

## Guidance on Purchasing Additional Pension

Additional Pension (AP) is a flexible way for members to increase their HSC Pension Scheme Benefits. It allows the member to choose to buy extra annual pension and see clearly how much the purchase will cost. Under this option the member elects to buy a set amount of annual pension for an agreed amount of contributions that they can choose to pay either as a lump sum or as a regular payment for an agreed period of time. The cost of AP is determined by factors provided by the HSC Pension Scheme Actuary.

AP is paid at the same time as the main Scheme pension. If it is paid before the normal pension age it will be reduced to take account of its early payment. AP can be bought at any time during the year as either:

Personal cover which increases the member's own pension benefits only,  
or

Dependents' cover, which increases the member's own pension and the benefits that will be payable to their spouse, partner or dependent children after their death.

AP does not include an automatic lump sum but the member can include their AP in the total pension that is given up, or commuted, to provide a bigger lump sum.

If a member makes an enquiry about AP, HR should advise the member on how they can access the preliminary application to purchase additional pension - the [AP1](#) form if they are a protected member or the [AP1-CARE](#) if they are a member of the 2015 CARE Scheme. The member should then forward the completed form to the HSC Pension Service.

HSC Pension Service will liaise directly with the member, providing information of the cost of purchasing AP. If the member wishes to proceed with the application they should complete the election to purchase additional pension form - [AP2](#) form for a protected member or the [AP2-CARE](#) for a member of the 2015 CARE Scheme.

The completed form should be forwarded to HSC Pension Service. HSC Pension Service will issue the AP4 to the Payroll Shared Service Centre (PSSC) and PSSC will set up deductions from the member's salary to pay for the AP.

## Additional Pension Purchase

