



HSC Pension Service

Business Services Organisation

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## **HSC Pension Service**

**Welcome to the  
HSC Pension Service  
Member Newsletter**



This newsletter is for all active and deferred members of the HSC Pension Schemes and contains important information about your HSC Pension Scheme Benefits



## Returning to Work after Retirement

If you are over the normal pension age (60 for 1995 Section members, 65 for 2008 Section members and State Pension Age or age 65, if later, for 2015 Scheme members) then your pension will not be affected if you return to work in the HSC Pension Service.

Your benefits will also not be affected if you retired before the normal pension age and:

- You are in receipt of redundancy benefits and retired on or after 1 October 2011. This is because the unreduced element of your pension has been funded using some or all of your redundancy compensation lump sum.
- You are in receipt of actuarially reduced early retirement benefits. This is because you have funded the early payment of your benefits by the actuarial reduction.

In all other types of early retirement, including 'retirement in the interest of efficiency of the service', your pension may be affected.

If you return to HSC employment or re-employment that is in respect of the provision of HSC services or in respect of the delivery of HSC funded services before your normal pension age your pension may be subject to a reduction. This is known as "**abatement**". Whether your pension is reduced or not will depend on the level of your earnings whilst re-employed. This will also depend upon when you left the Scheme, when you claimed your pension benefits and the type of pension benefits claimed.

Abatement rules cease once you have reached your normal pension age of the Section or Scheme from which you have claimed your pension benefits.

In all circumstances you must remember to tell your new employer that you are in receipt of HSC Pension Scheme benefits and also notify the HSC Pension Service that you have returned to HSC employment.

Please see the following factsheets for further information:

[Working after Retirement](#)

[Returning to work following Ill Health Retirement](#)

## HSC Pension Scheme Calculators

HSC Pension Service have added additional calculators to the scheme website to help members calculate the potential value of their benefits at retirement and to assist them with financial planning. The new calculators allow members who have joined the 2015 Scheme after 01/04/2015 either as a result of Tapered Protection in the 1995 or 2008 sections of the Scheme or as a new Scheme member to forecast the potential benefits they can accrue.

**The calculators on the scheme website are for illustrative purposes and cannot be taken as a guarantee of what benefits you may receive on retirement**



## Protection of Pensionable Pay

There are two provisions under which a member can protect their pensionable pay:

- Protection of pay through no fault of the member (both Sections of the Scheme)
- Voluntary Protection of Pay (1995 Section only)

### Protection of Pay (through no fault of the member)

A member, who has at least two years qualifying service and suffers a reduction in earnings through no fault of their own, may apply to protect their pension benefits.

Examples of accepted reasons for protection of pay are:

- A change in the nature of the duties performed, for example due to ill health
- A move to a lower paid post because of pending or actual redundancy.
- Being transferred to other employment with an employer.

To apply a member must complete Form [PROPAY1](#) and submit to their employer within 3 months of the date their pay reduced.

### Voluntary Protection of Pay

If a member of the 1995 Section of the Scheme has attained minimum pension age and chooses to 'step down' to a less demanding role where their new or remaining duties are less demanding and carry less responsibility than their previous duties, they may be able to apply for voluntary pay protection, if their pay reduces by at least 10%.

To apply a member must complete Form [PROPAY1](#) and submit to their employer after 12 months and within 15 months of the date their pay reduced.

HSC Pension Service will assess each application to ensure it meets the eligibility criteria. HSC Pension Service will then notify the member of the outcome

Further information on protection of pensionable pay can be found at :  
<http://www.hscpensions.hscni.net/membership-contributions-and-pay/>

## Updating Personal Information

If you have a change in your personal details, for example you have moved house or your marital status has changed, please ensure that HSC Pension Service are notified.

If you use HRPTS please ensure you update your details on this system as information held on HRPTS is electronically interfaced to the HSC Pension Scheme system on a monthly basis and will overwrite any previous amendments to your record.



## Annual Leave / Pensionable Service

If when a member leaves pensionable employment, retires or passes away whilst a member of the HSC Pension Scheme and a payment is made in respect of annual leave which has not been taken, that period of annual leave is treated as being pensionable service and will extend a members leaving date.

For example, John retires from HSC Pensionable service on Monday 10th December. John had 2 days annual leave which he did not use up to his retirement date. John's employer paid him for the 2 days annual leave. John's actual last day of service for pension purposes is now Wednesday 12th December and his pension is payable from Thursday 13th December.

## Pension Engagement Workshops and One to One Consultations

HSC Pension Service provides a wide range of bespoke Pension Engagement Sessions/ Workshops for Scheme Members. The Sessions/Workshops are tailored to accommodate those groups of employees who are accruing benefits in differing sections of the Scheme. To establish which type of member you are you should follow the [Which Scheme am I In decision Tree](#)

Workshops Offered include:

- 1995 Scheme Protected Members
- 1995/2015 Transitional Scheme Members
- 2008 Scheme Protected Members
- 2008/2015 Transitional Scheme Members
- New 2015 Scheme Members
- HMRC Regulations Affected Members (LTA/AA Charges)

Once a member has attended one of the Pension Engagement Workshop they can apply for a One to One Consultation to discuss any individual queries they have which were not covered at the workshop.



## Annual Allowance extension of voluntary scheme pays facility from tax year 2017/18

Members are liable for an annual allowance charge if their total pension growth - across all their pension schemes in a tax year, shown on their annual allowance pension savings statement as their pension input amount - is more than their available annual allowance.

Members are responsible for making arrangements to pay their annual allowance charge to HM Revenue and Customs (HMRC). They can either:

- Pay the tax charge directly to HMRC; or
- Ask NHS Pensions to pay it for them in an arrangement known as 'scheme pays'.

NHS Pensions offers two types of scheme pay; mandatory and voluntary. From tax year 2017/18 onwards we are introducing more flexibility in our voluntary scheme pays facility:

### (i) Mandatory scheme pays

This is available if the pension input amount in either the 1995/2008 NHS Pension Scheme or the 2015 NHS Pension Scheme is more than the standard annual allowance and the annual allowance charge is more than £2,000.

The maximum amount of annual allowance charge that a member can ask us to pay by mandatory scheme pays is based on the pension input amount in the NHS scheme that is more than the standard annual allowance.

The standard annual allowance is currently £40,000.

### (ii) Voluntary scheme pays

#### Voluntary scheme pays for tax years 2015/2016 and 2016/2017

This was available to members of both the 1995/2008 NHS Pension Scheme and the 2015 NHS Pension Scheme. If the pension input amount in one or both NHS schemes was under the £40,000 standard annual allowance but when added together the total pension input amount from both schemes was more than £40,000.

#### Voluntary scheme pays for tax year 2017/2018 onwards

In addition to our existing mandatory and voluntary scheme pays facility we are extending our voluntary scheme pays facility to include members who are subject to an annual allowance charge, arising in 2017/18 onwards, as a result of having an available annual allowance lower than £40,000.

Further information can be found on the HSC Pension Scheme website at:

<http://www.hscpensions.hscni.net/quick-links/tax-information/>



## Estimates of Benefits

Any member within 1 year of their normal retirement age can request one estimate of benefits statement per year, free of charge. More than one request of an estimate per year will cost the member £45 per estimate - administration charge.

Members requesting an Estimate must now complete the [Member Request for Pension Estimate Form](#) which should then be forwarded to the Payroll Shared Services Centre at:

PSSC  
16 College Street  
Belfast  
BT1 6BT  
Or email the form to; [payroll.ssc@hscni.net](mailto:payroll.ssc@hscni.net)

## Transfer of Your Pension to HSC Pension Service

If you have recently joined HSC NI and wish to move previously built up pension rights to the HSC Pension scheme you need to let us know by completing an [Application for Transfer In of Pension Rights](#).

You will also find the [Transfer in Guide](#) informing you of what pension rights that you can transfer and the rules that apply.

The most important thing for you to remember about transferring in your pension is that you only have a year (12 months) from the day you join the HSC Pension Scheme to apply.

HSC Pension Service recommends that you consider taking independent financial advice before making a decision about transferring benefits.

## Contribution Rate

Following the recent consultation carried out by the Department of Health it has been decided to maintain the current contribution rates for HSC Pension Scheme members. The table below outlines the contribution rates.

Pensionable Pay band	Percentage Contribution Rate
Up to £15,431	5%
£15,432 to £21,477	5.6%
£21,478 to £26,823	7.1%
£26,824 to £47,845	9.3%
£47,846 to £70,630	12.5%
£70,631 to £111,376	13.5%
£110,377 to any higher amount	14.5%





## How does Taxation affect my Pension Benefits?

### Lump Sum

On retirement, you are entitled to either a mandatory **tax-free lump sum** and/or the option to purchase an amount of tax-free lump sum; providing you do not exceed HM Revenue and Customs (HMRC) Limits. Further information on the HMRC limits can be found at HMRC Lifetime Allowance Information on options to increase your lump sum can be found on the Increasing your Lump Sum factsheet.

### Pension

The amount of income tax that you may pay depends on your gross taxable income (the total amount of income potentially liable to tax that you receive. You do not pay any income tax if your gross income does not exceed any personal allowance you may have (the standard personal allowance for the tax year 2019-20 - £12,500). HMRC should tell you how much your personal allowance is each time it changes.

HSC Pension Service will receive notification of your tax code from HMRC and apply this to your gross pension

## Definition of Annual Allowance & Lifetime Allowance

### Annual Allowance

The Annual Allowance is the maximum amount of tax-free growth an individual's pension savings can achieve in one year without penalty. The Annual Allowance limit covers all your pensions except your State Pension and includes contributions made to money purchase schemes, defined contribution schemes, personal pensions and the growth in benefit for defined benefit schemes.

Further information on Annual Allowance is available on the Scheme Website at scheme factsheets or on HMRC website at HMRC Annual Allowance

### Lifetime Allowance

The lifetime allowance is the total capital value of all your pension arrangements which you can build up during your lifetime without paying extra tax, it applies to the total of all the pensions you have, including the value of pensions promised through any defined benefit schemes you belong to, but excluding your state pension.

The lifetime allowance for 2019/20 is £1,055,000. Most scheme members' annual pension savings will be significantly less than the lifetime allowance and therefore no charge will apply.



## Survivors Benefits - Nominations Forms

### Death Benefit Nomination Form

Keeping your Death Benefit Nomination up to date is very important. This will ensure that any lump sum benefits payable by the Scheme in the event of your death are paid to the person (or people) you choose.

If you have not completed the form DG3 any death gratuity payable will be paid to your surviving partner. If you do not have a surviving partner the payment will be made to your estate/ personal representatives on receipt of relevant documentation.

Form [DG3](#) is available on the [Nominations tab of the Scheme Forms](#) section of the Scheme Website

### Survivors Pension -Is your nomination form up to date?

If you are single/widowed or divorced and are living with your partner, you can nominate your partner to receive a survivor pension after your death by completing the [Partner Nomination Form](#) which can be found on the Nominations tab of the Scheme Forms section of the Scheme Website. For a nomination to be accepted certain conditions must be met, these are listed on the form.

If you are married or in a civil partnership a survivors pension will normally be payable to your spouse in the event of your death.

## Added Years/ERRBO/Additional Pension Purchase Contracts

If you are currently paying additional contributions to purchase Added Years, Additional Pension or an ERRBO and change jobs/employer, you must inform Payroll Shared Services of the additional pension contributions percentage you are paying.

If you fail to inform Payroll Shared Services of these additional contributions your contract will be terminated from the last day you paid contributions.

If you had an added year's contract which was terminated, you **cannot** re-start it at a later date.







## Contact Us:

### By writing to us at:-

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

E-mail [hscpensions@hscni.net](mailto:hscpensions@hscni.net)

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

**028 7131 9111**

9.00am to 4.00pm – Monday to Thursday;

9.00am to 12.00pm Friday

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If you have any suggestions for the newsletter or would like a particular topic covered in future publications please do not hesitate in contacting us by emailing: [hscpensions@hscni.net](mailto:hscpensions@hscni.net)

