

HSC Pension Scheme: Important changes to the Scheme from April 2015



This leaflet contains important information on changes to the HSC Pension Scheme in 2015.

Important Information

You should read this leaflet even if you are not a member of the HSC Pension Scheme as it contains important advance information about a new HSC Pension Scheme due to start on 1 April 2015.

New pension scheme

New HSC Pension arrangements will be introduced, in common with most public sector schemes, in 2015. A new HSC pension scheme will be in place from 1 April 2015 and offer the following:

- A Career Average Revalued Earnings (CARE) scheme with benefits based on your pensionable earnings for your whole career as a member of the scheme from April 2015.
- Each year an amount of 1/54th of your pensionable earnings in that year will be added to your pension account.
- Each year your total accrued pension account will be revalued in line with price inflation (currently Consumer Price Index (CPI)) plus 1.5% to reflect a measure of pay growth.
- The normal pension age in the new HSC scheme will be the same as your state pension age. (See section on Protection/tapered protection). You can check your state pension age at <https://www.gov.uk/calculate-state-pension>
- As in the current scheme, if you decide to take your pension early, before your normal pension age, your benefits will be reduced to account for drawing your benefits for a longer period.
- When you retire your accrued total pension account will become an annual pension. You can convert a part of it into a lump sum. Each year after retirement your pension will increase in line with price inflation (currently CPI).

More information on CARE schemes is available at: <http://www.hscpensions.hscni.net/scheme-reform/>

Protection/tapered protection for existing scheme members

There are provisions for certain members of the 1995 or 2008 Sections who were within 13 years 5 months of their normal pension age on 1 April 2012 which will mean they may:

- remain in their current arrangement until retirement (known as 'protection'); or
- move to the new scheme but at a date later than 1 April 2015 (known as 'tapered protection').

More information on protection/tapered protection is available at: <http://www.hscpensions.hscni.net/scheme-reform/>

Existing pension benefits

Whether you move to the new scheme on 1 April 2015 or later (i.e. if you are covered by tapered protection), the pension benefits already built up in the 1995 and 2008 Sections will be retained unchanged and calculated on your final pay at or near retirement (known as 'preserved rights'). You can retire and claim your preserved rights benefits without reduction for early payment once you reach the normal pension age for the section of the scheme your preserved rights are held in. There is a calculator you can use to work out the value of your current scheme benefits at <http://www.hscpensions.hscni.net/calculators/>

Choice 2 – Moving between the 1995 and 2008 sections of the scheme

In 2009 members of the 1995 section of the scheme were given an opportunity to move to the 2008 section. There will be an opportunity for some of those members who chose not to move at that time to

reconsider that decision. Further information will be provided on this exercise in a separate leaflet.

What do I need to do?

There is nothing you need to do at this time regarding these changes.

We will be providing further information about the changes and the impact of these on you.

You can also get more information at <http://www.hscpensions.hscni.net/>