



HSC Pension Service

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Business Services Organisation

EMPLOYER TECHNICAL UPDATE

CONTENTS

1. Foreword
2. Coronavirus Act 2020 - Change to Pension Legislation - Update
3. Change in Member Contribution Rates
4. Contact Us



HSC (P) 02-22-23

October 2022

1. Foreword

This Employer Technical Update (ETU) provides an update on the temporary changes in legislation which were originally introduced by the Coronavirus Act 2020. These changes temporarily removed some restrictions in the HSC Pension Scheme Regulations which permitted retirees to return to HSC employment immediately without the requirement to adhere to the 16 hour per week rule and to allow members who retired with Special Class Status to increase their commitment without suffering financial penalties against their pension.

The ETU also addresses the new HSC Member Contribution tiers coming into effect from 01st November 2022. The contribution tiers will now be based on members actual pay as opposed to whole time equivalent rates of pensionable pay which were applicable previously.

2. Coronavirus Act 2020 - Change to Pension Legislation - Update

Following the expiry of the Coronavirus Act 2020 a number of temporary adjustments were made to the HSC Pension Scheme Regulations to extend the suspension of abatement rules until 31 October 2022. A further extension is now being introduced.

These temporary changes to legislation basically mean:

1. The 16 hours per week rule is omitted. There is no requirement for retiree's returning to HSC employment to restrict their hours of work to 16 per week in the first month after retirement. The suspension/omission of the 16-hour rule has been extended to 31st March 2024.
2. The limit on earnings (commonly referred to as abatement) normally imposed on Special Class Nursing Staff or Mental Health Officers on return to HSC employment after retirement is suspended. This suspension has been extended to March 2025 due to ongoing concerns regarding capacity
3. The suspension of the abatement rules for those members who availed of Partial Retirement has been extended to 31st March 2023.

If and when a further review is carried out, HSC pension Service will inform you.

Action for Employers: Ensure all relevant managers/staff/affected members are aware of the end date of the suspension of the said rules.

3. Change in Member Contribution Rates

Following a consultation carried out by The Department of Health (DoH) which sought views on changes to member contributions with effect from 2022, a new tiered member contribution structure will be implemented from 01 November 2022. The proposals set out in that consultation aimed to preserve participation in the scheme while protecting its substantial value for members in retirement.

The consultation document set out a number of proposals:

- Members' contribution rates would be based on actual pensionable pay instead of members' notional whole-time equivalent pay
- Rebalancing the contribution structure by narrowing the range of contribution rates.
- Increasing tier boundaries in line with annual AfC pay awards
- Phasing in the new member contribution structure over 2 years

The new Contribution structure will be implemented from 01 November 2022 using actual annual rates of earnings instead of a member's whole time equivalent pensionable earnings. These changes will be implemented in phases, with the first phase of changes coming into force on 01 November 2022. The second phase introducing further amendments to the contribution tier structure and rates will take place on a date to be confirmed in 2023.

Table 1 below outlines the interim Contribution Rates effective from 01st November 2022 and Table 2 shows the contribution rates effective in phase 2 from 2023 (date to be confirmed)

Table 1

Tier	Pensionable Earnings	Contribution rate from 1 November 2022 until introduction of phase 2
1	£0.00 - £13,231.99	5.1%
2	£13,232.00 to £15,431.99	5.7%
3	£15,432.00 to £21,478.99	6.1%
4	£21,479.00 to £22,548.99	6.8%
5	£22,549.00 to £26,823.99	7.7%
6	£26,824.00 to £27,779.99	8.8%
7	£27,780.00 to £42,120.99	9.8%
8	£42,121.00 to £47,845.99	10%
9	£47,846.00 to £54,763.99	11.6%
10	£54,764.00 to £70,630.99	12.5%
11	£70,631.00 and over	13.5%

3. Change in Member Contribution Rates - cont

Table 2

Tier	Pensionable Earnings	Contribution rate from introduc-
1	£0.00 - £13,231.99	5.2%
2	£13,232.00 to £22,548.99	6.5%
3	£22,549.00 to £27,779.99	8.3%
4	£27,780.00 to £42,120.99	9.8%
5	£42,121.00 to £54,763.99	10.7%
6	£54,764.00 and above	12.5%

Action for Employers: Ensure all relevant staff and members are aware of the new Contribution Banding.

4. Contact Us

By writing to us at:-

HSC Pension Service

Waterside House

75 Duke Street

Londonderry

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By Telephone: 028 7131 9111

10.00 am to 12.00pm / 2.00 pm to 4.00pm - Monday to Thursday

10.00 am 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

