



Health & Social Care Pension Scheme 2015

Administered by.....

**HSC Pension Service
Business Services Organisation**



HSC Pension Service Newsletter

**Welcome to the inaugural edition
of 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.



Changes to the HSC Pension Scheme

The **2015 HSC Pension Scheme** came into effect from **01/04/2015**, so what does this mean for you?

On 01/04/2015 most members of the 1995 & 2008 sections of the HSC Pension Scheme moved to the HSC Pension Scheme 2015. There are a number of features of the 2015 Pension Scheme which differ quite considerably from the 1995 & 2008 sections of the Scheme. Further information on the features of the 2015 Scheme can be found at [2015 Scheme Guide](#)

There are some members of the 1995 & 2008 sections of the HSC Pension Scheme who are protected from moving to the 2015 Scheme on 01/04/2015 or who may move at a later date. This is dependent on the number of years you have left to your Normal Retirement Age. Details of when or if you will move to the 2015 Scheme can be found at [2015 Scheme Protection](#)

If you have or are moving to the 2015 scheme and have accrued any benefits prior to joining the 2015 scheme these are treated under their original arrangements, i.e. 1995 scheme membership can be claimed at age 60 but you must retire from employment and cannot accrue any further benefits in the 2015 Scheme

You can find more information on the features of the 2015 scheme in the [Scheme Booklet](#) available on our website or you can request a hard copy from your employer.

Salary Sacrifice in the 2015 Scheme

In the 2015 HSC Pension Scheme, pension benefits are built up on a year by year basis based on actual pensionable earnings in each year. This means that entering into or continuing any salary sacrifice arrangement (e.g. Childcare Vouchers, Lease Car Schemes etc.) that reduce your gross pensionable earnings will have a negative effect on the amount of pension built up in that **year** and any survivors benefits payable in the event of your death.



Early Retirement Reduction Buy Out (ERRBO) in the 2015 Scheme

In the 2015 Scheme only, members can choose to pay additional contributions to buy out the reduction that would apply if you retired at age 65 or later but before your Normal Retirement Age (NPA). This is known as an 'ERRBO Member agreement'. The agreement can be for early retirement one, two or three years before NRA but no earlier than age 65 . Further information can be found at [ERRBO Factsheet](#)

Normal Retirement Age in the 2015 Scheme

In the HSC Pension Scheme 2015 your Normal Retirement Age (NRA) is the higher of Age 65 or your State Pension Age (SPA). You may be aware that in recent years the Government has increased the SPA for both males and females. You can find out more information about your SPA by visiting the Government website [GOV.UK](#) or by using this link [State Pension Age Calculator](#)



Revaluation of your 2015 Scheme Pension Pot for the 2015/16 Year

In the 2015 Scheme, your pension benefits are based on your pensionable earnings throughout your career. The pension accrued each year is based on your pensionable earnings for that particular year and are increased by a set rate linked to the Consumer Price Index (CPI). This is known as “Revaluation” and occurs each year up to retirement or leaving. Each scheme year runs from 1st April to 31 March. Your final pension is calculated by adding together the revalued pension benefits earned in each year of membership.

For the 2015/16 Scheme year the Government has confirmed that the CPI rate was -0.1%

What does this mean for my Pension accrued in 2015/16?

For active members of the 2015 Scheme, your 2015 scheme benefits are revalued by 1.5% plus the CPI rate. As CPI was -0.1% for 2015/16 year, pension pots for active members of the 2015 scheme will increase by 1.4% in 2016/17 (1.5% - 0.1%)

Further information and a diagram showing how your benefits build up in the 2015 Scheme can be found in the [2015 Scheme Guide](#)



Bank/Casual Employments (Three Month Rule)

Both Employers and Scheme members should be aware of the rules surrounding membership of the scheme for Bank/Casual employees.

The superannuable start date of any bank post is the first day the member actually performs any duties and pays contributions, not the date they joined the bank.

A bank employee's pension record may remain open, even if they do not work for up to a period of **three months only**, as long as they remain 'on the bank' of the employer and return to pensionable work within three months.

If the break exceeds three months, the pensionable employment must be closed down on the last day the member actually worked, the employee will then not be eligible for certain “in scheme” benefits such as the Death In Service Lump Sum Payment.



Your personal details:

Are they up to date?

Have you moved house, has your partnership status changed? If any of your details have changed then please let your employer know as soon as possible so that they can update your records. If you are a deferred member then please contact HSC Pension Service directly with your new details. Having your correct details helps us to process your pension request and contact you quickly should we need to.

Death Benefit Nomination

Have you completed your 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 personal representatives

Form DG3 is available on the Scheme Website at [DG3](#)

Choice 2 Exercise — Important Notice

Following consultation with the HSC Pension Scheme Advisory Board, the Choice 2 exercise has been temporarily postponed and will commence in Autumn



Survivors Pension

Is your nomination form up to date?

If you are not married or in a civil partnership you can nominate your partner to receive a survivor pension after your death by completing the form PN1 which can be found on the Scheme website at [PN1](#). 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.

Authorised Leave and Career Breaks

Will my Pension Benefits be affected if I take a Career Break?

Yes. If you decide to take a career break and do not pay scheme contributions during the period of absence your benefits may be affected. You should read the [Authorised Leave/CareerBreaks Factsheet](#) for further information on how your benefits may be affected.



Pension Scams! Don't get stung

The Pensions Regulator has refreshed its campaign on pension liberation and warned that pension scams are on the increase in the UK. Some HSC Pension Scheme members may have already been targeted.

Scammers use a variety of tricks to catch you out such as

- Claim that you can access your pension benefits earlier than possible
- Approach you over the phone, via text message/e-mail or door to door. (This has happened to a number of HSC Pension Scheme Members recently)
- Entice you with upfront cash, pension loans or promises of better returns on your savings
- Offer you a free pension review, health check or try to lure you in with so-called one off investment opportunities

You should check out all the facts before you make an irreversible decision. Your lifetime's savings can be lost in a moment.

If you think you are being targeted:

- Never be rushed or pressured into making a decision
- Contact the Pensions Advisory Service on 0300 123 1047 before you sign anything
- If you have already accepted an offer call Action Fraud on 0300 123 2040
- Visit www.pensionwise.gov.uk to understand your options

Further guidance is available on the [Pensions Regulator Website](#) .





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 2016-17 £11,000). 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.

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](#)





By writing to us at:-

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Telephone: 028 7131 9111

9.00am to 5.00pm – Monday to Thursday;

9.00am to 12.00pm Friday

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

