



## Health & Social Care Pension Scheme 2015

*Administered by.....*

**HSC Pension Service  
Business Services Organisation**



HSC Pension Service

## Welcome

Welcome to the guide for members of the Health and Social Care (HSC) Pension Scheme 2015. From 1<sup>st</sup> April 2015 there are two separate pension schemes covering HSC workers. This guide refers to the HSC Pension Scheme 2015 for Northern Ireland and focuses on those members who belong to this Scheme. This is all workers except those who are allowed to remain in the 1995/2008 sections of the HSC Pension Scheme due to 'Protection' arrangements as outlined below:

Members of the 1995 and 2008 sections who, as at 1 April 2012, were either already over their Normal Pension Age (NPA) or 10 years or less from their NPA and in active membership on both 1 April 2012 and 31 March 2015 are entitled to Full Protection.

Members of both the 1995 and 2008 sections who, as at 1 April 2012, were more than 10 years, but less than 13 years and 5 months from their NPA and in active membership on both 1 April 2012 and 31 March 2015 are eligible for limited protection. We call this Tapered Protection.

Those not in active membership of the 1995/2008 sections on both 1 April 2012 and 31 March 2015 may still qualify for Protection provided they rejoin the Scheme after a break of less than 5 years.

For more information please visit our website at: <http://www.hscpensions.hscni.net/calculators/>

HSC workers are people who are employed by the HSC as well as medical, dental and ophthalmic practitioners and general medical practice staff. Staff who work for certain employers that have been given Direction Body status by the Secretary of State can also join (Direction Bodies may include independent health providers, hospices etc.

Pension planning requires thought and up to date information to help you make decisions about your future. We hope that you find this guide useful and informative. If you have any feedback about this guide then please contact us using the details on page 23.

## How will this guide help you?

By reading this guide you should get a good idea of the benefits that this Scheme provides. We also explain the Scheme's main features and highlight where to get more information if you need it.

More detailed information is available on our website at: <http://www.hscpensions.hscni.net/quick-links/factsheets/>. This includes factsheets that explain specific parts in more detail.

Membership of HSC Pension Scheme allows you to receive tax relief on your contributions and get a tax free lump sum, within certain limits, when you retire. Please note that pensions in payment are taxed in the same way as income.

There are limits on the amount of pension benefits you can have without incurring additional tax. More information about this can be found on our website at: <http://www.hscpensions.hscni.net/quick-links/factsheets/>

Many words or phrases used in this booklet have specific meaning. To help you understand them we have included a glossary at the end of this guide.

## The small print

This guide is intended to provide you with a general overview of the proposed benefits provided by the HSC Pension Scheme 2015. We have taken great care to get the details right at the time of publication but it does not give a complete or legally binding statement of the law and regulations which govern this Scheme. Nothing in this guide can override the Regulations that set out the conditions of entitlement and determine the rate at which benefits are payable. In the event of any conflicting information, the Regulations will prevail.

This guide will continue to be updated. You can find the most up to date version on our website at: <http://www.hscpensions.hscni.net/scheme-guides/>. Supporting information and factsheets will also continue to be developed and when available links to these documents will be added to this guide.

If you are in any doubt about how your benefits are calculated or what you may be entitled to, please contact HSC Pension Service.

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## How does the HSC Pension Scheme 2015 work?

The 2015 Scheme is a Career Average Revalued Earnings (CARE) scheme. This is a form of defined benefit pension scheme, which means you get a guaranteed level of benefit at retirement payable according to a fixed formula. Pension benefits for all members are calculated using the same method and revaluation rate.

In a CARE scheme your pension is based on your pensionable pay right across your career. The pension you earn each year is based on actual pensionable pay in that Scheme year and is increased by a set rate linked to inflation, known as revaluation, each year up to retirement or leaving. A 'Scheme year' runs from 1 April of one year to 31 March of the following year. The final pension is calculated by adding together the revalued pensions earned in each year of membership.

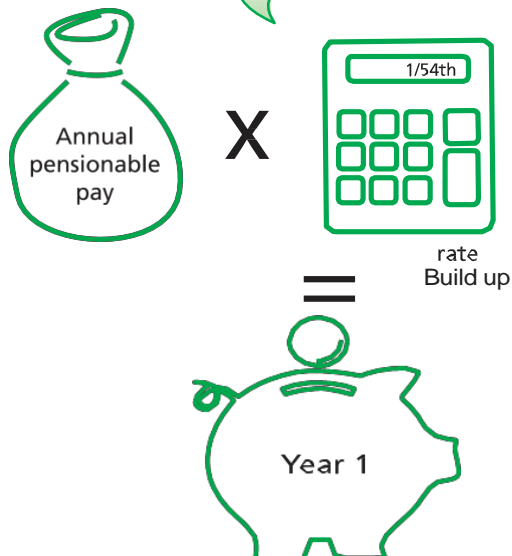
## How a CARE scheme works

The diagram on the following page illustrates how the HSC Pension CARE scheme works.

## Care - how it works

1

You earn 1/54<sup>th</sup> of your pensionable pay as pension each year you work.



For example, Tom earns £20,000 so his pension in year 1 is worked out as:  
 $£20,000 \times 1/54^{\text{th}} = £370$

2

This is then 'revalued' by CPI+1.5% until you retire (say 3.5% for the purpose of this illustration assuming CPI is 2%)



The £370 that Tom earns in year 1 is revalued at the beginning of the next year. So at the beginning of year 2, this part of Tom's pension is increased by  $£370 \times 3.5\% = £13$  to give  $£370 + £13 = £383$

3

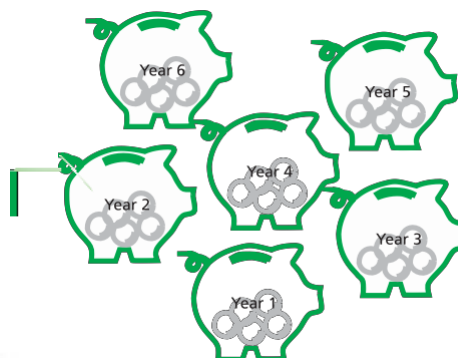
The pot continues to be revalued until you retire.



Year 1 retirement pot  
 Tom's pot for year 1 is worth £845 after 25 years' service.

You receive a new retirement 'pot' for each year you are a member

4



5

Add up the pension you earned each year (after it has been revalued) to find your total pension.



### Annual pension at retirement

If Tom's pensionable pay rises by 1% each year, by adding all of the other years' pension pots together he could expect a pension of **£16,000** a year after 25 years' service (salary in year 25 = **£25,395**)

The parameters used here are purely illustrative. For the purposes of illustration it has been assumed that CPI inflation and pay rises are projected at the same levels throughout the 25 year period, but in practice they will change from year to year. The figures quoted in the above illustration have been rounded for the purpose of simplification. Actual calculations would be in pounds and pence if appropriate



## Summary of the main features and benefits

Your pension builds up depending on four factors. These are:

### 1. Build up rate

The amount of pension you earn each year is determined by what is known as the 'build up rate' which is usually shown as a fraction of your pensionable pay.

In the 2015 Scheme the buildup rate is 1/54th, so you earn a pension each year of 1/54th of your pensionable pay. For example, if you earn £18,000 in a year you would earn a pension for that year of 1/54th of £18,000, which is £333 (rounded down for illustration purposes only). This is the pension you would have built up for that year.

### 2. Annual revaluation

Your pension earned each year will be increased each year by a set rate, known as 'revaluation', to account for inflation in the period before you retire or leave.

In the 2015 Scheme the revaluation rate is currently Consumer Price Index (CPI) inflation plus 1.5% each year. The pension earned in a Scheme year (April to March) is revalued on 1 April of the following and each subsequent Scheme year until you retire or leave. For example, if CPI inflation in a year was 2% then the pension would be revalued by 3.5% at the beginning of the following year.

If you leave the 2015 Scheme before becoming entitled to claim your retirement benefits, your pension benefits earned would be revalued at retirement in line with CPI inflation only.

### 3. Length of Scheme membership

You can continue to build up pension rights in the 2015 Scheme until age 75 with no limit to the number of years' earnings that can be taken account of. The more years of membership you have then the greater number of annual pensions you will earn leading to a bigger overall pension.

### 4. Pensionable earnings

This is the amount of your income that represents your actual earnings for HSC work and is used to calculate the contributions you pay and how much pension you earn each year.

## Impact of Salary Sacrifice

Each year of your pensionable pay counts separately towards the buildup of your final pension benefits. Therefore entering into any salary sacrifice arrangement (e.g. Childcare Vouchers, Lease Car Schemes etc.) that reduces your gross pensionable pay will have a negative effect on the amount of pension you are able to build up in that year. The overall effect from participating in any salary sacrifice scheme would be to reduce the amount of final benefits you earn.

## Annual benefit statements

Soon after the end of each Scheme year (31 March), an annual benefit statement of the pension benefits you have earned up to that Scheme year will be sent to all active and deferred members for information.

## Membership and contributions

### Eligibility to join the HSC Pension Scheme 2015

This Scheme is open to any HSC workers aged between 16 and 75 who are:

- directly employed by the HSC
- medical, dental and ophthalmic practitioners and trainees
- general medical practice staff
- staff working for certain approved employers - Direction Bodies include independent health providers, hospices etc.
- non-General Practitioner Providers
- freelance locum medical practitioners.

### Important

If you have previously been a member of the NHS Pension Scheme in Scotland or England/Wales **or** have had any previous employment which was part of a TUPE transfer to the HSC you may be able to join the 2008 Section of the previous NHS Pension Scheme. For more information please read our 'Rejoining the Scheme' factsheet on our website at: <http://www.hscpensions.hscni.net/>

You will not be eligible to join if you:

- are aged over 75
- only hold an honorary HSC appointment
- are not a practitioner and are employed through a General Dental Services (GDS) or Personal Dental Services (PDS) contract
- are in receipt of benefits from the 1995 Section of the HSC Pension Scheme
- are eligible under 'Protection' arrangements to continue contributing to the 1995/2008 Scheme.

### Important

#### Auto enrolment into the HSC Pension Scheme

The HSC Pension Scheme is the default pension scheme for HSC employees to be automatically enrolled in under government efforts to increase levels of personal pension saving in the UK.

Membership of any HSC Pension Scheme is voluntary but if you are eligible you will be automatically enrolled and made a member from the day you start or restart in the HSC, unless you decide to opt out after joining. (This excludes freelance locum medical practitioners and those working for most Direction Bodies who need to opt to join the Scheme).



From your employer's staging date, re-enrolment date or the date you become an eligible worker your employer may automatically enrol you into this Scheme (except freelance locum medical practitioners). If you are not eligible to be automatically enrolled your employer will enrol you into an Alternative Qualifying Pension Scheme.

Before opting out of this Scheme you should carefully compare the relative cost to you and the whole package of benefits provided. Please read the Auto Enrolment factsheet on our website at: <http://www.hscpensions.hscni.net/>

## Opting out of this Scheme

You can opt out of this Scheme at any time but you will be automatically re-enrolled by your employer every three years under the auto enrolment process. You can opt out by completing form SD502 which is available to download and print from our website at: <http://www.hscpensions.hscni.net/>. If you are in HSC employment you may rejoin if you continue to satisfy the eligibility conditions. You may not rejoin if you are absent from work for any reason.

## Costs and contributions

The cost of providing the HSC Pension Scheme is shared between Scheme employers and Scheme members.

As a Scheme member you pay a contribution towards your pension based upon your pensionable pay; the more you earn, the higher your contribution rate may be. Scheme employers pay the rest.

There are several rates of member contribution, which are set against nationally agreed full time pay rates. If the overall cost of providing the Scheme changes, the amount you and Scheme employers contribute may also change.

Pension contributions are taken from your pay before tax so you receive tax relief on any amount you pay. This can reduce the actual amount that you pay depending on your contribution rate, earnings level and personal rate of tax.

Tier	Full time pensionable pay used to determine contribution rate	Contribution rate (before tax relief) (gross) 1 April 2015 to 31 March 2019
1	Up to £15,431.99	5%
2	£15,432.00 to £21,477.99	5.6%
3	£21,478.00 to £26,823.99	7.1%
4	£26,824.00 to £47,845.99	9.3%
5	£47,846.00 to £70,630.99	12.5%
6	£70,631.00 to £111,376.99	13.5%
7	£111,377.00 and over	14.5%

## Increasing pension saving

You can increase the amount of benefits you receive at retirement by paying extra contributions. These are called Additional Voluntary Contributions or AVCs. There are different ways of doing this and each buys you different benefits.

### Buying Additional Pension (AP)

AP is a flexible way of increasing your HSC Pension. Under this option you choose to buy a set amount of annual pension, which you can pay for either with a lump sum payment or by regular contributions deducted from your pay for an agreed period of time.

The minimum amount of AP you can buy is £250 and the maximum amount is currently £6,500.

AP is protected against inflation by being index linked both before and after retirement. You can choose whether your AP is just for you or also provides benefits for your dependants when you die.

### Early Retirement Reduction Buy Out (ERRBO)

Scheme benefits are paid without reduction from your Normal Pension Age (NPA). Your NPA is the same as your State Pension Age at the point in time you retire or age 65, if later. You, or your employer, can take out a contract to pay extra contributions to buy out the reduction that would otherwise apply if you claimed your benefits up to three years before your NPA (but not before age 65). The amount of additional contributions payable depends on your age and the number of years' reduction to be bought out.

For an application to apply from the date of joining it must be received within three months of your joining date. Applications received after this time will apply from the beginning of the next Scheme year. A reduction contract cannot be taken out retrospectively for previous Scheme years. Please read the [ERRBO](#) factsheet on our website.

### Money Purchase AVCs

You can pay lump sums or regular amounts to one, or more, of the AVC providers selected by the Scheme managers. Contributions are invested in accordance with your wishes to build up a separate retirement fund. When you retire you use this fund to provide additional pension benefits. You can take some or all of this fund as a lump sum. You should seek guidance from your AVC provider.

### Further information

You can find out more about all of these ways to increase your pension saving on our website at: <http://www.hscpensions.hscni.net/quick-links/factsheets/>

### **Important Annual Allowance (AA)**

There is a maximum amount of pension saving that you can build up in any one year before incurring a tax charge. This is known as the 'Annual Allowance (AA)' and includes benefits built up in the HSC Pension Scheme as well as other pension savings. HMRC has stated that the current AA is £40,000. This may be subject to further revision by HMRC. You can get more information about tax charges and your options to pay the pensions savings charge on our website at: <http://www.hscpensions.hscni.net/>

### **Important**

#### **Lifetime Allowance (LTA)**

As this Scheme is registered with HMRC the benefits you build up are subject to maximum limits before additional tax may be charged. These limits mainly affect higher earners. For more information please visit our website at: <http://www.hscpensions.hscni.net/>

### **Transferring benefits**

You may apply to transfer your previous pension rights into the HSC Pension Scheme providing criteria set by HMRC are met.

If you have been a member of another HMRC registered pension scheme you can apply to transfer your pension rights into this Scheme to buy a pensionable earnings credit. The request to transfer in any previous pension service must be made to the HSC Pension Service **within 12 months** of joining the scheme. This credit will normally be associated with your first Scheme year's actual pensionable earnings and used to calculate the amount of pension you have built up in that year.

If you are considering a transfer please contact HSC Pension Service who will advise what action you need to take. Alternatively you can download a copy of the [Transfer In Guide](#) from our website.

If you have worked for the NHS in Scotland or England and Wales, you may be able to transfer those pension rights into the HSC Pension Scheme for Northern Ireland. The Scheme that the previous rights are transferred into will depend on your last membership status within the NHS Scotland / England and Wales Scheme and how long ago you left that Scheme.

Any pension rights transferred in will increase your HSC Pension benefits in accordance with the rules of the appropriate Scheme.

### **Important**

If you have been a member of the NHS Pension Schemes in Scotland or England and Wales it is important to note that your benefits will not transfer automatically to this Scheme.

# Leaving

## Leaving early

This Scheme provides a number of options for those who leave or opt out before retirement. If you rejoin the Scheme within five years of leaving, your new period of contributions will link with your previous period and the benefits you built up before leaving will be revalued for each year of the break using the appropriate revaluation rate (please see page 7 for more details). This applies regardless of how long your previous period in the Scheme had been.

The table below explains which options are available to you if you do not intend to return to HSC employment:

Option	Less than two years' membership when you leave*	At least two years' membership when you leave
Leave your benefits in this Scheme and take a deferred pension	No, unless you have transferred in a personal pension	Yes
Transfer the value of your benefits to another HMRC registered pension arrangement	Yes, if you are under NPA; and you joined your new pension arrangement within 12 months; and you apply for the transfer within 12 months of joining your new arrangement	Yes, if under NPA but only to another occupational pension scheme that provides defined benefits
Refund of your contributions, less tax and National Insurance contributions	Yes, if under NPA and you have not transferred a personal pension into the Scheme	No

\*If you were a member of the 2008 Section before moving to the 2015 Scheme on 1 April 2015, your 2008 Section membership will be added to your 2015 Scheme membership to determine whether, in total, you have more than two years' membership.

## Transferring your pension benefits out of this Scheme

If you leave the HSC or leave this Scheme, you may be able to transfer your HSC benefits to another registered pension scheme before you reach your NPA as set out in the table above.

A transfer payment is worked out by converting the value of your pension rights to a current cash equivalent value. This is done using factors supplied by the Scheme actuary in relation to your age at the date of calculation.

## Taking a refund

Taking a refund of your own contributions is usually the least beneficial outcome for you compared with long term pension provision. This Scheme provides for linking periods of contributions separated by breaks of less than five years, so you may prefer to delay claiming a refund until you have a firmer idea of your future intentions.

If you have less than two years' membership (including any linking membership in the 1995/2008 Scheme prior to moving to the 2015 Scheme) you may be able to have your own contributions refunded, less Income Tax and National Insurance deductions. You will not be entitled to claim a refund if:

- you are over NPA as you will be entitled to pension benefits
- you are in receipt of a 2008 Section pension but have not reached NPA for the 2015 Scheme.
- In this case your 2015 pension benefits will be deferred until you reach your NPA or will be reduced if claimed early
- you have transferred in the value of benefits from a personal pension arrangement. In this case your pension benefits will be deferred until you reach your NPA or will be reduced if claimed earlier.

## Further information

For more information please read the [Leaving Early and Transferring Out Guide](#) available on our website.

## Rejoining this Scheme

### Rejoining this Scheme before retirement

If you rejoin this Scheme after a break of less than five years, your previous period of contributions will link with your current period and the pension rights you built up before the break will receive full in-scheme revaluation of inflation (currently CPI) plus 1.5% for each Scheme year during the break.

If you rejoin this Scheme after a break of five years or more, your previous period of contributions will not link and your benefits for the earlier period will be calculated separately. Your new period of contributions will be revalued by inflation (currently CPI) plus 1.5%. On retirement the earlier period of benefits will be revalued by the application of pensions increase (currently measured by changes in CPI).

### Rejoining this Scheme after retirement

Members are eligible to rejoin this Scheme, after drawing their 2015 Scheme pension benefits, up to the maximum age limit of 75, and build a separate pension from that in payment.

If you were previously a member of the 1995/2008 Scheme and have claimed or intend to claim benefits from that Scheme, please [read the fact sheet 'Members with benefits in both the 1995/ 2008 Scheme and the 2015 Scheme' which will be available on our website.](#)

# Retirement

## Normal Pension Age (NPA)

The Normal Pension Age is the age that you can retire from HSC employment and have your pension paid without reduction for early payment. In this Scheme, your NPA is the same as your State Pension Age (SPA).

You can calculate your personal State Pension Age by using the calculator available at: [www.gov.uk/calculate-state-pension](https://www.gov.uk/calculate-state-pension)

You may choose to retire from work before your NPA, but on or after your minimum pension age (currently age 55). If you do this your benefits will be reduced because they will be paid earlier and for longer than expected. Further details on this are included in the early retirement part of this guide on page 15.

## Taking your benefits

This Scheme offers flexibility around retirement and you can choose to take part or all of your benefits between ages 55 and 75. A summary of the options open to you are:

### Before Normal Pension Age

You may take some (known as 'drawdown') or all of your pension benefits after reaching minimum pension age. The benefits will be reduced because they are being taken earlier and for longer. You can continue to build further benefits whilst you continue in or return to HSC employment.

### At Normal Pension Age

If you take your pension benefits at NPA, they will be paid in full. You can continue to build up further benefits if you return to HSC employment.

### After Normal Pension Age

If you do not take your pension benefits at NPA, you may continue to build benefits as long as you stay in this Scheme, up to age 75. When taking your benefits they will be increased to take account that it is being paid later than your NPA. At age 75 you must claim your benefits.

## Benefits at retirement

This part of the guide describes the benefits that you can expect to receive from this Scheme when you choose to retire.

## Retirement pension

The total value of the pension benefits built up and revalued whilst you have contributed to this Scheme, as described in this guide, will be payable.



### Lump sum (pension commutation)

You may be able to exchange some of your pension for a tax free lump sum within certain limits. You will receive £12 of lump sum for every £1 of pension you give up.

It is possible to take up to a maximum lump sum of 25% of your capital value. The amount of lump sum you can take is governed by a limit set by HMRC and adopted by the Scheme Regulations. It applies across your entire pension arrangements so your HSC retirement lump sum may be limited to a smaller amount if you have other pension savings in payment. You cannot give up pension to provide a lump sum that would cause you to exceed HMRC's limit.

### Allocation

If you are in good health you can choose to allocate (give up) part of your own pension to provide a bigger pension for any dependant when you die. This allocation can be to a spouse, civil partner, qualifying partner, or in certain circumstances, a child. The allocation must be made before you retire and you cannot reverse this decision once it is made.

### Early retirement

#### Early retirement pension

You may claim payment of your pension before your NPA if you:

- have reached normal minimum pension age (currently age 55) but not yet reached NPA
- have been in the Scheme long enough to qualify for pension benefits (currently two years)
- have ceased all HSC employment.

An early retirement pension is reduced because it is being paid early and for longer. The amount of the reduction depends on how many years before NPA the pension is being claimed and is applied to the pension before commutation (the exchange of some pension for a lump sum).

#### 2015 Scheme Reduction Factors

Years to NRA	1	2	3	4	5	6	7	8	9	10	11	12	13
Pension	5.4%	10.4%	15%	19.2%	23.1%	26.7%	30%	33.2%	36.1%	38.8%	41.3%	43.7%	46%

#### Important

Where an ERRBO has been bought, the payment of additional contributions will be taken into account before the application of the early retirement reduction. See the 'Increasing pension saving' section of this guide on page 10.

## Premature retirement

If you are retired prematurely because of redundancy or in the interests of the efficiency of the service, your benefits may be paid immediately. You must have at least two years' continuous membership and have reached the minimum pension age. You must also have at least two years' continuous employment with the employer who is prematurely retiring you and have contractual terms and conditions which entitle you to claim the redundancy pension as an alternative to receiving, either in whole or in part, the cash redundancy payment from your employer.

If you are made redundant after the minimum pension age you may choose to take your redundancy payment and have your pension paid at NPA, or take your pension benefits immediately.

If you choose to take your pension immediately your employer will use your redundancy payment to meet any additional costs that arise, paying the balance (if any) to you.

Where the amount of the redundancy payment is sufficient to meet the additional costs your benefits will be paid in full.

Where the amount of the redundancy payment is not sufficient to meet the total additional cost of unreduced benefits, your employer will pay any shortfall.

## Retirement in the interests of efficiency

If you are retiring in the interests of the efficiency of the service your benefits will be paid without reduction and your employer will meet the cost of paying the pension early.

If you have more than one job in the HSC you may either:

- take your benefits in respect of all your pensionable HSC jobs. If you do this, you must leave all your jobs for at least one day unless they total no more than 16 hours per week; or
- take your benefits only in respect of the employment from which you are retiring prematurely.

In either case you can remain in or rejoin this Scheme if you continue or subsequently return to HSC employment.

## Further information

Further details on premature retirement can be found on our website at:

<http://www.hscpensions.hscni.net/wp-content/uploads/2012/09/Premature-retirement.pdf>

## The State Pension Scheme and other pension schemes

This Scheme is completely separate from State Pension arrangements or any other pension schemes you may be a member of. This means that you will normally get a separate basic state pension as well as your HSC Pension.

If you have arranged your own personal pension, or have pensions from other employment, these are payable as well as your pension from this Scheme but it is up to you to choose when you take these.

Because of pension tax legislation, you may need to tell us about these pension arrangements including any that are already in payment, when you come to retire.

## Applying for your benefits

Your pension will usually be paid monthly for the rest of your life. HSC Pension benefits are protected against inflation by being index linked to a measure set by the Government. This means that they may increase each year, in April, for as long as they are being paid. In your first year of retirement a part year increase may apply.

When you are retiring you need to apply for your benefits using form AW6 available from your employer. To ensure that you receive your benefits on time this should be completed at least three months before your intended retirement date.

## Claiming deferred pension benefits

A deferred pension is a pension that is due to be paid at a later date.

If you have deferred pension benefits in this Scheme, these will usually be paid at your Normal Pension Age provided you are not in HSC employment. To claim these benefits you will need to complete form [AW6P](#) available to download and print from our website.

## Illness, life assurance and family benefits

### Ill health retirement

If you have at least two years' membership and are too ill to work in your present job you may be able to retire early and take your pension benefits. There are two tiers of ill health retirement and the benefits you get will depend on whether or not you are capable of undertaking employment elsewhere, see tables overleaf. The minimum pension age does not apply in the case of ill health retirement. Ill health pensions may be increased each April in line with inflation.

It may be possible to move between the tiers after retirement where our medical advisers indicate your condition may meet Tier 2 requirements within three years of retiring. If you are terminally ill you may take your benefits immediately as a serious ill health lump sum. Your benefits may be reduced or withdrawn if you take up further employment after retiring early due to ill health.

You may apply to be considered for ill health early retirement by completing form AW33 which you can get from your employer.

If you are a deferred member and you become too ill to undertake regular employment you may apply to take your pension early without reduction. Your benefits will not be enhanced. Form [AW240](#) to request consideration of entitlement to early payment of deferred benefits due to ill health is available to download from our website at: Do not delay completing and returning this form as that may affect the date from which we can pay the benefits.

### Further information

Further details about ill health retirement and examples of how it will be calculated can be found in a separate factsheet which will be available on our website at:

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

### Ill health retirement tiers

	Definition	Entitlement
<b>Tier 1</b>	Unable to do current job due to permanent ill health.	Pension already earned paid without reduction.
<b>Tier 2</b>	Unable to carry out regular employment of like duration to HSC employment due to permanent ill health.	Tier 1 plus the 'tier 2 addition' which is pro rata enhancement based on 1/2 of prospective pension to normal pension age.

#### Important

Your Tier 2 ill health retirement benefits may be affected by HMRC's Annual Allowance legislation. If you are accepted for Tier 2 this does not mean you will meet HMRC's Serious Ill Health Condition; a separate test will be undertaken. You can get more information about this in the Ill Health Retirement factsheet which will be available on our website at:

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

### Serious ill health lump sum

If you become terminally ill you may take your benefits immediately as a lump sum and they will not be tested against the Annual Allowance limits. To claim a serious ill health lump sum you will need to complete form AW34, available from your employer. Your application will be subject to acceptance by the Scheme's medical advisors.

If you are age 75 or over the serious ill health lump sum will be subject to a serious ill health lump sum charge of 55%, payable by the member. This tax charge is deducted from the lump sum before payment.

### Life assurance and family benefits

This Scheme provides lump sum and pension benefits to your dependants in the event of your death. The benefits payable will depend on your circumstances at the time of your death (these are listed on page 21).

### Death benefit nomination

This Scheme allows you to nominate one or more people or one organisation to receive the Life Assurance Lump Sum. Any lump sum due will be paid to your spouse, registered civil partner or qualifying nominated partner if you have not made any alternative nomination. A nomination can be made and changed at any time.

To make or change a nomination you should complete form [DG3](#) which can be downloaded from our website. Please note that the lump sum may be subject to inheritance tax if it is not paid to your spouse, or civil partner. A lump sum payment to a qualifying nominated partner may be subject to inheritance tax.

If you have not nominated a person to receive a lump sum and you do not have a spouse, registered civil partner or qualifying nominated partner the lump sum will be paid to your personal representative.

#### Important

The lump sum must be claimed and paid within two years of the member's death being notified to us. After two years the lump sum will be an unauthorised payment which is not a permitted payment from this Scheme.

If you die after reaching age 75 the lump sum is subject to a special lump sum death benefit charge of 55%. This tax charge is deducted from the lump sum before payment.

### Payment of dependants' pensions

These are payable for life to your legal spouse, registered civil partner or qualifying nominated partner from the date of your death. If you are not in a legally recognised relationship, you and your partner are required to complete a form to register your relationship. There are criteria that must be met for your nominated partner to qualify for benefits and these will be checked in the event of your death. A PN1 form to nominate a non-legal partner can be downloaded from our website at:

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

#### Important

It is important that you keep your nominations up to date to ensure that your benefits are paid as swiftly as possible to who you want to receive them. Forms are available on our website to nominate who you wish to receive any lump sum and also to register your partner for a pension at: <http://www.hscpensions.hscni.net/quick-links/scheme-forms/>

### Children's pensions

Children's pensions are paid until the age of 23. If the child remains unable to earn a living after that age, due to a condition which existed both at your retirement and at the date of your death, the children's pension can be paid indefinitely.



## Benefits payable

The following tables show the benefits that are payable from the 2015 Scheme.

Benefit	Death in pensionable service	Death of a pensioner member*	Death with deferred pension	Death of a recent leaver**
Lump sum	The higher of:  2 x the relevant earnings; or 2 x the revalued pensionable earnings for the Scheme year with the highest revalued pensionable earnings	The lesser of:  5 x pension less pension already paid; or 2 x the lump sum payable had they been an active member on the date of death less any retirement lump sum taken	2.025 x the annual pension the member would have received had they retired on the date of death assuming they did not take a lump sum	2.025 x the annual pension the member would have received had they retired on the date of death assuming they did not take a lump sum
Adult survivor pension  (Must have at least 2 years' membership unless stated otherwise)	33.75% of notional tier 2 Ill Health pension  Short term pension equal to the rate of pensionable earnings*** for 6 months	33.75% of pension in payment  Short term pension equal to the rate of pension paid for the first 3 months or 6 months if there is at least 1 dependant child	Death within 12 months of leaving: 33.75% of notional tier 2 Ill Health pension  Death 12 months or more after leaving: 33.75% of notional Age pension  No short term pension	Equal to the member's GMP unless a CEP has been paid to HMRC  No short term pension
Children's pension ****	16.875% of notional tier 2 Ill Health pension. 33.75% shared equally if 2 or more children  Short term pension equal to the rate of pensionable earnings*** for the first 3 or 6 months	16.875% of notional tier 2 Ill Health pension. 33.75% shared equally if 2 or more children  Short term pension equal to the rate of pension paid for the first 3 or 6 months	Within 12 months of leaving: 16.875% of notional tier 2 Ill Health pension  12 months or more after leaving: 16.875% of notional Age pension or  33.75% shared equally if 2 or more children  No short term pension	Details to follow shortly

\* not including re-employed pensioner and partial retirement pensioner members

\*\*a member who dies within 12 months of leaving this Scheme who did not built up enough pensionable service to qualify for pension benefits

\*\*\* If the member was in a practitioner or non-GP provider employment, it is the rate of pensionable earnings during the last complete quarter before the member's death.

\*\*\*\*Higher rates may be payable if there is no adult survivor pension payable

If you bought an additional pension with dependants cover there will be extra benefits payable of:

- an extra adult survivor pension of 37.5% of the amount of the additional pension
- an extra children's pension of 18.75% of the amount of additional pension; or
- an extra children's pension of 37.5% shared equally if there are two or more children.

If you have less than two years' qualifying membership and die before you leave or retire, your spouse, civil partner, or qualifying nominated partner would receive a lump sum payment and a short term pension payable for six months only.

### Bank staff and freelance GP locums

A bank nurse or a freelance GP locum is regarded as being in pensionable employment if they are at work and paying into the HSC Pension Scheme. For example, if they are contracted to work 9am – 5pm Monday until Wednesday they are covered for 'death in service' benefits from 9am Monday until 5pm Wednesday. If they die on the Thursday, regardless of whether they were due to return to work the following Monday they are not regarded as being in pensionable employment and are not eligible for 'death in service' benefits.

A bank nurse or freelance GP locum who is available for work, by virtue of being on an employer's 'list' or 'bank' but who is not actually at work is not covered for 'in pensionable service' benefits.

### Further information

Further details can be found in the 'Life assurance and family benefits' factsheet available on our website at: <http://www.hscpensions.hscni.net/>

## Help and general information

### HSC Pension Service – our commitment to you

HSC Pension Service aims to provide a prompt, efficient and helpful service to all members of the HSC Pension Scheme.

The HSC Pension Scheme currently has 63,500 actively contributing members and 15,000 members with deferred benefits. We pay pensions to 32,000 pensioners every month.

### We aim to:

- pay pensions accurately and on time
- treat you as an individual with dignity and respect
- listen to what you say
- be fair, helpful and easy to talk to
- give clear reasoning and explanation when necessary
- keep what you say to us confidential
- tell you exactly what you need to do and what information we need.

### Tell us how we are doing

Please tell us what we have done well or when we could have done better. We will use this information to make improvements to our service. You can do this by contacting us by telephone, letter or by emailing us through our website. See below for our contact details.

We are happy to receive feedback on any matter.

When you contact us, please help us by:

- giving your surname, initials and National Insurance number
- giving us full and accurate information when we request it
- treating our staff courteously
- informing us if you change your address.

### Contact details

You can contact us at:  
HSC Pension Service  
Waterside House  
75 Duke Street  
Londonderry

BT476FP

Telephone: 02871 319111 or email us via our website at: [hscpensions@hscni.net](mailto:hscpensions@hscni.net)

The switchboard is open from 9.00am to 5.00pm Monday to Thursday and 9.00am to 12.00 noon Friday, excluding public holidays.

If you call or send correspondence please quote your National Insurance number.

Below are the contact details for persons or organisations you may wish to get in touch with.

### HSC Money Purchase Providers

#### Standard Life

Group Pensions Public Sector  
Standard Life House  
30 Lothian Road  
Edinburgh  
EH1 2DH

[www.standardlife.co.uk/nhs](http://www.standardlife.co.uk/nhs)  
Helpline: 0800 634 7479

### HSC Stakeholders Pension

#### Standard Life

Stakeholder Pensions  
Standard Life House  
30 Lothian Road  
Edinburgh  
EH1 2DH

[www.standardlife.co.uk/nhs](http://www.standardlife.co.uk/nhs)  
Helpline: 0800 634 7479

### The Pensions Advisory Service (TPAS)

11 Belgrave Road  
London  
SW1V 1RB

Telephone: 0845 601 2923  
[www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

### Pensions Ombudsman

11 Belgrave Road  
London  
SW1V 1RB

Telephone: 020 7630 2200  
[www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

### Pensions Regulator

The Pensions Regulator Napier House  
Trafalgar Place  
Brighton  
BN1 4DW

Telephone: 0845 600 0707  
[www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

### Financial Conduct Authority (FCA)

25 The North Colonnade Canary Wharf  
London  
E14 5HS

Telephone: 0800 111 6768  
[www.fca.org.uk](http://www.fca.org.uk)

## Complaints and disputes

### What to do if things go wrong

We make every effort to get things right. If we have made a mistake we will apologise and make sure you receive your correct benefits and entitlements as quickly as possible. If we cannot resolve your complaint informally, we have a formal dispute resolution procedure that complies with pension legislation.

### How do I complain?

Anyone who receives (or expects to receive) benefits, would like to join this Scheme, or is nominated by the above to represent them can make a complaint to us. If you need to complain please write to us at the address at the beginning of this section.

Alternatively, please email [hscpensions@hscni.net](mailto:hscpensions@hscni.net)

If you have made a complaint that we have been unable to resolve, you can ask for your case to be considered under our formal dispute resolution procedure which is set out below.

### What is the dispute resolution procedure?

The dispute resolution procedure is a formal two stage process, the first of which asks you to complete Stage 1 application form [DRP1](#) that you can download from our website.

Your case will be reviewed by a disputes officer and we will respond within two months. If we are unable to give you a decision within that timescale, we will write and tell you why.

If you remain dissatisfied you are entitled to have your case looked at a second time. You can download our [DRP2](#) form from our website. Your case will then be reviewed by a disputes manager and we will let you know the outcome within two months. If we are unable to give you a decision within that timescale we will write and tell you why.

### Where can I get further advice?

You can get advice from The Pension Advisory Service (TPAS) at any time. You can also ask the Pensions Ombudsman to investigate and give a decision on any complaint or dispute. The address for both of these can be found on page 24.

Please note that the Pensions Ombudsman will normally expect any complaint to have been looked at under our Dispute Resolution procedure first before they will consider it.

The Pensions Regulator oversees pension scheme administration and can grant certain time limit extensions and deal with complaints about non-disclosure of information. Their address can also be found in this section.

## Some general points

### Scheme rules

The rules of the HSC Pension Scheme are laid down in regulations agreed by the Northern Ireland Assembly. They are the Health and Social Service Pension Scheme Regulations NI 2015.

This Scheme is 'registered' under the Finance Act 2004.

This Scheme is contracted out of the State Second Pension Scheme (S2P) under the Pensions Act 1995.

### Scheme administrator

The scheme administrator is the HSC Business Services Organisation. You can contact the scheme administrator via HSC Pension Service using the contact details on page 23 of this guide.

### Pension Scheme fund

The HSC Pension Scheme does not have a real pension fund, but as a statutory scheme, benefits are fully guaranteed by the Government.

Contributions from both members and employers are paid to the Exchequer, which meets the cost of Scheme benefits.

### Independent financial advice

If you are in any doubt which pension arrangements will be the best for you, you should seek financial advice.

Under the Financial Services and Markets Act of 2000, all financial advisers have to decide whether to be 'independent', 'tied' or 'multi-tied'.

A financial adviser who is 'independent' can offer a range of financial services and products from across the entire market, whereas a financial adviser who is 'tied' or 'multi-tied' can only offer the products from one or a series of companies.

Before you ask for advice, make sure you know which type of adviser you are dealing with. Most financial advisers will charge for their advice.

The charge may be in the form of a fee payable by you or a commission payable by any company that you decide to invest in. If the adviser you choose charges on a commission basis, you should ask how your investments will be affected by the charges.

It is advisable to check that any company you choose is authorised with the:

Financial Conduct Authority  
25 The North Colonnade Canary Wharf  
London  
E14 5HS



Telephone: 0800 111 6768 or visit their website: [www.fca.org.uk](http://www.fca.org.uk)

## Data protection

HSC Pension Service is part of the HSC Business Services Organisation (BSO). The Data Controller for the purposes of the Data Protection Act 1998 (DPA) is the BSO.

HSC Pension Service holds information provided by your employer for HSC Pension Scheme purposes and in relation to the HSC Injury Benefit Scheme and certain other statutory functions assigned by Parliament. The information we hold may be used for any of the functions of HSC Pension Service. We may need to obtain information about you from other sources. If we do, it will only be as the law allows, for instance to:

- check accuracy of information
- prevent or detect crime
- protect public funds.

We may check information we receive about you with what is already in our records. This may include information provided by you as well as by others such as other government departments, agencies and overseas authorities. We will not give information about you to anyone outside of HSC Pension Service unless the law allows us to do so, or you have given us permission to do so.

HSC Pension Service has a legal duty to protect the confidentiality of information about HSC Pension Scheme members. We take appropriate precautions to protect any information you give us, whether by our website or by other means because of legislation such as the DPA.

You have the right to ask for details of any data which HSC Pension Service holds about you. If you wish to do this you can write to the Information Governance Manager at the address shown later in this section or email [foi.bso@hscni.net](mailto:foi.bso@hscni.net) your letter should include:

- your name and address
- your National Insurance number

If information held about you has been provided to HSC Pension Service by another body or person, HSC Pension Service may require their permission for its contents to be disclosed to you.

## Freedom of information

The Freedom of Information Act 2000 (FOIA) came into force on 1 January 2005. Under the Freedom of Information Act 2000, you may request information from a public authority such as the BSO, of which HSC Pension Service is a part. This Act confers two statutory rights on applicants:

- To be told whether or not the public authority holds that information; and if so,
- To have that information communicated to them.

### Who can request information?

Anyone can request information under the FOIA regardless of age, nationality or location. You should make any requests to the Information Governance Manager at the address shown later in this section.

### What information will be available?

Any information held by a public authority is eligible for release. However, a number of exemptions may be applied to protect information.

### Freedom of Information Act

The FOIA requires publicly funded organisations, such as government, schools, hospitals, etc. to have a Guide to its Information, to put in place systems for effective records management, and respond to requests from the public for information. The FOIA recognises the need to maintain government confidentiality in some circumstances and therefore includes exemptions.

Further details about the Act and its implementation can be found on the Information Commissioner's website.

### Information governance

The address for Freedom of Information and Data Protection enquiries about HSC Pension Service is:

Information Governance Officer  
Business Services Organisation  
Headquarters  
2 Franklin Street  
Belfast  
BT2 8DQ

Or email: [foi.bso@hscni.net](mailto:foi.bso@hscni.net)

## Glossary of common terms

### Additional Pension (AP)

An extra amount of annual pension that you (or your employer) have purchased by paying extra contributions.

### Additional Voluntary Contributions (AVCs)

Extra contributions that you decide to pay to increase your benefits.

### Capital value

This is the value placed on your HSC Pension Scheme benefits by HMRC and is calculated by multiplying the pension payable by 20 and adding any lump sum to be paid.

### Consumer Price Index (CPI)

The official measure of inflation of consumer prices of the United Kingdom.

### Contributions

As a Scheme member you pay a contribution toward your pension based on your pensionable pay: the more you earn, the higher your contribution rate may be. Scheme employers pay the rest.

### Deferred benefits

A pension that is due to be paid at a later date.

### Deferred members

Members who have left the Scheme but have not yet taken their pension.

### Dependant

A spouse, civil partner, nominated qualifying partner or dependent child who qualifies to receive a pension after you die.

### Early Retirement Reduction Buy Out (ERRBO)

You or your employer can pay extra contributions so you can take your 2015 Scheme benefits unreduced before you reach your NPA.

### Maximum lump sum

The maximum cash you can take from your pension benefits when you retire. HMRC determine this as being the lower of:

- 25% of the available lifetime allowance
- 25% of the capital value of your benefits to be paid.

### Pensionable earnings

The amount of your pay that is used to calculate the amount of contributions you pay and the amount of pension you build up in each year.

### Personal pension

An alternative type of pension savings plan.

### Revaluation

A formula currently comprising of CPI plus 1.5% by which the value of each year's pension is increased to maintain its buying power.

### Regulations

The legal framework that sets out the rules of the Scheme.

### Salary sacrifice

An arrangement with your employer to provide benefits such as childcare vouchers, a lease car etc. in return for giving up some pay before tax, National Insurance and pension scheme contributions.

### Scheme

In this guide, Scheme refers to the HSC Pension Scheme 2015.

### State Pension

A pension paid by the Government when you reach state pension age based on your National Insurance record.