Scheme is to maintain accurate membership records for Scheme members during their career and use this information to provide benefit calculations and payments when required.

To do this they are completely dependent on the work of Scheme employers and the information they provide. HSCPS provides the following functions in order to work effectively with Scheme employers and support them to jointly administer the HSC Pensions Scheme:

HSC Pensions will:

- **Accurately calculate and pay HSC Pension Scheme entitlements in the due month of retirement, providing all relevant information has been received.**
- **Provide a dedicated email address to answer any queries you have about administering the Scheme.**
- **Provide a dedicated email address to answer any queries from Scheme members about the Scheme.**

- **Provide you with detailed information regarding the administration of the Scheme via the HSCPS website.**
- **Provide you with scheme information for members (whether posters, booklets, leaflets, DVDs etc.) to meet our collective disclosure responsibilities.**
- **Provide regular information to you about administering the Scheme via the Employer Technical Update. These updates will be the standard method used to keep HSCPS' nominated contact points up to date with important changes or news about the Scheme. An email will be sent to all named contact points and senior officers accountable held within the HSCPS' database, when an Employer Technical Update is uploaded to the HSCPS website.**

- **Provide information on request to members in line with statutory time limits.**
- **Attend established regional pension forums to discuss Scheme administration issues and update/consult with you on Scheme developments.**
- **Listen to your feedback and use it to work more effectively together in the future.**

Note: HSCPS will over time as appropriate, update and amend the information it provides as required* by changes to the Scheme Regulations and the adaption of procedures in order to adopt these changes and/or improve the administration of the scheme. They will inform employers when this is the case and consult where necessary.

(* DHSSPS is obligated to provide information under what is known as disclosure legislation. Scheme employers are provided with information to pass on to Scheme members as part of these requirements.)

● ● ● ● 5: When will this charter be updated?

This charter is intended to be a living document which will be updated as new legislation is introduced or administration changes are made. Scheme employers will be informed about any changes or revisions agreed and consulted where necessary.

The version on the HSCPS website will be the latest, most up-to-date version so employers are advised to check on a regular basis (if they have previously downloaded or printed out copies) that they have the most recent version. Any revisions will be notified to employers via the Employer Technical Update.

Note: In the absence of any updates, this guide will be subject to the minimum of an annual review by the DHSSPS, HSC employers and HSCPS.

The DHSSPS, HSC employers and HSCPS welcome any feedback or suggestions on any part of this guide and its contents.

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6: Glossary of terms / meaning of abbreviations used

DHSSPS Department of Health, Social Services and Public Safety.

The policy team who set the rules and policies of the HSC Pension Scheme.

HSCPS HSC Pension Service.

A service provided by the HSC Business Services Organisation on behalf of the DHSSPS to centrally administer the HSC Pension Scheme.

This guide has been produced in consultation with the Department of Health, Social Services and Public Safety, HSC Pension Service and HSC employers.