

HSC Pension Scheme

Age Retirement Factsheet

Benefits for members of the 2008 Section – Post 1 April 2008 arrangements

New members who join the HSC Pension Scheme for the first time on, or after, 1 April 2008 will only be able to join the 2008 Section of the HSC Pension Scheme.

Retirement Age

The normal retirement age is 65*.

*This is not a mandatory age as members can continue in pensionable employment until age 75. Should a member not claim their pension at age 65 they can claim it at a later date. Members cannot be in the scheme after their 75th birthday and when a member reaches age 75 they will be entitled to receive their retirement pension from this date without taking a break in employment.

What does it provide?

The 2008 Section is a 'Final Salary Scheme'. This means that Scheme benefits for most members are based on their reckonable pay and total reckonable membership, not the pension contributions they have paid.

Member Benefits

An annual pension based on 1/60th of their reckonable pay for each year and proportionally for all part years of Scheme membership. Reckonable pay is the average of the best 3 years consecutive pay in the last 10 years.

There is no lump sum in the 2008 Section unless the member commutes part of their pension to lump sum. The option to give up part of their annual pension in exchange for a lump sum is normally tax free. This is known as pension commutation.

For every £12 of lump sum taken, members will need to give up £1 per year of pension. Any amount can be taken in multiples of £12 up to the maximum permitted. In all cases, survivor pensions are not affected if members take a lump sum.

If a member is claiming their pension at age 75, they will not have the option of pension commutation, as a lump sum payment is not payable.

Before a member chooses the option of whether to commute or not, they should be issued with an estimate informing them of the amount of pension and lump sum payment they will receive.

How to apply for the Scheme pension

The employer is responsible for issuing the retirement application form AW6 to the member, along with 'A Guide for Pensioners and their Dependants' (copy available on the website).

To claim retirement benefits the employer and employee must complete the form AW6. The completed form should be submitted to HSC Pension Service at least 3 months before the retirement date, so that the lump sum may be paid on time. Form AW6 should be issued to the member 4-6 months prior to retirement. Their employments should be closed down via form SD55.

The accuracy of an HSC Pension award is dependent on 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 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 unless they are under age 75, when they can build up further membership in the Scheme up to a maximum limit of 45 years and qualify for a second pension.

Further HSC employment will not affect their existing pension unless they are under 65 and are receiving either an ill health pension, or retire early on grounds of "interests of efficiency" (see Factsheets for ill health and 'interest of efficiency').

