

# HSC Pension Service

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# Business Service Organisation

## Choice 2

Getting the most from your  
pre-2015 benefits

### Practitioner Notes

#### Upated earnings from practitioner posts

Upated earnings (used to calculate benefits) from practitioner posts is expressed in £'s. This is the sum of the earnings from practitioner posts upated, or re-valued, to bring them up to a current value.

#### Membership from officer posts

Membership is expressed in years and days. Membership may be different to the length of time a member has worked and contributed to the Scheme in officer posts.

Both the 1995 Section and 2008 Section regulations offer the same treatment of this membership and in both Sections we treat this membership in the way which provides the highest pension.

Under both Sections this membership can count towards a pension in its own right or the officer posts can be treated as if they were practitioner posts, in which case the earnings from the officer posts count toward the upated earnings. Further, if the officer post was prior to first becoming a practitioner and is less than 10 years, it can be used to increase the upated earnings used to work out the pension instead.

#### Pensionable pay

In a 'final salary' scheme such as the HSC Pension Scheme your benefits (from officer posts and where such posts are not treated as if they were practitioner posts) are calculated when you retire using your salary at, or near, retirement. In the Scheme we call your final salary your 'Final Year's Pensionable Pay' in the 1995 Section and 'Reckonable Pay' in the 2008 Section.

If the most beneficial treatment of your officer posts is not to treat it as practitioner posts or use them to increase your actual upated earnings, we will also use your pensionable pay to work out this element of your pension.

The way pensionable pay is worked out is different in each of the two Sections (see the Additional Information factsheet for more information).

When you leave or retire from the Scheme we will calculate your final salary according to the regulations for the section you choose to be in. This differs between the two Sections.

## Pension

In the example we have provided a comparison based on a hypothetical membership, uprated earnings and pensionable pay for both sections. The benefit comparison is provided so that you can compare and consider how much a member could receive should they choose to remain in the 1995 Section or choose to transfer to the 2008 Section.

The standard annual pension from the 1995 Section is 1.4% of your uprated earnings. In the 2008 Section you get an annual pension that is 1.87% of your uprated earnings.

If the most beneficial way to treat your officer posts is not as practitioner posts or to increase your uprated earnings, then a portion of your pension will be calculated using membership and pensionable pay.

In the 1995 Section this portion is 1/80th of your pensionable pay for each year or part year of membership from officer posts. In the 2008 Section this portion is 1/60th of your pensionable pay for each year or part year of membership from officer posts.

Your pension in the 2008 Section is also reduced as this is used to pay for the standard lump sum you must take – this is explained below.

## Lump sum

The 1995 Section automatically provides you with a lump sum at retirement that is normally three times your pension. If you choose to transfer to the 2008 Section, when you retire you must take a lump sum. This minimum lump sum is based on the amount of membership up to 31 March 2008 that you transfer into the 2008 Section. This is not optional. The standard lump sum in the 2008 Section will be paid by reducing your pension by £1 for every £12 of lump sum that you take.

In either Section you can increase the amount of lump sum you take (and have a smaller pension). This is also paid for by reducing your pension by £1 for every £12 of extra lump sum you choose to take.