

HSC Pension Scheme:

Age Retirement – Factsheet

Benefits for members of the 1995 section of the HSC Pension Scheme
(pre 1 April 2008)

Retirement Age

Members of the Scheme are entitled to receive payment of their benefits on age grounds from age 60*. Members of the special classes, including mental health officers, can receive payment of age benefits from 55 providing they meet the correct criteria (see special class status factsheet).

*This is not a mandatory age as members can continue in pensionable employment until age 70 (or 65 for members of the special classes). (If a member does not claim their pension at age 60 they can claim it at a later date).

When a member retires, HSC Pension Service will pay retirement benefits, comprising of an annual pension payable for life and a one off lump sum retiring allowance.

If a HSC pensioner dies and leaves a spouse or dependants, a Survivor Pension and or Child Allowance may be payable if relevant eligibility criteria is met. If the pension was in payment for less than 5 years, a Life Assurance lump sum may also be payable.

From 6 April 2006 it is not permissible to pay a Pension Commencement Lump Sum (lump sum) to a member who, at the time the payment is authorised, is aged 75 or over. This includes lump sums paid in first awards and substitute awards. Members over age 75 must have their lump sum paid as extra pension.

What does the Scheme provide?

The HSC Pension Scheme is a 'Final Salary Scheme'. This means that Scheme benefits for most members are based on their pensionable pay and total reckonable membership, not the pension contributions they have paid.

Members will receive an annual pension of $1/80^{\text{th}}$ of the best of the last 3 years pensionable pay for each year and part year of reckonable membership, plus a lump sum equal to three times the annual pension.

There are three exceptions where the lump sum will be lower. These are:

- Men who are/have been married and have membership before 25 March 1972 and have not purchased the full-unreduced lump sum; or
- Women who have decided to purchase the Bigger Widower's Pension by payment from their lump sum; or
- Where the member owes money to HSC Pension Scheme or the employer and elects to repay this money from their lump sum.

For members who worked part-time for some or all of their membership, the whole time equivalent total pensionable pay is used and the membership is scaled down, to the whole-time equivalent length.

How to apply for the Scheme pension

The employer is responsible for issuing the retirement application form AW6 to the member, together with 'A Guide for Pensioners and their Dependants – available from the HSC Pension Service website. To claim retirement benefits form AW6 must be completed by the member and employer. The completed form must be submitted to HSC Pensions at least 3 months before the retirement date to ensure the lump sum is paid on time. Form AW6 should be issued to the member 4-6 months prior to retirement. Employment records must be closed down via SD55.

The accuracy of an HSC Award is dependent on the information recorded on the member's pension record. It is vital that employers' record accurate details of pension contributions, earnings and hours for each employee at the end of each financial year and up to the member's chosen retirement date.

Revised Pension Awards

It is vital that HSC Pensions is advised promptly of all changes that may affect an original retirement pension award. Changes should always be notified to HSS Pension Service on form AW171.

Changes showing reduced final pay or which result in an earlier date of retirement will reduce benefits and may cause an overpayment of pension.

Re-employment after retirement

To claim benefits on age grounds a member must first retire from all pensionable employments for at least 24 hours. They can then return to work in the HSC but cannot rejoin the Scheme and accrue further benefits.

Any re-employment within the HSC may have an impact on the payment of the member's benefits. If a member has indicated on their application form that they intend to return to work in the HSC, we will apply re-employment rules to ensure that the correct benefits are paid. Employers need to ensure that the member has given as much information as possible on form AW6 about their re-employment.

