

Second Choice Exercise (1995 Section Members Only) FAQ's

Q1. What is the follow up Choice exercise?

- A. A further opportunity to consider afresh whether it could be more advantageous to move your 1995 section membership to the 2008 section under the terms set out under the original pension choice exercise. This has in the past simply been called "Choice 2" but is now referred to formally as 95 Section Choice Exercise (Choice 2) to make clear the section of the current scheme that it will apply to and to distinguish it from the choice which 2008 section members in the protection period will have to make.

Q2. Who will be eligible for the 95 Section Choice Exercise?

- A. Members of the 1995 section who elected to remain in that section during the original Pension Choice Exercise and who do not qualify for full Protection.

Q3. Why is the 95 Section Choice Exercise necessary?

- A. The original Pension Choice Exercise which took place in 2010 enabled 1995 section members who were expecting to stay subject to the HSC Pension Scheme and retire close to age 65 or later, to gain an expectation of a higher pension if they transferred to the 2008 section, converting all of their existing service to pensionable service in the new 2008 section. Since that exercise, an Independent Public Service Pensions Commission led by Lord Hutton recommended that all public services, including the HSC, should introduce new pension arrangements before the end of 2015. This and other recommendations were accepted by the UK Government.

A key component of the new arrangements is that a higher normal pension age equal to an individual member's State Pension age will apply, with pension reduced if a member decides to retire earlier. Had this information been available at the commencement of the previous choice exercise, some members may not have elected to remain in the 1995 section. This therefore resulted in a decision, in the interests of fairness, to provide those potentially affected with another opportunity to decide whether to move their 1995 section membership to the 2008 section because their retirement intentions have changed.

Q4. What options will the 95 Section Choice 2 Exercise provide?

- A. The 95 Section Choice 2 Exercise will provide a further opportunity to consider afresh whether remaining in the 1995 section or transferring pre 2015 membership to the 2008 section is your preferred option.

Q5. When will the 95 Section Choice 2 Exercise take place?

- A. The exercise will take place in Autumn 2016.

Q6. What will I be given to help me make an informed decision?

- A. Information including factsheets, FAQs, example calculations and a calculator to assist you with your decision are available on our website.

Q7. Is there anything else I need to do now?

- A. No.