



Option to Give Up Protection exercise – FAQs

This document contains a range of FAQs about Option to Give Up Protection exercise which you may find useful. This document is spilt into sections as listed below.

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Background to the exercise

Q. What is the Option to Give Up Protection exercise?

A. Financial modelling has suggested that many 2008 Section members with either Full or Tapered Protection could be better off if they moved to the 2015 Scheme from its start.

This is because the 2015 Scheme builds up pension benefits in a different way to the 2008 Section and unless members anticipate a substantial pay increase, for example through promotion, it is likely that the 2015 Scheme would provide a higher pension than for the same period of membership in the 2008 Section.

2008 Section members with Full Protection or Tapered Protection are therefore being offered the chance to move their post 1 April 2015 benefits into the 2015 Scheme.

Q. Who is eligible for the exercise?

A. The following members are eligible:

- 2008 Section members with Full Protection who can remain in the 2008 Section until they retire or leave HSC employment; or
- 2008 Section members with Tapered Protection who can remain in the 2008 Section until a specific date after 1 April 2015 when they will move to the 2015 Scheme.

Both of these member types have the opportunity to move their 2008 Section membership from 1 April 2015 into the 2015 Scheme.

Please note that 2008 Section membership up to 31 March 2015 is not affected and **cannot** be moved to the 2015 Scheme under this exercise. These benefits will be calculated under 2008 Section rules and can be claimed by members in full at age 65.

Q. What does 'protection' mean?

A. Protection is the name for the arrangements whereby certain members can remain in their current section of the HSC Pension Scheme beyond 31 March 2015. This is because they are close to their Normal Pension Age (NPA). More information about Protection including a Tapered Protection calculator is available on our website at:

<http://www.hscpensions.hscni.net/>

Eligibility for this exercise

Q. How will I know I am eligible for this exercise?

A. We are writing to eligible members at their home address. The letter contains background information about the exercise, key points for consideration, signposts to further information and a declaration form should you wish to move your membership from 1 April 2015 in the 2008 Section into the 2015 Scheme.

Q. I opted to move to the 2008 Section under Choice 2. Am I eligible for Option to Give Up Protection?

A. No. Choice 2 gave members of the 1995 Section without Full Protection the opportunity to move to the 2008 Section. Because of the difference in NPA between the 1995 and 2008 Sections, any member who chose to move to the 2008 Section under Choice 2 will have given up the protection they held, and therefore are not eligible for this exercise.

Protected members who moved from the 1995 Section to the 2008 Section under the original HSC Pension Choice Exercise are eligible.

Q. I am a protected member in the 2008 Section who has already taken draw down benefits. Am I eligible for the Option to Give Up Protection exercise or will I have to remain in the 2008 Section?

A. Yes you are eligible. Under drawdown members elect to take a percentage of their 2008 Section pension

benefits at a point in time. The remaining percentage in the 2008 Section continues to build up further pension benefits from that point.

Any of that 2008 Section membership after 1 April 2015 can be moved into the 2015 Scheme under the exercise.

If this type of member elects to move they could potentially have:

- 2008 Section benefits in payment,
- 2008 Section benefits to claim and
- Active 2015 Scheme membership.

Q. I am already receiving my pension. Could I have been eligible for this exercise?

A. Possibly, but only if your last day of Scheme membership was on or after 1 April 2015. If you have not already been given the option to give up protection and you think you should have been, please contact HSC Pensions and we will look into your case on an individual basis.

Q. Am I eligible for the Option to Give Up Protection exercise if I already have an application for consideration of ill-health retirement benefits pending?

A. No. Special arrangements are in place which allows members making an application for ill-health retirement, to remain in their existing Scheme until the outcome of that application is known. If ill-health is accepted, retirement benefits will be paid from their existing Scheme.

If ill-health retirement is rejected a member will only become eligible to move to the 2015 Scheme from the day after:

- the member withdraws the application for ill health pension; or
- the dispute process regarding the ill-health application has been exhausted.

Logistical / delivery questions

Q. I think I am entitled to take part in the Option to Give Up Protection exercise but have not received a letter. What do I do?

A. We are only writing to eligible members who are a 2008 Section member with either Full or Tapered Protection. If you think you should have received a letter please send an email to: hscpensions@hscni.net

If you have protection in the 2008 Section and have not received a letter then you can access generic copies of the letters on our website at:

<http://www.hscpensions.hscni.net/>

Please ensure you read the letter that is relevant to you. You can then use this letter and the other supporting information to make a decision.

Q. What happens if HSC Pensions hold the wrong home address for me? Will the deadline be extended?

A. It is a member's responsibility to inform us of any change of address.

If you think you are eligible for this exercise then you can access generic copies of the letters on our website at:

<http://www.hscpensions.hscni.net/>

Q. Can duplicate letters be issued if the original is lost or damaged?

A. You can access generic copies of the letters on the website at:

<http://www.hscpensions.hscni.net/>

Q. Will letters to General Practitioners go to home addresses or their practices?

A. GP letters will go to the address we hold as 'home' in our records. This could be the home address or practice address depending on the information previously supplied to us.

Making your decision

Q. How do I make my decision?

A. Your decision is important. Please carefully consider all of the information to determine what the right decision is for you. Only you can decide.

If you decide you want to move to the 2015 Scheme with effect from 1 April 2015 then you need to take action. Please complete the form enclosed with this letter and send it back to us by 30th June 2018.

If you decide you do not want to move to the 2015 Scheme then you do not need to take any action.

(**Please note** – 2008 Section members with Tapered Protection will move into the 2015 Scheme automatically at a future date determined by their age as at the 1 April 2012. Members with Full Protection are entitled to stay in the 2008 Section until they retire or leave HSC employment).

Q. What is the deadline for my decision?

A. The deadline to make your decision is 30th June 2018. Eligible members should not wait until this deadline to return their form if they have decided to move.

Q. Can I reverse my decision once it has been made?

A. No. The Option to Give Up Protection is a one off exercise and decisions cannot be changed once they have been made.

Q. How will employers be notified if members give up protection?

A. Member records will be updated automatically as forms are returned

Employers will receive an updated list from HSC Pensions in the summer 2018 showing which of their scheme members have chosen to move.

Q. What will happen if I have retired from the 2008 Section? Will I still get the option to give up protection?

A. Yes. If you have retired from the 2008 Section then HSC Pensions will need to know whether you wish to move your post 1 April 2015 benefits to the 2015 Scheme or not and a revision to your benefits may be necessary.

Potential impact of moving to the 2015 Scheme

Q. I have HMRC Protection. Will moving into the 2015 Scheme affect me?

A. If you choose not to move your post 1 April 2015 benefits into the 2015 Scheme then you will not be affected.

However, if you hold Enhanced Protection, Fixed Protection 2012 or Fixed Protection 2014 from HMRC, this will be lost if you move to the 2015 Scheme. Members with Tapered Protection who will automatically move to the 2015 Scheme at a later date will lose their HMRC protection from this point.

For more information please read the factsheet at: <http://www.hscpensions.hscni.net/>

Q. Is this exercise about giving up pay or tax protection?

A. No. This exercise is only about giving up your protection in the 2008 Section for post 1 April 2015 pension benefits. As highlighted above there are tax considerations for some members to consider when making a decision to move or not.

Q. Will moving my benefits into the 2015 Scheme affect any potential survivor benefits payable?

A. Yes. Survivor benefits are calculated differently in the 2008 Section and the 2015 Scheme. You can read more details about this in the family benefits sections of the 1995/2008 and 2015 Scheme Guides which are both available on the homepage [HSC Pensions website](#).

Q. Will moving my benefits affect any future death in service benefits payable?

A. Yes. Death in service benefits are calculated differently in the 2008 Section and the 2015 Scheme. You can read more details about this in the family benefits sections of the 1995/2008 and 2015 Scheme Guides which are both available on the homepage of the [HSC Pensions website](#).

Q. Will moving my benefits affect any future Ill-Health benefits I might receive?

A. Yes. Ill-Health retirement benefits are calculated differently in the 2008 Section and the 2015 Scheme.

Members can read more details about this in the family benefits sections of the 1995/2008 and 2015 Scheme Guides which are both available on the [HSC Pensions website](#).

Differences between 2008 Section and the 2015 Scheme

Q. Can I take my 2008 Section benefits and 2015 Scheme benefits at different ages?

A. Yes. The benefits you would have in the 2008 Section are subject to the rules of the 2008 Section and your 2015 Scheme benefits are subject to the 2015 Scheme rules. These are independent of each other and benefits can be taken at different points or together as desired.

Q. I am a Choice Optant and I am approaching the maximum of 45 years' membership in the 2008 Section. Is there a membership limit in the 2015 Scheme?

No. There is no membership limit in the 2015 Scheme. As long as you have not reached the maximum limit of 45 years when you move to the 2015 Scheme you can build up further membership in excess of 45 years in the 2015 Scheme.

Q. How are late retirement factors calculated differently in the 2008 Section and 2015 Scheme?

A. You receive extra pension for working beyond your Normal Pension Age (NPA) in both the 2008 Section and the 2015 Scheme but these are calculated differently. In the 2008 Section a late retirement factor is applied on all membership up to age 65 (the NPA in the 2008 Section).

In the 2015 Scheme it is applied to all membership including any you have after your NPA in the 2015 Scheme (your NPA in the 2015 Scheme is equivalent to your State Pension Age (SPA) or age 65 if later).

Q. If I move to the 2015 Scheme are there options for me to increase my pension?

Yes. You can enter into an Additional Pension, Money Purchase AVC or ERRBO contract. Please read the 'Increasing the value of your benefits in the 2015 Scheme' factsheet on our website at <http://hscpensions.hscni.net/> for more information.

Q. Will the ERRBO deadline be extended if I opt to give up protection?

If you wish to review the purchase of an ERRBO agreement please contact the HSC Pension Service to discuss your options.

Miscellaneous questions

Q. If a member is retiring now and has been sent an Option to Give Up Protection letter and is ignoring it, will this delay the award?

A. We are currently writing to members who are due to receive an award to provide them with information to help them make a decision. If the member does not contact us with their decision within three months or by

the exercise deadline then we will automatically pay their award from the 2008 Section.

Q. Will my State Pension Age change?

A. The Government has made a commitment to review the State Pension Age (SPA) every six years and the next review will be in 2021. If SPA changed at this point it is unlikely that the SPA for people eligible for this exercise would significantly change.

Further information

Q. Where can I get further information about this exercise?

Further important information is available on our website at:

<http://www.hscpensions.hscni.net/>. This includes:

- The online comparison tool to help you understand this opportunity (Officer Members only).
- Examples relevant to you.
- A detailed comparison of the benefits and features of the 2008 Section and 2015 Scheme.
- The 2015 Scheme Guide.
- Factsheet for members of the 2015 Scheme with previous membership in the 2008 Section.

Q. Who do I contact if I need help?

A. If, after reading all the information on our website, you still need help you can use one of the following methods to contact HSC Pensions:

Members:

Email: hscpensions@hscni.net

Helpline: 02871319111

Employers:

Email: hscpensions@hscni.net

Helpline: 02871319111

Q. Should I take independent financial advice?

A. HSC Pensions cannot provide financial advice to scheme members. The information provided in your letter and on our website is of a general nature and does not reflect your personal circumstances. It is up to you to decide whether moving to the 2015 Scheme will be in your best interest taking into account all of your personal circumstances and the information provided to you. You should also consider taking independent financial advice.