

1995 - 2008  
HSC Pension Scheme

Guide for members



## Welcome

Welcome to the guide for the 1995/2008 HSC Pension Scheme for Northern Ireland. This Scheme closed with effect from 1 April 2015 except for some members entitled to continue in this Scheme through 'Protection' arrangements. On 1 April 2015 a new HSC Pension Scheme was introduced. This new Scheme covers all former members of the 1995/2008 Scheme not eligible to continue in that Scheme as well as new HSC employees on or after 1 April 2015.

If you have been a member of the 1995/2008 Scheme before moving to the 2015 Scheme please read the factsheet for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme available on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

We hope that you find this guide useful and informative. If you have any feedback about it then please contact us using the details on page 43.

### How will this guide help you?

For those who are eligible to continue in or who have previously been a member of this Scheme, this guide explains the two different sections of the 1995/2008 HSC Pension Scheme (referred to as this Scheme in this guide) and the different types of members there are. This will help you understand which section of this Scheme you belong to.

By reading this guide you should get a good idea of the benefits that this Scheme provides. We also explain the main features and highlight where to get more information if you need it. More detailed information is available on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

This includes a range of factsheets that explain specific parts in more detail.

Membership of an HSC Pension Scheme allows you to receive tax relief on your contributions and on any lump sum, within certain limits, you receive when you retire. Please note that pensions are taxed in the same way as income when they are in payment.

There are limits on the amount of pension benefits you can have without incurring additional tax. More information about this can be found on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

Many words or phrases used in this booklet have specific meaning. To help you understand them we have included a glossary at the end of this guide.

# Contents

Summary of the main features and benefits of this Scheme	5
How does this guide work?	6
Important notices	7
<b>Membership and contributions</b>	
Eligibility to join the 1995/2008 HSC Pension Scheme	8
Costs and contributions	9
Protection of pay	9
Earnings cap	9
Increasing pension saving	10
Buying Additional Pension (AP)	10
Money Purchase AVCs	10
Other ways of increasing your HSC Pension	11
Transferring benefits	13
<b>Leaving</b>	
Leaving early	14
Transferring your pension benefits out of this Scheme	15
Taking a refund	15
Opting out of this Scheme	16
<b>Rejoining this Scheme</b>	
Rejoining this Scheme before retirement	17
Rejoining this Scheme after retirement	17
<b>Retirement</b>	
Normal pension age	18
Applying for your benefits	19
Benefits at retirement	20
Pension and lump sum	20
Providing for your dependants	20
Mixed employment - pension flexibilities	20
Members working part time	21
Retirement lump sums (Pension Commutation)	26
Early retirement	28
Actuarially reduced early retirement benefits	29
Premature retirement	30
Helping you achieve a work-life balance	31
Late retirement	33

## Illness, life assurance and family benefits

Ill health retirement	34
Ill health retirement tiers	35
Serious ill health lump sum	36
Life assurance and family benefits	37
Payment of lump sum	37
Payment of dependants' pensions	37
Married same sex couples and other survivors	38
Children's pensions	38
Benefits payable	39
Bank staff and freelance GP locum	41

## Help and general information

HSC Pensions Service - our commitment to you	42
Contact details	43
Complaints and disputes	45
Some general points	46
Independent financial advice	47
Data protection	48
Freedom of information	49
Glossary of common terms	50

## Summary of the main features and benefits

A brief summary of this Scheme's benefits is shown in the table below. The following pages explain these benefits in more detail, describe how they are calculated and who they apply to.

Feature or benefit	HSC staff (Officers) and Practice and Approved Employer staff (Officers) 		Practitioners 	
	1995 Section	2008 Section	1995 Section	2008 Section
Member contributions	5% - 14.5% depending on rate of pensionable pay		5% - 14.5% depending on amount of pensionable earnings	
Pension	A pension worth 1/80th of final year's pensionable pay per year of membership	A pension worth 1/60th of reckonable pay per year of membership	A pension based on 1.4% of uprated earnings per year	A pension based on 1.87% of uprated earnings per year
Retirement lump sum	3 x pension. Option to exchange part of pension for more cash up to 25% of capital value	Option to exchange part of pension for cash at retirement, up to 25% of capital value. Some members may have a compulsory amount of lump sum	3 x pension. Option to exchange part of pension for more cash up to 25% of capital value	Option to exchange part of pension for cash at retirement, up to 25% of capital value. Some members may have a compulsory amount of lump sum
Normal Pension Age (NPA)	60	65	60	65
Pensionable pay	Normal pay and certain regular allowances		Pensionable earnings from HSC work	
Uprated earnings	Not relevant		The final value of pensionable earnings after adding all years' earnings and applying revaluation factors	
Death in membership lump sum	2 x final years' pensionable pay (actual pensionable pay for part-time workers)	2 x reckonable pay (actual reckonable pay for part-time workers)	2 x average annual pensionable earnings	

## How does this guide work?

This guide provides information for the different types of HSC workers in Northern Ireland who are entitled to join or continue in this Scheme and explains the different benefits that apply to them. It is important for you to understand that your benefit will depend upon your type of employment, when you joined or rejoined this Scheme and any decisions you may have already made about your HSC Pension.

We use colour coding within this guide to help you identify the different sections of this Scheme and to show you which benefits are applicable to you.

If there are different benefits for different sections of this Scheme they are explained in separate coloured boxes, **orange for the 1995 Section** and **blue for the 2008 Section**.

Icons (small pictures) are used throughout this guide to indicate the different types of HSC worker. If the icon is crossed out, the benefit described does not apply to that type of member.

## Which icon are you?



**HSC staff (Officers)**. These are HSC employees employed by HSC Trusts.  
**Practice and Approved Employer staff (Officers)**. This group includes general practice and direction body staff or staff working for other approved employers connected to the HSC.



**Practitioners**. This means HSC medical, dental and ophthalmic practitioners, including assistants and some locum practitioners. This includes practitioners who are registered on an HSC Trust performers list.

### Important

The NHS has separate pension schemes in England and Wales and in Scotland. If you change employer and work in a different jurisdiction, you might want to transfer your pension rights to maintain a continuous pension record. Pensions earned in other NHS Pension Schemes may be transferred to this Scheme. More information about this is available on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## Important notices

### The small print

This guide is intended to provide you with a general overview of the benefits provided by the 1995/2008 HSC Pension Scheme. We have taken great care to get the details right at the time of publication but it does not give a complete or legally binding statement of the law and regulations which govern this Scheme. Nothing in this guide can override the Regulations which set out the conditions of entitlement and determine the rate at which benefits are payable. In the event of any conflicting information, the Regulations will prevail. You can find the most up to date version of this guide on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

If you are in any doubt about how your benefits are calculated or what you may be entitled to, please contact the HSC Pension Service.

## Membership and contributions

### Eligibility to continue in the 1995/2008 HSC Pension Scheme

This Scheme closed with effect from 1 April 2015 except for some members entitled to continue in this Scheme through 'Protection' arrangements. For more information about Protection arrangements please visit our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

There are two sections of this Scheme called the 1995 Section and the 2008 Section with different eligibility requirements.

You will not be eligible to continue in either section if you:

- are aged over 75
- have reached 45 years' pensionable membership
- only hold an honorary HSC appointment
- are not a practitioner and are employed through a General Dental Services (GDS) or Personal Dental Services (PDS) contract.

There are further restrictions on eligibility to join this Scheme for some members who are already in receipt of their HSC pension. For more information please visit our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## Costs and contributions

The cost of providing the HSC Pension Scheme is shared between Scheme employers and Scheme members. As a Scheme member you pay a contribution towards your pension based up on your pensionable pay; the more you earn, the higher your contribution rate may be. Scheme employers pay the rest. There are several rates of member contribution, which are set against nationally agreed full time pay rates. If the overall cost of providing the Scheme changes, the amount you and Scheme employers contribute may also change. Pension contributions are taken from your pay before tax so you receive tax relief on any amount you pay. This can reduce the actual amount that you pay depending on your contribution rate, earnings level and personal rate of tax.

## Protection of pay

If through no fault of your own your pay level is reduced, you can apply for the higher rate of pay to be protected for pension purposes. You must do this within three months of your pay reducing. When you leave, your benefits to the date of reduction will be based on this rate of pay, or your rate of pay at retirement (whichever is the higher amount).

### 2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please also read the factsheet for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about protection of pay. This is available on our website at:

[www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## Earnings cap

You are subject to the pensionable earnings cap for any membership prior to 1 April 2008 if you either:

- first joined this Scheme on or after 1 June 1989 or
- joined before 1 June 1989 but had a break in pensionable employment of 12 months or more that spanned 1 June 1989

## Further information

More information about how contributions are paid, the contribution rates, the earnings cap and protection of pay is available from our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## Increasing pension saving

You can increase the amount of benefits you receive at retirement by paying extra contributions. These are called Additional Voluntary Contributions or AVCs. There are different ways of doing this and each buys you different benefits.

### Buying Additional Pension (AP)

AP is a flexible way of increasing your HSC pension. Under this option you elect to buy a set amount of annual pension, which you can pay for either with a lump sum payment or by regular contributions deducted from your pay for an agreed period of time. The minimum amount of AP you can buy is £250 and the maximum amount is £5,000. AP is protected against inflation by being index linked both before and after retirement. You can choose whether your AP is just for you or also provides benefits for your dependants when you die.

### Money Purchase AVCs

You can pay lump sums or regular amounts to one, or more, of the AVC providers selected by the Scheme managers. Contributions are invested in accordance with your wishes to build up a separate retirement fund. When you retire you use this fund to provide an additional pension for you only, or for you and your dependants. You can take some of this fund as a lump sum.

## Other ways of increasing your HSC pension

### 1995 Section

#### Buying back previously refunded membership - half cost added years

If you had a refund of contributions for any membership before 6 April 1978, or for a later period when you were a self-employed practitioner you may be able to buy this membership back as added years at half the normal cost.

#### Unreduced lump sum

Some members may have a reduced lump sum for membership before 25 March 1972. You can choose to buy an unreduced lump sum so that your retirement lump sum is three times your pension.

#### Full cost added years

The option to buy full cost added years closed to new applications on 31 March 2008. If you started a contract before that date you may complete it, provided you remain in the 1995 Section and do not have a break in membership of 12 months or more.

Scheme membership built up from 1 April 2008 is no longer subject to a pensionable earnings cap. However if you were subject to the pensionable earnings cap in respect of some or all of your membership before that date and are buying:

- full or half cost-added years; and/or
- an unreduced lump sum .

Under a contract that started before 1 April 2008, you will pay the additional contributions only based on notional capped pay.

The most that you can pay in additional contributions is 100% of your taxable pay less your standard contributions. These are subject to an overall maximum tax free Annual Allowance limit set by HMRC.

### 2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please also read the factsheet for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about continuing with existing purchases.

This is available on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

**Important  
Annual Allowance (AA)**

There is a maximum amount of pension saving that you can build up in any one year before incurring a tax charge. This is known as the 'Annual Allowance (AA)' and includes benefits built up in the HSC Pension Scheme as well as other pension savings. The current AA is £40,000. This may be subject to further revision by HMRC. You can get more information about tax charges and your options to pay the pensions savings charge on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## Transferring benefits

You may apply to transfer your previous pension rights into the HSC Pension Scheme if you meet the criteria outlined by HMRC and apply within the time limits set out below.

### Transfers into the HSC Pension Scheme

If you have been a member of another pension scheme you can apply to transfer your pension rights into this Scheme to buy additional membership. If you are considering a transfer please contact your employer who will advise you what action you need to take.

If you have worked for the NHS in Scotland, England or Wales you may be able to transfer those pension rights into the HSC Pension Scheme for Northern Ireland. The section the rights are transferred into will depend on which section you were in and how long ago you left that Scheme.

Any pension rights transferred in will increase the amount of membership that you have and will therefore increase your HSC Pension benefits. Transferred in benefits will be treated in the same way as your HSC Pension Scheme pension benefits.

#### Important

If you have been a member of the NHS Pension Schemes in Scotland or England and Wales it is important to note that your benefits will not transfer automatically to this Scheme. You must apply in writing to HSC Pension Service for a transfer to be made.

#### 1995 Section

##### Important notice

Applications to transfer benefits into this Section must be made within **12 months** of joining this Scheme for the first time. A transfer payment cannot be accepted if our Option forms are not completed or you join after age 60. Special rules apply to HSC employees transferring from NHS Pension Schemes in Scotland England and Wales or where the employment is transferred as a result of a transfer under TUPE arrangements.

#### 2008 Section

##### Important notice

Applications to transfer benefits into this Section must be made within **12 months** of becoming eligible to join this Scheme for the first time. A transfer payment cannot be accepted if our Option forms are not completed or you join after age 65. Special rules apply to HSC employees transferring from NHS Pension Schemes in Scotland England and Wales or where the employment is transferred as a result of a transfer of undertaking (TUPE).

## Leaving

### Leaving early

This Scheme provides a number of options for those who leave or opt out before retirement. The options available depend on your length of membership.

Option	Less than two years' membership when you leave*	At least two years' membership when you leave
Leave your benefits in this Scheme and take a deferred pension	No, unless you have transferred in a personal pension	Yes
Transfer the value of your benefits to another HMRC registered pension arrangement	Yes, if you are under NPA; and you joined your new pension arrangement within 12 months; and you apply for the transfer within 12 months of joining your new arrangement	Yes, if under NPA but only to another occupational pension scheme that provides defined benefits
Refund of your contributions, less tax and National Insurance contributions	Yes, if under NPA and you have not transferred a personal pension into the Scheme	No

\*Membership in the 1995 Section counts as qualifying service in the 2008 Section of this Scheme. Having at least two years' qualifying service in total means you are not eligible for a refund of pension contributions.

## Transferring your pension benefits out of this Scheme

If you leave the HSC or leave this Scheme, you may be able to transfer your HSC benefits to another registered pension scheme before you reach your NPA as set out in the table on page 14. A transfer payment is worked out by converting the value of your pension rights to a current cash equivalent value. This is done using factors supplied by the Scheme actuary in relation to your age at the date of calculation.

### Taking a refund

If you have been in this Scheme for less than two years you may be able to have your contributions refunded. Tax and National Insurance deductions will be made before these are repaid to you, unless:

- you are a 2008 Section member with deferred membership in the 1995 Section
- you are a 2008 Section member and in receipt of a 1995 Section pension
- you are over the NPA
- you have transferred in a personal pension.

In these circumstances a retirement benefit will be paid.

### Further information

For more information about leaving this scheme please read the factsheet available on our website at:

[www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

#### 2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please also read the factsheet for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about your options if leaving the Scheme. This is available on our website at:

[www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## Opting out of this Scheme

You can opt out of this Scheme at any time. You can do this by completing form SD502 which is available to download and print from our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)  
If you are in HSC employment you may rejoin if you continue to satisfy the eligibility conditions. You may be required to join a different HSC Pension Scheme. You may not rejoin if you are absent from work for any reason.

### **Important**

Whilst you are a contributing member of this Scheme, you are entitled to death in membership benefits including life assurance and family benefits (see page 37 of this guide). If you leave this Scheme these benefits may no longer be payable.

## Rejoining this Scheme

### Important

This Scheme closed with effect from 1 April 2015 except for some members entitled to continue in this Scheme through 'Protection' arrangements.

### Rejoining this Scheme before retirement

If you are eligible to rejoin the same section of this Scheme in which you have deferred benefits, after a break of 12 months or more, your benefits at retirement will be worked out in whichever of the following two ways gives the highest financial outcome for you:

- your periods of membership will be added together and your total membership and final year's pensionable pay (or reckonable pay) will be used to work out your benefits; or
- the benefits you have earned for each period of membership will be worked out separately, re-valued then added together.

If you are a Practitioner and are eligible to rejoin the same section of this Scheme after a break in membership, your Practitioner pension record will be re-activated and your pension will be based on all of your Practitioner earnings.

### Rejoining this Scheme after retirement

If you are in receipt of an HSC pension under the 1995 Section you cannot rejoin this Scheme unless:

- you are under age 50 when you return to work and are in receipt of an ill health retirement pension or
- you retired on or after 1 April 2008 and before 1 October 2009.

You may be eligible to join a different HSC Pension Scheme after a waiting period. This will usually be the longer of two years from the date of your retirement or the length of any membership enhancement included in your pension calculation.

If you are in receipt of an HSC pension under the 2008 Section, you can rejoin this section after a 24 hour break if aged under 75 and you satisfy the 'Protection' conditions. This is also subject to you not exceeding a maximum of 45 years' membership.

## Retirement

### Normal Pension Age (NPA)

The NPA is the age that you can retire from HSC employment and have your pension paid without reduction or enhancement. The actual age that applies to you will depend on which section of this Scheme you are in and your status. The differences for each type of member are described below.

#### 1995 Section

The 1995 Section's NPA is 60. If you work beyond age 60 your pension will be paid when you eventually retire. If you have one HSC job you must retire from the job for at least 24 hours to qualify for your pension. If you have two or more concurrent pensionable jobs in the HSC you are only required to retire for at least 24 hours in one of them provided that the remaining jobs totals 16 hours a week or less. However, you must cease to be pensionable in all your other jobs. If you are retired prematurely due to redundancy or interest of efficiency of the service, you should read the additional information in the Premature retirement section of this guide on page 30. You may not rejoin this Scheme once you are in receipt of a pension (unless it is an ill health retirement pension and you are under age 50).

#### 2008 Section

The 2008 Section's NPA is 65. If you work beyond age 65 your pension will be paid when you eventually retire and it will be increased because it is being paid later. More details about this are in the late retirement section of this guide on page 33. You must stop work in all your jobs for at least 24 hours to enable all of your retirement benefits to be paid. A 24 hour break is not required if you partially retire and utilise flexible retirement options.

## 1995 Section

### Members with Special Class/Mental Health Officer (MHO) Status



Nurses, midwives, health visitors and physiotherapists in post on or before 6 March 1995 who have not had a break in pensionable employment of any one period of five years or more, may have the right to retire from a NPA of 55 without a reduction to their pension. MHOs in post on or before 6 March 1995 with at least 20 years' MHO membership, who have not had a break in pensionable employment of any one period of five years or more may also have the right to retire from 55. To be eligible for Special Class or MHO status and the right to retire from a NPA of 55 certain criteria must be met. Further information detailing this criteria can be found in the Special Class and MHO factsheets available from our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## 2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please read the factsheet for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about special class and mental health officers. This is available on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

You may choose to retire from work before your NPA although your benefits will be reduced because they will be paid earlier than expected. Further details on this are included in the early retirement section of this guide on page 28.

## Applying for your benefits

### Retiring from HSC employment

When you are retiring you need to apply for your benefits using a form available from your employer. To ensure that you receive your benefits on time this should be completed at least three months before your intended retirement date.

### Claiming deferred pension benefits

If you have deferred pension benefits in this Scheme, these will usually be paid at your NPA provided you are not in HSC employment. To claim these benefits you will need to complete form AW6P available from our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

Your pension will usually be paid monthly for the rest of your life. HSC Pension benefits are protected against inflation by being index linked to a measure set by the government. This means that they may increase each year, in April, for as long as they are being paid. In your first year of retirement a part year increase may apply.

## Benefits at retirement

This part of the guide describes the benefits that you can expect to receive from this Scheme when you choose to retire at NPA.

The pension for 'Officers' is based on your pensionable pay at or near retirement. This is known as a 'final salary pension'.



The pension for 'Practitioners' is based on a percentage of your earnings throughout your career. These earnings are revalued to maintain a current value at retirement



### 2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please read the factsheet for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about claiming your benefits. This is available on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## Pension and lump sum

In both sections of this Scheme you will receive an annual pension. In the 1995 Section you will automatically receive a retirement lump sum which will normally be three times your annual pension. Members of both sections are able to give up some of their annual pension, up to a maximum amount, in exchange for a larger lump sum.

## Providing for your dependants

If you are in good health you can choose to allocate (give up) part of your own pension to provide a bigger pension for any dependant on your death. This allocation can be to a spouse, civil partner, qualifying partner, or in certain circumstances, a child. The allocation must be made before you retire and you cannot reverse this decision once it is made. Further information is available in our Retirement Booklet available on our website at:

[www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## Mixed employment - pension flexibilities

Practitioners who have also worked as HSC staff or as a GP registrar may have built up pension benefits on a final salary basis as well as on a CARE basis. Members who have this type of mixed employment will have additional calculations applied to their pension records to ensure that the most favourable amount of benefits are paid to them.



## Members working part time

For calculating benefits, membership means the actual amount of membership you have built up in this Scheme. For example someone who has worked part time, 50% of standard full time hours, for 20 years will have 10 years' membership counting towards their benefit calculations. The other main factor in calculating benefits, final years' pensionable pay, or reckonable pay, is based on the full time equivalent salary for that job. In the example given the 50% part time worker may have earned £11,000 a year but for the purpose of calculating benefits the 100% full time rate of £22,000 is used.



## Further information

More details about Practitioner pension benefits and flexibilities are available on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## 1995 Section - Officers



### Benefits at retirement

You will receive a pension and a retirement lump sum based on the best of your last three years' pensionable pay.

Your pension is 1/80th of the best of the last three years' pensionable pay for each year of pensionable membership in this section. Part years will also count proportionally towards your pension.

Your pension is calculated as follows:

$$\text{pensionable pay} \times \text{pensionable membership in days} \times 1/80 = \text{pension}$$

Your retirement lump sum is normally three times the pension. It is calculated as follows:

$$\text{annual pension} \times 3 = \text{retirement lump sum}$$

#### Example 1

A midwife retires after 28 years and 173 days' pensionable membership with the best of the last three years' pensionable pay of £25,650.

Her pension is  $\pounds 25,650.00 \times 28 \text{ years } 173 \text{ days} \times (1/80 \times 1/365) = \pounds 9,129.48 \text{ per year}$

Her retirement lump sum is  $3 \times \text{pension i.e. } \pounds 9,129.48 \times 3 = \pounds 27,388.44$

The following table can be used to provide a guide to your estimated pension amount. It shows how much annual pension is payable for years of membership at different pay levels.

		Pensionable pay £						
		10000	20000	30000	40000	50000	70000	100000
Membership - Number of years	1	125	250	375	500	625	875	1250
	2	250	500	750	1000	1250	1750	2500
	3	375	750	1125	1500	1875	2625	3750
	4	500	1000	1500	2000	2500	3500	5000
	5	625	1250	1875	2500	3125	4375	6250
	6	750	1500	2250	3000	3750	5250	7500
	7	875	1750	2625	3500	4375	6125	8750
	8	1000	2000	3000	4000	5000	7000	10000
	9	1125	2250	3375	4500	5625	7875	11250
	10	1250	2500	3750	5000	6250	8750	12500
	20	2500	5000	7500	10000	12500	17500	25000
	30	3750	7500	11250	15000	18750	26250	37500
	40	5000	10000	15000	20000	25000	35000	50000
	45	5625	11250	16875	22500	28125	39375	56250

## 1995 Section - Practitioners



### Benefits at retirement

You will receive a pension based on a percentage of your career earnings and a retirement lump sum.

Your pension is based on 1.4% of your re-valued career earnings. This is achieved by recording your pensionable earnings for each year of membership in the Scheme and applying a revaluation factor. The revaluation factor used to re-value your earnings each year is 1.5% above the amount of the annual increase due under the Pensions Increase Acts. The resulting figure is known as your uprated earnings.

Your pension is calculated as follows: **uprated earnings x 1.4%**

Your retirement lump sum is normally three times the pension.

The following table can be used to provide a guide to your estimated pension amount:

Average annual practitioner earnings (£s)							
<b>Based on 40 years membership</b>	40,000	50,000	60,000	70,000	80,000	90,000	100,000
<b>Annual Practitioner pension for each year of membership (£s)</b>	560	700	840	980	1,120	1,260	1,400
<b>Total annual Practitioner pension (£s)</b>	22,400	28,000	33,600	39,200	44,800	50,400	56,000

### Example 2

A GP retires at age 60. Her earnings for each of the years as a Practitioner are re-valued and added together giving an uprated earnings figure of £1,500,000. This total is multiplied by 1.4% to give her annual pension. Her retirement lump sum is three times that amount.

Her pension is: **£1,500,000 x 1.4% = £21,000 per year and a retirement lump sum of £63,000**

## 2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please read the factsheet for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about claiming your benefits. This is available on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## 2008 Section - Officers

### Benefits at retirement



You will receive a pension based on your reckonable pay. Your reckonable pay is the average of the best three consecutive years' pensionable pay in the last ten.

Your pension is 1/60th of your reckonable pay for each year of pensionable membership in this section. Part years will also count proportionally towards your pension. You will have the choice of taking a retirement lump sum by reducing your annual pension.

Your pension is calculated as follows:

$$\text{reckonable pay} \times \text{pensionable membership in days} \times (1/60 \times 1/365) = \text{pension}$$

The following table can be used to provide a guide to your estimated pension amount. It shows how much annual pension is payable for years of membership at different pay levels.

		Reckonable pay £						
		10000	20000	30000	40000	50000	70000	100000
Membership - Number of years	1	167	333	500	667	833	1167	1667
	2	333	667	1000	1333	1667	2333	3333
	3	500	1000	1500	2000	2500	3500	5000
	4	667	1333	2000	2667	3333	4667	6667
	5	833	1667	2500	3333	4167	5833	8333
	6	1000	2000	3000	4000	5000	7000	10000
	7	1167	2333	3500	4667	5833	8167	11667
	8	1333	2667	4000	5333	6667	9333	13333
	9	1500	3000	4500	6000	7500	10500	15000
	10	1667	3333	5000	6667	8333	11667	16667
	20	3333	6667	10000	13333	16667	23333	33333
	30	5000	10000	15000	20000	25000	35000	50000
	40	6667	13333	20000	26667	33333	46667	66667
	45	7500	15000	22500	30000	37500	52500	75000

#### Example 3

A midwife retires after 28 years and 173 days' pensionable membership with reckonable pay of £25,650.

Her pension is:  $\text{£}25,650 \times 28 \text{ years } 173 \text{ days (in days)} \times (1/60 \times 1/365) = \text{£}12,172.62 \text{ per year}$

## 2008 Section - Practitioners

### Benefits at retirement



You will receive a pension based on your career earnings.

Your pension is based on 1.87% of your re-valued career earnings. This is achieved by recording your pensionable earnings for each year of membership in this section and applying a revaluation factor. The revaluation factor used to re-value your earnings is 1.5% above the amount of the annual increase due under the Pensions Increase Acts. The resulting figure is known as uprated earnings.

Your pension is calculated as follows: **uprated earnings x 1.87%**

The following table can be used to provide a guide to your estimated pension amount

Average annual practitioner earnings (£s)							
Based on 40 years' membership	40,000	50,000	60,000	70,000	80,000	90,000	100,000
Annual Practitioner pension for each year of membership (£s)	748	935	1,122	1,309	1,496	1,683	1,870
Total annual Practitioner pension (£s)	29,920	37,400	44,880	52,360	59,840	67,320	74,800

#### Example 4

A GP retires at age 65. Her earnings for each of the years as a practitioner are re-valued and added together giving an uprated earnings figure of £1,500,000. This is multiplied by 1.87% to give her annual pension.

Her pension is:  $£1,500,000 \times 1.87\% = £28,050.00$  per year.

## 2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please read the factsheet for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about claiming your benefits. This is available on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## Retirement lump sums (Pension Commutation)

From both Sections of this Scheme you are able to take some of your benefits as a retirement lump sum. This part of the guide describes your entitlement and options and provides some examples to show how these are calculated.

You may be able to take a maximum lump sum of 25% of your capital value. This is determined by a limit set by Her Majesty's Revenue and Customs (HMRC) and adopted by the Scheme Regulations. It applies across your entire pension arrangements so your HSC retirement lump sum may be limited to a smaller amount if you have other pension savings in payment. You cannot commute your pension to provide an additional lump sum that would cause you to exceed HMRC's lump sum limits.

### 1995 Section

The 'Benefits at retirement' section of this guide explained that you will receive a retirement lump sum which is normally three times your annual pension. You also have the option of receiving a larger retirement lump sum and a smaller annual pension

Your capital value is determined by the HMRC rules and is calculated by multiplying your reduced pension by 20 and adding your total retirement lump sum. In the majority of cases the maximum lump sum you can take works out as approximately 5.36 times your annual 1995 Section pension.

#### Example 5

The midwife in example 1 decides to take a larger retirement lump sum when she retires. She receives £12 of lump sum for each £1 of annual pension given up so she chooses to exchange £500 of her annual pension to get an extra £6,000 lump sum ( $£500 \times £12 = £6,000$ ).

Her benefits are now:

Pension	<b>£9,129.48 - £500.00</b>	<b>= £8,629.48 per year</b>
Retirement lump sum	<b>£27,388.44 + £6,000.00</b>	<b>= £33,388.44</b>

The maximum lump sum she could take is £21,516 higher than her normal lump sum. She would have to give up £1,793 of her annual pension to get this so her benefits would be:

Pension	<b>£9,129.48 - £1,793.00</b>	<b>= £7,336.48 per year</b>
Retirement lump sum	<b>£27,388.44 + £21,516.00</b>	<b>= £48,904.44</b>

## 2008 Section

There is no basic lump sum entitlement in the 2008 Section but you do have the option of receiving a retirement lump sum by giving up part of your pension.

The capital value of your benefits is determined by HMRC rules and is calculated by multiplying the pension you will receive by 20 and adding any retirement lump sum. In the majority of cases the maximum lump sum you can take works out as approximately 4.28 times your 2008 Section pension.

You have to give up some of your pension to get a retirement lump sum. You will receive £12 of retirement lump sum for every £1 of pension you give up.

### Example 6

The midwife in example 3 decides to take a retirement lump sum when she retires. She receives £12 of lump sum for each £1 of annual pension given up so she exchanges £1,500 of her annual pension to get a retirement lump sum of £18,000 (£1,500 x £12 = £18,000).

Her benefits are now:

Pension	$£12,172.62 - £1,500.00$	$= £10,672.62$ per year
Retirement lump sum		$= £18,000.00$

The maximum lump sum she could take is £52,164.00.

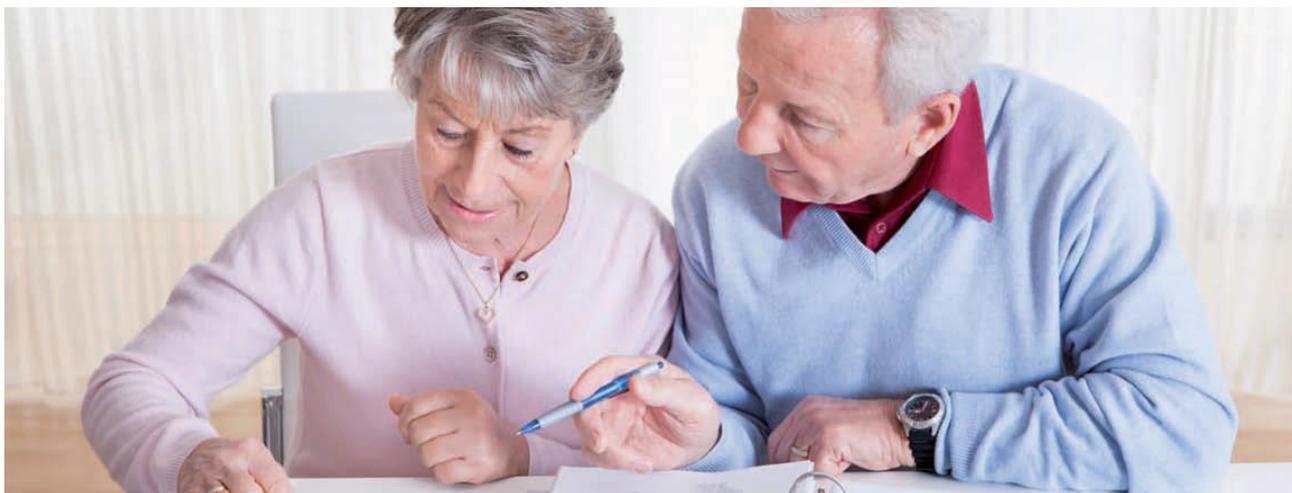
She would have to give up £4,347.00 of her annual pension to get this so her benefits would be:

Pension	$£12,172.62 - £4,347.00$	$= £7,825.62$ per year
Retirement lump sum		$= £52,164.00$

For more information please visit our website at: <http://www.hscpensions.hscni.net/calculators/>

## 2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please read the factsheet for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about claiming your benefits. This is available on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)



## Early retirement

The circumstances in which you may take your pension before your NPA are described below. Your benefits will normally be reduced to take account of them being paid earlier and for longer. This is known as Voluntary Early Retirement (VER). The earliest age that you can draw your pension is known as the minimum pension age. This varies depending on which Section you are in and when you started pensionable employment.

### 1995 Section

If you were an active member of this Section between 31 March 2000 and 5 April 2006 and have not had a break of five years or more you may take your pension from age 50. If you were not an active member between these dates then you cannot take your pension until age 55.

Members with deferred benefits who left this Scheme after 1 July 2000 may also choose to retire early on a reduced pension.

### 2008 Section

The minimum pension age is 55.

In the unlikely event that your reduced pension is less than the Guaranteed Minimum Pension (GMP), you will not be able to take actuarially reduced early retirement benefits. HSC Pensions will advise you if this is the case and your options will be explained.

If you are an active member of the Scheme, you may apply for VER by completing a form which you can get from your employer.

If you are a deferred member you may apply for retirement early by contacting HSC Pensions directly. Pensions that are paid early are increased with inflation each April, but this will only start once you reach age 55, at which point your pension will be increased to take account of changes since it was awarded.

Deferred members who left this Scheme prior to 30 June 2000 cannot claim benefits until age 60.

## Voluntary Early Retirement (VER) Benefits

### 1995 Section

If you have Special Class status or MHO status and you retire voluntarily before age 55 your benefits will be reduced as if your NPA was 60.

If you joined the 1995 section on or after 6 April 2006 your minimum retirement age will change to 55 on 6 April 2010. If you returned to the Scheme after 6 April 2006 this may also apply to you.

The following table shows how much your pension and lump sum is reduced by if you choose to retire early. If you retire between the ages shown the benefits payable will vary.

Age	59	58	57	56	55	54	53	52	51	50
Pension*	4.5%	8.8%	12.8%	16.5%	20%	23.2%	26.2%	29%	31.5%	33.9%
Lump Sum*	2.3%	4.6%	6.7%	9.1%	11.2%	13.3%	15.3%	17.3%	19.2%	21.1%

\*VER Factors effective from 1<sup>st</sup> April 2019

### 2008 Section

The following table shows how much your pension is reduced by if you choose to retire early. If you retire between the ages shown the benefits payable will vary. If you take a lump sum, this is calculated from your pension after reduction. There are no reduction factors for lump sums in the 2008 Section

Age	64	63	62	61	60	59	58	57	56	55
Pension*	4.9%	9.6%	14%	18.1%	21.9%	25.4%	28.7%	31.8%	34.7%	37.4%

\*VER Factors effective from 1<sup>st</sup> April 2019

### 2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please read the factsheet for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about the impact of claiming your benefits early. This is available on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## Premature retirement

If you are retired prematurely because of redundancy or in the interests of the efficiency of the service, your benefits may be paid immediately. You must have at least two years' continuous membership and have reached the minimum pension age. You must also have at least two years' continuous employment with the employer who is prematurely retiring you and have contractual terms and conditions, which entitle you to claim the redundancy pension as an alternative to receiving, either in whole or in part, the cash redundancy payment from your employer.



## Retirement on the grounds of redundancy

If you are made redundant over the minimum pension age you may choose to take your redundancy payment and have your pension paid at normal pension age, or take your pension benefits immediately. Whether your benefits will be unreduced or partially reduced will depend on your contractual terms and conditions.

If you choose to take your pension immediately your employer will use your redundancy payment to meet any additional costs that arise, paying the balance (if any) to you. Where the amount of the redundancy payment is sufficient to meet the additional costs your benefits will be paid in full.

Where the amount of the redundancy payment is not sufficient to meet the total additional cost of unreduced benefits your employer will pay any shortfall if your contractual terms and conditions provide for this.

Where your contractual terms and conditions do not provide for your employer to pay any shortfall, for example from 1 April 2015 if you are employed in Northern Ireland on Agenda for Change terms and conditions, you will have the option to:

- pay the shortfall yourself and receive all of your benefits unreduced;
- pay part of the shortfall yourself and avoid the early retirement reduction in part; or
- make no top up payment yourself and receive benefits which are in part unreduced and part reduced.

## Helping you achieve a work-life balance

Both sections of this Scheme allow you to choose to retire between the minimum pension age and age 75 but there are also features to help you make the transition between work and retirement as you approach your NPA.

### 1995 Section

#### Flexible retirement

The 1995 Section allows you to retire and take your pension between age 55 (50 for some members) and 75. You can choose the time that suits you best. Your benefits will be reduced if they are paid before your NPA. There is also a facility to protect your pension if you wish to step down to a less demanding job.

#### Voluntary protection of pay (step down)

If you have two or more years' membership and you are over the minimum pension age and your pay reduces by at least 10%, you can apply for the higher rate of pay to be protected for pension purposes. An application must be made after 12 months but within 15 months of the pensionable pay reducing. This can only be done once, your pay must not have been subject to any other deductions in the previous 12 months and the reduction to your pay must be as a result of you taking up a job in a less demanding role or with less responsibilities. Your pensionable pay must remain reduced for at least a year. When you leave, your benefits to the date of reduction will be based on this rate of pay, or your actual rate of pay if that is better for you.

More information about voluntary protection of pay can be found on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## 2008 Section

### Flexible retirement

The 2008 Section was designed to provide a great deal of flexibility around retirement. You can choose to retire between age 55 and 75 but the benefits would be reduced if they are paid before your 65th birthday. You do not actually have to leave the HSC to start drawing some of your pension and taking a lump sum. After you reach the minimum pension age you can consider moving towards retirement by reducing your working time or perhaps switching to a less demanding role. Your reckonable pay will still consider any higher earnings you may have had in the ten years prior to you finally retiring. You can also take the whole of your benefits by leaving the HSC. You may be able to return to employment and re-join this Section or you could choose to keep working beyond the NPA and earn a larger pension.

### Drawdown

If you reduce your pensionable pay by at least 10% and you have reached the minimum pension age of 55, you may partially retire and take some of your benefits. You can take a minimum of 20% (or any minimum amount set by HM Revenue and Customs) and a maximum of 80% of your own pension entitlement and continue to build up future membership. The benefits would be reduced if they are paid before your 65th birthday. Your pensionable pay must remain reduced for at least a year otherwise you will cease to be eligible for the pension that you have taken. You can draw down your benefits twice before retiring completely.

## 2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please read the factsheet for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about the impact of claiming your benefits early. This is available on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## Late retirement

If you remain in employment after your NPA, you may continue to earn benefits as long as you stay in this Scheme, up to age 75 (65 if you have Special Class status and are a member of the 1995 Section) or until you reach 45 years' Scheme membership. Your pension benefits will be based on your pensionable pay and membership when you do eventually retire. At age 75 you become entitled to your benefits without having to have a break in your employment.

### 1995 Section

There are no provisions to increase any of your benefits because they are paid after your NPA.

### 2008 Section

When you take your benefits after age 65, any of your pension earned before age 65 will be increased to take account of the fact that it is being paid later than your NPA.

### 2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please read the factsheet for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about the impact of claiming your benefits late. This is available on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## The State Pension Scheme and other pension schemes

This Scheme is completely separate from State Pension arrangements or any other pension schemes you may be a member of. This means that you will normally get a separate basic State Pension as well as your HSC pension.

This Scheme is contracted out of the second level of State Pension (known as the State Second Pension or S2P) and you will not get any additional pension from this, except for any contributions you may have made in another employment.

If you have arranged your own personal pension, or have pensions from other employment, these are payable as well as your pension from this Scheme but it is up to you to choose when you take these.

Because of pension tax legislation, you may need to tell us about these pension arrangements including any that are already in payment, when you come to retire.

## Illness, life assurance and family benefits

### Ill health retirement

If you have at least two years' membership and are too ill to work in your present job you may be able to retire early and take your pension benefits. There are two tiers of ill health retirement and the benefits you get will depend on whether or not you are capable of undertaking employment elsewhere, see tables overleaf. The minimum pension age does not apply in the case of ill health retirement. Ill health pensions may be increased each April in line with inflation.

It may be possible to move between the tiers after retirement where our medical advisers indicate your condition may meet Tier 2 requirements within three years of retiring.

If you are terminally ill you may take your benefits immediately as a serious ill health lump sum.

Your benefits may be reduced or withdrawn if you take up further employment after retiring early due to ill health.

You may apply to be considered for ill health early retirement by completing form AW33 which you can get from your employer.

If you are a deferred member and you become too ill to undertake regular employment you may apply to take your pension early without reduction. Your benefits will not be enhanced. Form AW240 to request consideration of entitlement to early payment of deferred benefits due to ill health is available to download from our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net). Do not delay completing and returning this form as it may affect the date from which we can pay the benefits.

Tier 1 or Tier 2 ill health retirement benefits are based on your membership within the section of this Scheme in which you are an active member.

### Further information

Further details about ill health retirement and examples of how it will be calculated can be found in a separate factsheet available on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

#### 2015 Scheme

If you are a member of both the 1995/2008 Scheme and the 2015 Scheme please read the factsheet for members of the 2015 Scheme who also have membership in the 1995/2008 Scheme to understand more about how your 1995/2008 benefits are affected by an ill health pension. This is available on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## Ill health retirement tiers

### 1995 Section

	Definition	Entitlement
Tier 1	Unable to do current job due to permanent ill health.	Membership already built up without reduction. No enhancement to benefits.
Tier 2	Unable to carry out regular employment of like duration due to permanent ill health.	Tier 1 benefits, plus an enhancement of two-thirds of your prospective membership to NPA. Minimum membership enhancement of four years or to age 60 (whichever is less) until 2016. Total membership may not exceed prospective membership at 60.

### 2008 Section

	Definition	Entitlement
Tier 1	Unable to do current job due to permanent ill health.	Membership already built up without reduction. No enhancement to benefits.
Tier 2	Unable to carry out regular employment of like duration due to permanent ill health.	Tier 1 benefits, plus an enhancement of two thirds of your prospective membership to age 65. Total membership may not exceed prospective membership at 65.

### Important

Your Tier 2 ill health retirement benefits may be affected by HMRC's Annual Allowance legislation. If you are accepted for Tier 2 this does not mean you will meet HMRC's Serious Ill Health Condition; a separate test will be undertaken. You can get more information about this in the 'Ill health retirement' factsheet available on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## Serious ill health lump sum

If you become terminally ill you may take your benefits immediately as a lump sum and they will not be tested against the Annual Allowance limits. To claim a serious ill health lump sum you will need to complete form AW33, available from your employer.

If you are age 75 or over the serious ill health lump sum will be subject to a serious ill health lump sum charge of 55%, payable by the member. This tax charge is deducted from the lump sum before payment.

## Life assurance and family benefits

This Scheme provides lump sum and pension benefits to your dependants in the event of your death. The benefits payable will depend on your circumstances at the time of your death, these are listed on page 39-40.

### Payment of lump sum

The lump sum will be paid to your spouse, registered civil partner or qualifying nominated partner. If you do not want this to happen you should contact the HSC Pension Service to nominate someone else to receive the benefit. A DG3 form to nominate who you want to receive this benefit can be downloaded from our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net). Please note that the lump sum may be subject to inheritance tax if it is not paid to your spouse, or civil partner. A lump sum payment to a qualifying partner may be subject to inheritance tax.

If you have not nominated a person to receive a lump sum and you do not have a spouse, registered civil partner or qualifying partner the lump sum will be paid to your estate.

#### Important

The death lump sum must be claimed and paid within two years of the member's death being notified to us, otherwise it becomes subject to tax of up to 55%.

If you die after reaching age 75 and you were 75 on or before 5 April 2011 the lump sum will be converted to an annual pension paid to your dependant.

If you die after reaching age 75 and you were 75 on or after 6 April 2011 the lump sum is subject to a lump sum death benefit charge of 55%. This tax charge is deducted from the lump sum before payment.

### Payment of dependants' pensions

These are payable for life to your legal spouse, registered civil partner or qualifying nominated partner from the date of your death. If you are not in a legally recognised relationship, you and your partner are required to complete a form to register your relationship. There are criteria that must be met for your partner to qualify for benefits and these will be checked in the event of your death. A PN1 form to nominate a non-legal partner can be downloaded from our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

### Important

It is very important that members, who are in a relationship which is not legally recognised, register their relationship using form PN1. Failure to do so will mean that their partner will not be considered for payment of a dependant's pension. Evidence of either financial dependency or interdependency will be required in the event of any claim.

It is important that you keep your nominations up to date to ensure that your benefits are paid as swiftly as possible to who you want to receive them. Forms are available on our website to nominate who you wish to receive any lump sum and also to register your partner for a pension at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

### Married same sex couples and other survivors

For 1995 Section members, the pension for a surviving same sex spouse will be equal to 50% of your own pension for your membership from 6 April 1988 onwards. For 2008 Section members, the pension will be equal to 37.5% of your own pension.

### Children's Pensions

Children's pensions are paid until the age of 23. If the child remains unable to earn a living due to a condition which existed at the date of your death, the children's pension can be paid indefinitely.

## Benefits payable

Each section of the Scheme provides slightly different benefits. The following tables show the benefits that are payable from each section.

### 1995 Section

Benefit	Death in membership (with at least two years membership)	Death after retirement	Death with deferred pension	Death within 12 months of leaving membership if benefits remain in Scheme
Lump sum	2 x annual pensionable pay or average uprated earnings for Practitioners***	The lesser of: 5 x pension less pension already paid or 2 x pay less any retirement lump sum	3 x pension payable if member had retired on date of death	3 x annual pension the member would have received had they retired on the date of death
Spouse/Civil Partners/ Nominated Partners pension:	50% of your notional Tier 2 ill health retirement pension, based only on membership from 6 April 1988*.  (If you are the widow of a male member, the above will include membership prior to 6 April 1988)  Short term pension payable at rate of your pensionable pay for the first 6 months	50% of your pension in payment**** based only on membership from 6 April 1988*.  (If you are the widow of a male member, the above will include membership prior to 6 April 1988) Short term pension payable at rate of member's pension paid for first 3 months or 6 months if there is at least one dependant child	50% of your pension at the date of death based only on membership from 6 April 1988*.  (If you are the widow of a male member, the above will include membership prior to 6 April 1988)  No short term pension	50% of your notional Tier 2 ill health retirement pension at date of leaving based only on membership from 6 April 1988*.  (If you are the widow of a male member, the above will include membership prior to 6 April 1988)  No short term pension
Children's pension**	25% of your notional Tier 2 ill health retirement pension for 1 child  50% shared equally if 2 or more	25% of your pension for 1 child  50% shared equally if 2 or more	25% of your pension for 1 child  50% shared equally if 2 or more	25% of your notional Tier 2 ill health retirement pension for 1 child  50% shared equally if 2 or more

\*These benefits may be higher if you have purchased Additional Survivor Pension cover for your dependants.

\*\*Higher rates may be payable if there is no Surviving Partner Pension payable.

\*\*\*A death gratuity lump sum is payable for members with less than 2 years membership.

\*\*\*\*These benefits may be higher if you opted to receive a higher lump sum when you retired. Each section of the Scheme provides slightly different benefits.

## 2008Section

Benefit	Death in membership (with at least two years' membership)	Death after retirement	Death with deferred pension	Death within 12 months of leaving membership if benefits remain in Scheme
Lump sum	2 x reckonable pay or average uprated earnings for practitioners ***	The lesser of; 5 x pension less pension already paid; or  2 x reckonable pay less any retirement lump sum taken	2.25 x annual pension the member would have received had they retired on the date of death assuming they did not take a lump sum	2.25 x annual pension the member would have received had they retired on the date of death assuming they did not take a lump sum
Adult dependant's pension	37.5% of your notional Tier 2 ill health retirement pension  Short term pension payable at rate of your pensionable pay for the first 6 months	37.5 % of your pension in payment*  Short term pension payable at rate of member's pension paid for first 3 months or 6 months if there is at least one dependant child	37.5% of your pension at the date of death*  No short term pension	37.5% of your notional Tier 2 ill health retirement pension at date of leaving  No short term pension
Children's pension **	18.75% of your notional Tier 2 ill health retirement pension for 1 child  37.5% shared equally if 2 or more	18.75% of your pension for 1 child  37.5% shared equally if 2 or more	18.75% of your pension for 1 child  37.5% shared equally if 2 or more	18.75% of your notional tier 2 ill health retirement pension for 1 child  37.5% shared equally if 2 or more

\*May not include any additional pension being paid and may be higher if you opted to take a lump sum when you retired.

\*\*Higher rates may be payable if there is no survivors pension payable.

\*\*\*A death gratuity lump sum is payable for members with less than two years' membership.

If you have less than two years' membership and die before you leave or retire, your spouse, civil partner, or nominated qualifying partner would receive a lump sum payment and a short term pension payable for six months.

## Bank staff and freelance GP locum

A bank nurse or a freelance GP locum is regarded as being in pensionable employment if they are at work and paying into this Scheme. For example, if they are contracted to work 9am – 5pm Monday until Wednesday they are covered for ‘death in service’ benefits from 9am Monday until 5pm Wednesday. If they die on the Thursday, regardless of whether they were due to return to work the following Monday they are not regarded as being in pensionable employment and are not eligible for ‘death in service’ benefits.

A bank nurse or freelance GP locum who is available for work, by virtue of being on an employer’s ‘list’ or ‘bank’ but who is not actually at work is not covered for ‘in service’ benefits.

### Further information

Further details can be found in the ‘Life assurance and family benefits’ factsheet available on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## Help and general information

### HSC Pension Service – our commitment to you

HSC Pension Service aims to provide a prompt, efficient and helpful service to all members of the HSC Pension Scheme.

The HSC Pension Scheme currently have 61,500 actively contributing members and 15,000 members with deferred benefits. We pay pensions to over 32,000 pensioners every month.

#### We aim to:

- pay pensions accurately and on time
- treat you as an individual with dignity and respect
- listen to what you say
- be fair, helpful and easy to talk to
- give clear reasoning and explanation when necessary
- keep what you say to us confidential
- tell you exactly what you need to do and what information we need.

#### Tell us how we are doing

Please tell us what we have done well or when we could have done better. We will use this information to make improvements to our service. You can do this by contacting us by telephone, letter or by emailing us through our website. See page 43 for our contact details.

We are happy to receive feedback on any matter.

#### Our service standards

You will find our 'Members Charter' on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net). In the Charter you will find a list of our standards for the different types of service we provide.

When you contact us please help us by:

- giving your surname, initials and National Insurance number
- giving us full and accurate information when we request it
- treating our staff courteously
- informing us if you change your address.

## Contact details

You can contact us at:

HSC Pension Service  
Waterside House  
75 Duke  
Street  
Londonderry  
BT47 6FP

Telephone: 02871 319 111 or email us via our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

The switchboard is open from 9.00 am to 5.00 pm Monday to Thursday and 9.00 am to 12.00 pm on a Friday, excluding public holidays.

Please quote your National Insurance number.

Below are the contact details for persons or organisations you may wish to get in touch with.

### HSC money purchase AVC providers

#### Standard Life

Group Pensions Public Sector  
Standard Life  
1 Baileyfield  
Crescent Edinburgh  
EH15 1ET

[www.standardlife.co.uk/nhs](http://www.standardlife.co.uk/nhs)

Helpline: 0800 634 7479

### HSC stakeholders

#### Standard Life

Stakeholder Pensions  
Standard Life  
1 Baileyfield  
Crescent Edinburgh  
EH15 1ET

[www.standardlife.co.uk/nhs](http://www.standardlife.co.uk/nhs)

Helpline: 0800 634 7479

### The Pensions Advisory Service (TPAS)

11 Belgrave Road  
London  
SW1V 1RB

Telephone: 0845 601 2923  
[www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

### Pensions Ombudsman

11 Belgrave Road  
London  
SW1V 1RB

Telephone: 020 7630 2200  
[www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

### Pensions Regulator

The Pensions Regulator  
Napier House  
Trafalgar Place  
Brighton  
BN1 4DW

Telephone: 0845 600 0707  
[www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

### Financial Conduct Authority (FCA)

25 The North Colonnade  
Canary Wharf  
London  
E145HS

Telephone: 0800 111 6768  
[www.fca.org.uk](http://www.fca.org.uk)

## Complaints and disputes

### What to do if things go wrong

We make every effort to get things right. If we have made a mistake we will apologise and make sure you receive your correct benefits and entitlements as quickly as possible. If we cannot resolve your complaint informally, we have a formal dispute resolution procedure that complies with pension legislation.

### How do I complain?

Anyone who receives (or expects to receive) benefits, wishes to join this Scheme, or is nominated by the above to represent them can make a complaint to us. If you wish to complain please write to us at the address at the beginning of this section.

If you have made a complaint that we have been unable to resolve, you may ask for your case to be considered under our formal dispute resolution procedure which is set out below.

### What is the dispute resolution procedure?

The dispute resolution procedure is a formal two stage process, the first of which asks you to complete Stage 1 application form DRP1 that you can download from our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

Your case will be reviewed by a disputes officer and we will respond within two months. If we are unable to give you a decision within that timescale, we will write and tell you why.

If you remain dissatisfied you are entitled to have your case looked at a second time. Your case will then be reviewed by a disputes manager and we will let you know the outcome within two months. If we are unable to give you a decision within that timescale we will write and tell you why.

### Where you can get further advice

You can get advice from The Pension Advisory Service (TPAS) at any time. You can also ask the Pensions Ombudsman to investigate and give a decision on any complaint or dispute. The address for both of these can be found in this section.

Please note that the Pensions Ombudsman will normally expect any complaint to have been looked at under our Dispute Resolution procedure first before they will consider it.

The Pensions Regulator oversees pension scheme administration and can grant certain time limit extensions and deal with complaints about non-disclosure of information. Their address can also be found in this section.

## Some general points

### Schemerules

The rules of the HSC Pension Scheme are laid down in regulations agreed by Parliament.

They are:

The Health and Personal Social Services (Superannuation) Regulations (Northern Ireland) 1995 amendments.

The Health and Social Care (Pension Scheme) Regulations (Northern Ireland) 2008 and subsequent amendments. You can view these on our website at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

This Scheme is 'registered' under the Finance Act 2004.

This Scheme is contracted out of the State Second Pension Scheme (S2P) under the Pensions Act 1995.

### Scheme administrator

The scheme administrator is the HSC Business Services Organisation. You can contact the scheme administrator via HSC Pension Service using the contact details on page 45 of this guide.

### Pension Scheme fund

The HSC Pension Scheme does not have a real pension fund, but as a statutory scheme, benefits are fully guaranteed by the Government.

Contributions from both members and employers are paid to the Exchequer, which meets the cost of Scheme benefits.

## Independent financial advice

If you are in any doubt which pension arrangements will be the best for you, you should seek financial advice.

Under the Financial Services and Markets Act of 2000, all financial advisers have to decide whether to be 'independent', 'tied' or 'multi-tied'.

A financial adviser who is 'independent' can offer a range of financial services and products from across the entire market, whereas a financial adviser who is 'tied' or 'multi-tied' can only offer the products from one or a series of companies.

Before you ask for advice, make sure you know which type of adviser you are dealing with. Most financial advisers will charge for their advice.

The charge may be in the form of a fee payable by you or a commission payable by any company that you decide to invest in. If the adviser you choose charges on a commission basis, you should ask how your investments will be affected by the charges.

It is advisable to check that any company you choose is authorised with

the: Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London  
E14  
5HS

Telephone: 0800 111 6768 or visit their website: [www.fca.org.uk](http://www.fca.org.uk)

## Data protection

HSC Pension Service is part of the HSC Business Services Organisation (BSO). The Data Controller for the purposes of the Data Protection Act 1998 (DPA) is the BSO.

HSC Pension Service holds information provided by your employer for HSC Pension Scheme purposes and in relation to the HSC Injury Benefit Scheme and certain other statutory functions assigned by Parliament. The information we hold may be used for any of the functions of HSC Pension Service. We may need to obtain information about you from other sources. If we do, it will only be as the law allows, for instance to:

- check accuracy of information
- prevent or detect crime
- protect public funds.

We may check information we receive about you with what is already in our records. This may include information provided by you as well as by others such as other government departments, agencies and overseas authorities. We will not give information about you to anyone outside of HSC Pension Service unless the law allows us to do so, or you have given us permission to do so.

HSC Pension Service has a legal duty to protect the confidentiality of information about HSC Pension Scheme members. We take appropriate precautions to protect any information you give us, whether by our website or by other means because of legislation such as the DPA.

You have the right to ask for details of any data which HSC Pension Service holds about you. If you wish to do this you can write to the Information Governance Manager at the address shown later in this section or email [hscpensions@hscni.net](mailto:hscpensions@hscni.net). Your letter should include:

- your name and address
- your National Insurance number

If information held about you has been provided to HSC Pension Service by another body or person, HSC Pension Service may require their permission for its contents to be disclosed to you.

## Freedom of information

The Freedom of Information Act 2000 (FOIA) came into force on 1 January 2005.

Under the Freedom of Information Act 2000, you may request information from a public authority such as the BSO, of which HSC Pension Service is a part. This Act confers two statutory rights on applicants:

- To be told whether or not the public authority holds that information; and if so,
- To have that information communicated to them.

### Whocanrequestinformation?

Anyone can request information under the FOIA regardless of age, nationality or location. You should make any requests to the Information Governance Manager at the address shown later in this section.

### What information will be available?

Any information held by a public authority is eligible for release. However, a number of exemptions may be applied to protect information.

### Freedom of Information Act

The FOIA requires publicly funded organisations, such as government, schools, hospitals, etc. to have a Guide to its Information, to put in place systems for effective records management, and respond to requests from the public for information. The FOIA recognises the need to maintain government confidentiality in some circumstances and hence includes exemptions.

Further details about the Act and its implementation can be found on the Information Commissioner's website.

## Information governance

The address for Freedom of Information and Data Protection enquiries about HSC Pensions is:

Information Governance Manager  
Business Service Organisation  
Headquarters  
2 Franklin Street  
Belfast  
BT2  
8DQ

Or email: [foi.bso@hscni.net](mailto:foi.bso@hscni.net)

## Glossary of common terms

### Actuarially Reduced Early Retirement (ARER)

This is what happens if you take your pension before your normal pension age. Your benefits will normally be reduced to take account of them being paid earlier and for longer.

### Additional Pension (AP)

An extra amount of annual pension that you (or your employer) have purchased by paying extra contributions.

### Additional Voluntary Contributions (AVCs)

Extra contributions that you decide to pay to increase your benefits.

### Capital value

This is the value placed on your HSC Pension Scheme benefits by HMRC and is calculated by multiplying your pension by 20 and adding the value of your lump sum.

### Career Average Revalued Earnings (CARE)

For practitioners only. A method of calculating your pension by reference to your earnings over your entire Practitioner membership.

### Contributions

The amount needed to be paid into the Scheme to pay for the benefits. This is split between members and employers.

### Deferred benefits

A pension (and retirement lump sum) that is due to be paid at a later date.

### Deferred members

People who have left the Scheme but have not yet taken their pension. These members are also sometimes referred to as having preserved benefits.

### Dependant

A spouse, civil partner, nominated qualifying partner or dependent child who qualifies to receive a pension after you die.

### Draw down

Taking part of your pension benefits before you retire completely from the HSC.

### Final year's pensionable pay

The best year's pensionable pay in the last three years of pensionable employment.

### Flexibility rules

A number of calculation tests applied to practitioner benefits to ensure that the most beneficial method of calculation is used.

### Guaranteed minimum pension (GMP)

As this Scheme is contracted out of the State Second Pension, this is the minimum amount of pension you will receive from this Scheme.

## HMRC

Her Majesty's Revenue and Customs (formerly the Inland Revenue).

## Ill health retirement

Being awarded a pension due to being too ill to continue to work.

## Maximum lump sum

The maximum cash you can take from your pension benefits when you retire. HMRC determine this as being the lower of:

- 25% of the available lifetime allowance
- 25% of the capital value of your benefits to be paid.

## Membership

The time you spend at work that counts towards your pension.

## Mental Health Officer (MHO)

A member who:

- is working in an approved place used for the treatment of patients suffering from mental disorders and is employed for the whole or almost the whole of their time in the direct treatment or care of those patients
- was in post on or before 6 March 1995 and has not had a break in pensionable employment of any one period of 5 years or more ending after that date
- has 20 years' MHO membership and is in MHO pensionable employment immediately prior to retiring.

## Minimum pension age

This is the earliest age you can take your pension benefits, unless you are taking ill health retirement benefits.

## HSC staff

Most employees working for the HSC.

## Normal Pension Age (NPA)

The age at which pension benefits can be claimed without an actuarial reduction for early payment, and without an actuarial enhancement for late payment.

### 1995 Section

The normal pension age for members of the 1995 Section of this Scheme is 60.

### 2008 Section

Members of the 2008 Section of this Scheme have a normal pension age of 65.

Members of the special classes and MHOs have a normal pension age of 55.

## Pension

An annual amount of income paid once you have retired from an HSC Pension Scheme.

## Pensionable pay

The amount of your salary that is used to calculate the amount of contributions you pay.

## Pensionable earnings

The amount of your income that represents your earnings for HSC work and is used to calculate the contributions you pay and how much your pension will be. Some members may have been restricted by a maximum amount set by HMRC (the earnings cap). You are subject to the pensionable earnings cap for any membership prior to 1 April 2008 if you either:

- first joined this Scheme on or after 1 June 1989
- joined before 1 June 1989 but had a break in pensionable employment of 12 months or more that:
  - spanned 1 June 1989
  - took place after 1 June 1989.

## Personal pension

A separate pension that you can take out to save towards your retirement.

## Practice and Approved Employer staff

Staff who work for a General Medical Practice or for other employers connected to the HSC for whom agreement has been reached that they can participate or continue in the HSC pension arrangements.

## Practitioners

HSC medical, dental and ophthalmic practitioners, including associate, salaried and some locums.

## Reckonable pay - 2008 Section only

The annual average of the best three years' consecutive pensionable pay in the 10 years before leaving or retirement, re-valued by increases in inflation. Some members may have been restricted by a maximum amount set by HMRC (the earnings cap) for membership between 1 June 1989 and 31 March 2008 when the limit was removed. Additionally dentists may have been affected by a restriction called the Maximum Allowable Remuneration but this also has been removed from 31 March 2008. Affected members will receive pensions based on capped earnings before the change and uncapped earnings after the 31 March 2008.

## Retirement lump sum (Pension Commutation)

- **1995 Section** - A cash payment made at the time of retirement. Normally this is three times your pension amount but you can choose to take a bigger lump sum and have a smaller annual pension if you want to. There are some members whose lump sum may be less than 3x pension if they started membership before 25 March 1972 or if they have elected to buy benefits for a spouse or partner by having a deduction taken from their retirement lump sum.
- **2008 Section** - There is no basic lump sum entitlement.

### Regulations

The legal framework that sets out the rules of the Scheme.

### Revaluation factor

A way of increasing the recorded value of each year's pensionable earnings to maintain their buying power by reference to current earnings values. Historically these have been linked to the relevant earnings of each group. These have also previously been called Indexation Factors and Dynamising Factors.

### Scheme

In this guide, Scheme refers to the 1995/2008 HSC Pension Scheme.

### Special Class Member

Nurses, midwives, health visitors and physiotherapists who are members of the 1995 Section before 6 March 1995 and who has not had a break in pensionable employment of any one period of five years or more and whose last five years of membership is in one of these roles.

### State Pension

A pension paid by the government when you reach state pension age based on your National Insurance payments or credits.

### State Second Pension

A separate part of the state pension based on the amount of your earnings since 6 April 1978 on which you have paid National Insurance contributions. Before April 2002, the Second State Pension was known as the State Earnings Related Pension Scheme (SERPS). The Scheme is contracted out of the State Second Pension.

### Transfer

Moving your pension benefits into or out of a registered pension scheme.

### Up-rated earnings

The final value of pensionable earnings after adding all years' earnings and applying revaluation factors.

### Voluntary protection of pay

Choosing to work in a lower paid job as you start to reach retirement.

### Voluntary early retirement

Choosing to take your pension earlier than the normal pension age.

### Notes

Please use these pages to note down information about your HSC Pension. You may wish to keep a record of any contact you have with HSC Pension Service.