



HSC Pension Service

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Business Services Organisation

# EMPLOYER TECHNICAL UPDATE

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HSC (P) 04 23-24

March 2024

# 1. Foreword

The purpose of this Employer Technical Update (ETU) is to inform employers and other stakeholders of important changes to the regulations governing the HSC Pension Scheme.

The ETU provides details on the amendments effective from 01 April 2024 including an uplift in the Employer Contribution Rate required to ensure scheme liabilities can be met. The ETU also provides details of important amendments to the 1995 section of the HSC Pension Scheme to include the introduction of Partial Retirement for members who have accrued benefits in that section of the scheme, the opportunity for members who have retired and claimed their 1995 section benefits to re-join the 2015 Scheme and build up further benefits and also the permanent removal of the 16 Hour rule.

## 2. Employer Contribution Rate

A valuation of the HSC Pension Scheme was completed on 01 November 2023 (the '2020 valuation'). This valuation is an actuarial assessment of past and future pension benefits building up within the scheme and is carried out on a 4-year cycle. The results are used to determine the employer contribution rate required to meet current and projected scheme liabilities.

Results from the 2020 valuation show an increase in benefit costs, requiring a 0.7 percentage point rise in the employer contribution rate to 23.2%. The New rate is effective from 01 April 2024

**Action for Employer:** Please ensure all Finance Staff and other stakeholders are made aware of the change in the employer contribution rate.

## 3. 16 Hour Rule

Under the current 1995 Regulations, members who take their pension benefits and then return to work can only work a maximum of 16 hours per week in their first month back without impacting their pension (this is currently suspended until 31 March 2024).

This rule, which is currently suspended is being permanently removed from 01 April 2024, allowing staff to maximise the hours they contribute, if they wish, without impacting their pension after they claim their 1995 Section benefits.

Members who fully retire and return to HSC employment must still adhere to the 24-hour break rule.

**Action for Employer:** Please ensure all HR Staff are made aware of this permanent change.

## 4. Re-joining the HSC Pension Scheme (post retirement)

Under the current regulations of the HSC Pension Scheme, members who take their 1995 Section benefits are not permitted to build up further pension in the 2015 Scheme if they return to work in the HSC.

The Health and Personal Social Services (Superannuation) Regulations (Northern Ireland) 1995 have now been amended to allow members who take their 1995 Section benefits to continue to build up pension in the 2015 Scheme, if they wish. This may help some retired staff to bridge the gap between claiming their HSC pension benefits and receiving their State Pension.

This regulation amendment will take effect from 01 April 2024.

**Action for Employers:** Please ensure all re-employed 1995 Section members are aware of this change. Also ensure all HR/Payroll staff involved in enrolling members into the scheme are aware of the change.

## 5. Partial Retirement

Under the current 1995 Regulations, members are unable to partially retire, whereas they are able to do so in the 2008 Section and 2015 Scheme.

The Health and Social Services (Superannuation) Regulations (Northern Ireland) 1995 have been amended to allow members to partially retire and claim up to 100% of their 1995 Section benefits, whilst continuing to work and accrue further pension in the 2015 Scheme.

It is hoped partial retirement will better support members' work/life balance and may also help the HSC to retain valued experienced staff in the workforce, as members may wish to partially retire and work longer than they had previously planned.

Guidance for employers and members, including calculators, the application criteria and forms for completion will be available shortly on the HSC Pension Scheme website.

HSC Pension Service are also working with Trust & Regional Orgs HR Teams to facilitate workshops and seminars for both Members and Managers to provide guidance and understanding of this change in regulations.

This regulation amendment will take effect from 01 April 2024

Important: Whilst members can apply to take partial retirement from 01 April 2024, HSC PS will do all we can to process these applications as efficiently as possible, however members must be made aware that due to resourcing issues we may not be in a position to calculate and pay benefits for some months. Applications that need to be backdated to a chosen retirement date will include arrears owing

**Action for Employers:** Please ensure all staff including those who administer retirement applications in your organisation are aware of this amendment.



## 6. Contact Us

### By writing to us at:-

HSC Pension Service

Waterside House

75 Duke Street

Londonderry

BT47 6FP

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](mailto:hscpensions@hscni.net)

