



HSC Pension Service

Business Services Organisation

Provided by

HSC Pension Service

**Welcome to the
HSC Pension Service
Member Newsletter**



This newsletter is for all active and deferred members of the HSC Pension Schemes and contains important information about your HSC Pension Scheme Benefits



HSC (P) 03-17/18

Jan 2018

Annual Benefit Statements

The Annual Benefit Statements (ABS) for 31ST March 2017 are currently available on the Member Self Service (MSS) Portal which can be accessed at <https://mypension.hscni.net/>

HSC Pension Service has provided a dedicated section on the scheme website which provides members with simple step by step instructions on how to register and view your pension details on the MSS Portal. To access the MSS instructions please visit <http://www.hscpensions.hscni.net/quick-links/member-self-service/>

Any queries regarding your MSS Portal should be forwarded to mssqueries@hscni.net

Scheme Website & Pension Benefits Calculators

HSC Pension Service has developed a comprehensive library of important Scheme literature and a range of on-line calculators to assist members in forecasting the value of the potential benefits they could expect to receive on retirement.

Calculators relating to all schemes 1995, 2008 and 2015 are available.

The calculators now have an additional VER tab which will allow you to calculate the value of your benefits if you decided to retire before your normal pension age, i.e. age 60 in the 1995 scheme, age 65 in the 2008 scheme and your state pension age in the 2015 scheme. The calculator will work out the reduction to be applied to your pension and lump sum as a result of them being paid prior to their due date. There is also a commutation calculator available for members who may be considering giving up a proportion of their pension at retirement to claim a higher tax free lump sum. The Scheme website is available at <http://www.hscpensions.hscni.net/> and the Calculators can be accessed at <http://www.hscpensions.hscni.net/quick-links/calculators/>

Bank/Casual Employment (Three Month Rule) Reminder

Scheme members who are employed on a casual/bank contract must be aware of the rules surrounding membership of the HSC Pension Scheme for such contracts.

The pensionable start date of any bank post is the first day the member actually performs any duties and pays contributions, not the date they joined the bank.

A bank employee's pension record may remain open, even if they do not work for up to a period of **three months only**, as long as they remain 'on the bank' of the employer and return to pensionable work within three months.

If the break exceeds three months, the pensionable employment will be closed down on the last day the member actually worked.



The new State Pension and the ending of ‘contracting out’

The Government introduced a new ‘single-tier’ State Pension for people who reach State Pension Age on or after 6 April 2016. This new ‘single-tier’ State Pension replaces the old basic and additional state pension.

Contributing members of the HSC Scheme were ‘contracted out’ of the old additional state pension and paid a lower rate of National Insurance as a result. This meant that they did not build up as much State Pension – they built up their pension benefits in the HSC Scheme instead.

From 6 April 2016 the ‘contracted-out’ status for the HSC Scheme ended. This means that contributing members now pay a higher amount of National Insurance than in previous years.

It is important that you understand that if you are eligible for the new State Pension, you may not receive the top rate. This is because you have paid a lower amount of National Insurance in previous years. You will still be entitled to your Scheme benefits and these will continue to form an important part of your overall retirement benefits.

More information on the new State Pension can be found at: www.gov.uk/browse/working/state-pension

HSC Pension Service Workshops

HSC Pension Service in conjunction with Trusts/Organisations provides workshops and seminars for scheme members which cover all aspects of the HSC Pension Schemes.

The workshops are tailored to the various membership scenarios which have arisen as a result of Pension Reform, for example a person may now hold membership of both the 1995 & 2015 schemes.

Your employer will issue a communication to staff informing of the dates and venues of the workshops/seminars.

Workshops Seminars are available for the following groups.

1995 Scheme Fully Protected Members
2008 Scheme Fully Protected Members
1995/2015 Transitional Scheme Members
2008/2015 Transitional Scheme Members
1995/2015 Transitional MHO Scheme Members
Members Affected by HMRC Regulations

If you are interested in attending one of the workshops/seminars you should ensure that you sign up to the workshop/seminar relevant to your circumstances, i.e. which schemes you hold membership in.



One to One Pension Consultations

HSC Pension Service Trust Liaison Team offers One to One pension consultations for members who have attended one of the generic Pension Workshops mentioned previously in this newsletter. Places for the One to One consultations for the year 2017-18 have all been fully booked and an extensive waiting list is in place.

HSC Pension Service Trust Liaison Team cannot accommodate any further applications for Consultations in this financial year. If and when further One to One Consultation dates become available HSC Pension Service Trust Liaison Team will issue a directive through employers. **This directive will include the booking procedure to be used to request a consultation.**

Please do not e-mail or phone the HSC Pension Service directly to request a One to One Consultation as we do not have access to the booking system. Emails sent to HSC Pension Service will not be processed.

Revaluation of 2015 Scheme Pension Benefits

As the 2015 HSC Pension Scheme is a Career Average Revalued Earnings (CARE) pension scheme, this means that members of the 2015 HSC Scheme build up a certain amount of pension each year. At the beginning of the following year this amount is adjusted to ensure that it is line with inflation. The revaluation adjustment is based on changes in the Consumer Price Index (CPI) to September the previous year plus a fixed rate of 1.5%.

The change in CPI to September 2017 was 3%. This means that benefits built up in the 2015 scheme for years 2015/16, 2016/17 and 2017/18 will be increased in April 2018 by 4.5%.

Partial Retirement -2008 & 2015 Scheme Only

Partial Retirement is a feature of the 2008 & 2015 sections of the Scheme to support a phased withdrawal from the workplace with a reduction in employment commitments supplemented by partial payment of pension. The concept of partial retirement is where an active member claims a portion of accrued benefits whilst still continuing in pensionable employment. The member is required to have a change to the terms & conditions of the continuing employment and a reduction in pensionable earnings.

Further information on Partial Retirement can be found on the [Partial Retirement Factsheet](#)



Important – Lump Sum Choice

If you have chosen to commute part of your pension to increase your lump sum, you should ensure that you have read the application form (AW6) carefully and your choice is recorded correctly.

Please note that the amount you enter in field 27, part 6 of form AW6 is in addition to the normal 3 x pension lump sum that you are automatically entitled to, it is not the TOTAL lump sum you want to receive (1995 section and 2008 optants only).

For 2008 and 2015 scheme members who do not have an automatic lump sum, but wish to receive a lump sum by giving up part of their pension, please state the amount of Lump Sum you wish to receive.

If you want the maximum lump sum amount, please just tick the maximum box.

If you are considering converting a proportion of your pension to increase the value of your Tax Free Lump Sum you should access the Pension Commutation Calculator available on the Scheme Website at the following link <http://www.hscpensions.hscni.net/quick-links/calculators/>

Important: HSC Pensions Service will not be able to amend your decision regarding the commutation of pension to take a tax free lump sum once the benefit has been paid.

Information for Members approaching Retirement

On the provision that HSC Pension Service receives your completed retirement application form (AW6) **three months prior to retirement**, we will endeavour to –

- Pay your lump sum on the first Friday following your retirement.
- Pay your pension at the end of the month following retirement, and the end of each month thereafter.
- Notify you in writing of your pension benefits at least ten days prior to your retirement.

However, there may be a delay to your benefits if your application is received late or HSC Pension Service requires additional information.

Auto-Enrolment

Members should be reminded that automatic enrolment is one of the key **employer** duties. The core requirement is that employers must make arrangements so that their eligible jobholders become active members of an automatic enrolment pension scheme from their automatic enrolment date (as per advice from The Pensions Regulator).

Further information regarding auto-enrolment can be found on our website at www.hscpensions.hscni.net



How does Taxation affect HSC Pension Benefits?

Lump Sum on Retirement

On retirement, you are entitled to either a mandatory tax-free lump sum and/or the option to purchase an amount of tax-free lump sum; providing you do not exceed HM Revenue and Customs (HMRC) Limits. The current HMRC Tax Free limit for Retirement Lump Sums is £250,000. Further information on the HMRC limits can be found at [HMRC Lifetime Allowance](#). Further Information on options to increase your lump sum can be found on the [Increasing your Lump Sum factsheet](#).

Annual Pension

The amount of income tax that you may pay depends on your gross taxable income (the total amount of income potentially liable to tax that you receive). You do not pay any income tax if your gross income (including all sources of taxable income) does not exceed any personal allowance you may have. HMRC should tell you how much your personal allowance is, this is generally known as your tax code.

HSC Pension Service will also be informed your tax code from HMRC and apply this to your HSC Pension.

The Autumn Budget and your Pension

Below are some important details from the latest Budget statement which may be of interest to HSC Pension Scheme Members

- LTA increase confirmed. From 6th April 2018, the Standard LTA will be £1,030,000
- Up-rating of State Pensions. The 'triple lock' has made sure of a 3% increase from April 2018. The State pension will rise from £122.30 to £125.95 and the 'single-tier' New State Pension is to increase from £159.55 to £164.35
- Tax thresholds changing. The Budget announced that in 2018-19 the Personal Allowance and Higher Rate Tax will increase to £11,850 and £46,350 respectively

Confirmation that Anti-Scam measures will press ahead (as described in previous newsletters)





Contact Us:

By writing to us at:-

HSC Pension Service
Waterside House
75 Duke Street
Londonderry
BT47 6FP



E-mail hscpensions@hscni.net

www.hscpensions.hscni.net/

028 7131 9111

9.00am to 5.00pm – Monday to Thursday;

9.00am 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

