



HSC Pension Service

Provided by



Business Services Organisation

GP STAFF NEWSLETTER

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HSC (P) 02-16

Dec 2016

1. Administration and Interest Charges for HSC Employers for Late Payment of Scheme Contributions

As advised in the [Previous GP Staff Newsletter](#), Administration and Interest charges have been introduced for late payment of Scheme Contributions. Please familiarise yourself with the guidelines and ensure all monthly GP1 forms are submitted in a timely fashion to prevent a late fee being applied.

Employers will not pay any interest or administration charges if they comply with the direct debit plan as laid out in Section 7 of the previous [GP Practice Newsletter](#)

The administration charge is not a 'penalty charge', but reflects the cost to HSC Pensions of recovering late payments, which is currently borne by all employers. The administration charge for late payments for 2016-17 is currently £75 .

There are provisions in the regulations for HSC Pension Service to waive an administration charge and/or interest payable where contributions are paid late, in circumstances which the Scheme Administrator considers are **exceptional**. However, '**exceptional circumstances**' will mean exactly that and charges are unlikely to be waived for reasons of staff pressure or short banking or postal delays, where an employer has released payment very close to the final due date. Employers wishing to claim exceptional circumstances for late payment must write to HSC Pension Service immediately. Please note – Holidays (bank holidays or annual leave), not in the office, staff training days are not exceptional circumstances and are not valid reasons for late submission of the GP1 form.

2. Non Receipt of Annual GP55A's

The annual GP55A electronic submission date of 31st May 2016 has passed. HSC Pension Service has liaised with GP practice managers in order to assist with the resolution of outstanding data issues . If **all** remaining issues fail to be resolved or practice managers fail to comply with HSC Pension requests by 16th January 2017, then the Principle GP will be contacted and letters will be sent to individual scheme members to advise of non-receipt /inaccuracies with their year-end data. This data is used to calculate member benefits upon retirement and will adversely affect benefits being paid. It is important to note that it is a legislative requirement for employers to ensure that member records are updated timely and in line with the Scheme Regulations.

"Failure to provide annual updates for your members means that you are in breach of both HSC Pension Scheme Regulations and HM Revenue and Customs (HMRC) Legislative requirements".



3. Joiners/Joiner Forms (J2's)

If a new member joins/transfers to the practice or auto-enrolment applies, the Practice Manager is responsible for completing a [J2 Form](#) (Scheme Joining form).

The 'Date started Current Pensionable employment' on the [J2 form](#) refers to the date the member started contributing to the pension scheme within your practice, regardless of any previous or on-going pensionable membership they may have with another practice or trust.

If a member of your practice is part-time you need to confirm how many hours per week they work as a fraction over their whole-time equivalent hours.

For example, if an employee joined your practice on a contract of 18 hours per week and the full time contract was 37.5 hours per week, this would be expressed as 18.00/37.50.

Please also be aware that it is possible for a member to hold two or more pensionable employments at the same time within various practices/trusts. These combined posts can be pensionable up to the whole time equivalent hours. We would ask that all practice managers monitor pensionable hours and liaise with members who hold part time pensionable positions with more than one employment. It is vital if an employee works varied pensionable hours with another HSC body that they inform the Practice Manager as this may effect the amount of hours that are pensionable in their practice employment. If contribution's are paid over the WTE hours i.e. 37.5 hrs. per week then an overpayment will occur and this will require refund of contributions to the employee.

Please ensure that all forms are signed and stamped by an authorised signatory and stamped with the practice authority stamp.

The completed forms can be scanned and emailed to us at hscpensions@hscni.net or alternatively can be sent by post.



4. Contribution Rates

Tier	Full-Time Pensionable Pay used to determine contribution rate	Contribution rate (before tax relief) (gross) <u>1 April 2015 to 31 March 2019</u>
1	Up to £15,431.99	5.0%
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%

For the 2016/17 financial year, the tiered contribution rate will be based on the 2015/16 Whole Time Equivalent Salary. However, please be aware that an employee whose rate of pay for an existing job changes (including increments) the contribution rate should be reassessed based on their annual pay and the member allocated a new contribution rate (if applicable,) in the current financial year. Further guidance on tiered contribution rates is available on our [Factsheet 'Tiered Contributions 2015/16 through to 2018/19](#). Ensuring employees are on the correct contribution rate is important and will prevent any over/under payment occurring.

5. Maternity/Sick Leave/Leavers/Termination of Scheme Membership

As a members rate of pensionable pay and contributions paid may change due to maternity or sick leave, it would be beneficial when submitting the end of year GP55A form to mention any members who may have been affected by these types of leave. This extra information may prevent additional queries to practices regarding discrepancies in figures.

Information on [sick leave](#) and [maternity leave](#) is available for all employers so please consult the fact sheets which are available on our website.



6. Career Breaks

Members of the HSC Pension Scheme who commence a period of authorised leave, (including a career break where the contract of employment is retained), may initially choose to remain pensionable for a period of up to 6 months. The employer must treat the member as they would any other active member for pension purposes and ensure that employee and employer pension contributions continue to be paid throughout the 6-month period.

It is the responsibility of the employer to ensure that the employee contributions are collected continuously during the break. Arrears cannot be allowed to accumulate and payments made on returning to the Scheme. You should note that it is **not compulsory** for members to contribute to the scheme during a period of authorised leave or a career break.

If, after the six month period the member wishes to continue contributing to the Scheme, they can do so for a further 18 months. If the member wishes to avail of this option the member will be responsible for payment of both the employee and employer pension contributions. Employers are responsible for ensuring that both employee and employer pension contributions are collected continuously throughout the leave and paid promptly to HSC Pensions. **Members cannot pay contributions directly to HSC Pension Service.**

Please note Death in service benefits may not be payable if contribution payments fall into arrears

Further information on [Authorised Leave/Career Breaks](#) can be found on the Scheme website.

7. Death Benefit Nomination

HSC Pension Scheme members should be reminded to keep their Death Benefit Nomination up to date. This will ensure that any lump sum benefits payable by the Scheme in the event of their death are paid to the person (or people) they choose.

If they have not completed the form [DG3](#) any death gratuity payable will be paid to their surviving partner. If they do not have a surviving partner the payment will be made to their personal representatives

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



8. Survivors Pension

HSC Pension Service are making a conscious effort to raise awareness among members in a long term relationship to nominate a beneficiary for their scheme benefits, should they pass away. In some cases failure to nominate a partner has caused undue financial hardship for the member's family/loved ones. HSC Pension Service are actively promoting the completion of the beneficiary nomination form [PN1](#) and would request the assistance of Practice Managers in **highlighting** this facility to members/new employees where possible.

If members are not married or in a civil partnership they can nominate their partner to receive a survivor pension after their death by completing the [PN1](#) form. For a nomination to be accepted certain conditions must be met, these are listed on the form.

If members are married or in a civil partnership a survivors pension will **normally** be payable to their spouse.

9. Termination of Scheme Membership

There are a number of scenarios that would result in a Practice Manager having to complete a Termination of Scheme Membership Notice. This form must be completed and sent to HSC Pension Service when-

- An active member in the HSC Pension Scheme leaves your practice
- An active member in the HSC Pension Scheme decides to Opt out.
- An active member in the HSC Pension Scheme is retiring from your practice.

[Please see link to the Termination of Scheme Notice.](#)

We are frequently asked for guidance on how to complete the Termination of Scheme Membership notice form. Please see below explanations for completion of relevant fields.

Number 8. Start date of current period of superannuable employment within Pay Office.

This is the date the employee started paying contributions from their salary. Please note some members opt out of paying contributions, so this date will not necessarily be their first day of employment within the practice.

Number 9. Last deemed day of Superannuable Service.

This is the date the employee ceased to pay contribution's i.e. opt out, retired, leaver.



9. Termination of Scheme Membership

Number 11. Rate of employee contribution

This is the rate of contribution the employee pays towards the scheme.

Number 12. What category is the member currently serving in

Most GP Practice staff would fall under the “Normal Member” category. However for those Practice Nurses who meet the criteria to be awarded “[Special Class](#)”, the Practice Manager must breakdown the periods in which they are deemed Special Class. See factsheet What is Special Class?

Number 14.

If you have a member who is part-time , their hours must be detailed and included in table (i) and table (ii) as detailed below;

Table (i)

Contracted Hours—This should be the employees contracted hours e.g. 1 week 18.75.

Standard Hours—This is the WTE i.e. the number of hours the employee would work if they were full time. i.e. 37.5.

Start Date—This would be the date the member started working the contracted (part-time) hours.

Table (ii)

Year ended 31/03—This would be the financial year in which the member has left employment. For example if the member left in December 2014 then year end would be 31/03/2015.

Total Hours worked—This should be the actual number of pensionable hours the member worked within the financial year, i.e. April to date of leaving.

Number 18. Certification

This must be signed by an authorised signatory and also stamped with the practice authority stamp.



10. Annual Benefit statements

The exercise to issue Annual Benefit Statements (ABS) to members for the 2015/16 year has been delayed. It is anticipated that the exercise will be completed by Spring 2017.

An ABS will provide you with an overview of your pension benefits based on information provided to HSC Pension Service as at 31 March each year.

It will include information such as: Pension Benefits accrued, the value of any Lump sum accrued, Pensionable Service used in the calculation and Survivor Pension/Death benefits payable in the event of your death.

11. Arrangements over Christmas Period

Please note HSC Pension Service will be closed over the Christmas period on the following dates:

- 26th December
- 27th December
- 28th December
- 2nd January

HSC Pension Service would like to wish
all our colleagues a
Merry Christmas and
A Happy New Year!



12. Contact Us

By writing to us at:-

HSC Pension Service

Waterside House

75 Duke Street

Londonderry

BT47 6FP

Via e- mail at:- hscpensions@hscni.net

By 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

