



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



Benefits of being in the HSC Pension Scheme

When you start working in the HSC eligible employees automatically join the HSC Pension Scheme and begin paying contributions towards your benefits. Your employer also contributes to help meet the costs of your benefits.

The pension you receive when you retire is guaranteed by the Government and payable for life. You can even convert some of your annual pension into a one off lump sum.

There are different ways in which you may take your pension, such as early retirement, either due to ill health or voluntarily with a reduction. You may even be able to take some of your pension whilst you continue to work, from your normal pension age or later, possibly with an addition for late retirement (2008 Section and 2015 Scheme).

The HSC Pension Schemes also provide you with cover for ill health retirement and death benefits. There can also be benefits payable to your family in the event of your passing. Further information on benefits payable from the HSC Pension Scheme can be found in the [Scheme Guides](#)

Annual Benefit Statements

HSC Pension Service has issued Annual Benefit Statements (ABS) to all active Scheme members for the first time this year.

Some confusion has been caused by the Scheme Start Date. In most cases this is displayed as the start date of the member's most recent active post.

Please do not be concerned as this will not affect your pension entitlement. A further ABS will be issued by the end of August 2017 to include membership accrued in the 2016/2017 year. The correct Scheme Start Date will be shown on that ABS.

Members will be able to access their further ABS's through the Member Self-Service facility (MSS). Details of how to access the MSS Facility was included in your previous ABS.

Your personal details: Are they up to date?

Have you moved house, has your partnership status changed? If any of your details have changed then please let your employer know as soon as possible by updating your HRPTS record. If you do not hold a record on HRPTS please inform HSC Pension Service by e-mailing hscpensions@hscni.net.

Having your correct details helps us to process your pension request and contact you quickly should we need to.

Normal Retirement Age in the 2015 Scheme

In the HSC Pension Scheme 2015 your Normal Retirement Age (NRA) is the higher of Age 65 or your State Pension Age (SPA). You may be aware that in recent years the Government has increased the SPA for both males and females. You can find out more information about your SPA by visiting the Government website GOV.UK or by using this link [State Pension Age Calculator](#)



Transferring in other Pension Benefits

If you have recently joined the HSC Pension Scheme you may be able to transfer in pension benefits you may have built up with a previous employer or through a private pension scheme.

There are strict deadlines on the time limits you have to transfer in other pension benefits. All transfer requests must be made in writing within one year of you joining the HSC pension scheme otherwise your request will be rejected as it is outside the statutory limits.

If you were employed by the NHS in England, Scotland or Wales, any pension benefits you built up there **DO NOT** automatically transfer to the HSC pension Scheme in Northern Ireland. You must apply to us in writing to initiate the transfer process.

In order for a current member to request a transfer we require a letter of authority. This letter should state **“ I hereby grant authority to HSC Pensions Service to request all information in relation to the transfer of Superannuation Benefit’s from [*insert pension scheme*]. “**

This letter should contain:

- Your Name
- National Insurance Number
- Signature
- Name of previous Scheme
- If NHS, where and when you worked in NHS employments.

HSC Pensions will begin the process as soon as this letter is received.

You can find out more about transferring your pension benefits at the following link

<http://www.hscpensions.hscni.net/scheme-guides/>

2015 Scheme Membership

On 01/04/2015 most members of the 1995 & 2008 sections of the HSC Pension Scheme moved to the HSC Pension Scheme 2015. There are a number of features of the 2015 Pension Scheme which differ quite considerably from the 1995 & 2008 sections of the Scheme. Further information on the features of the 2015 Scheme can be found at 2015 Scheme Guide.

There are some members of the 1995 & 2008 sections of the HSC Pension Scheme who are protected from moving to the 2015 Scheme. This is dependent on the number of years you had left to your Normal Retirement Age at 01/04/2012. You can check if you are entitled to full or tapered protection from moving to the 2015 scheme by using the [Pension Reform Tapered Protection Calculator](#).

If you have or are moving to the 2015 scheme and have accrued any benefits prior to joining the 2015 scheme these are treated under their original arrangements, i.e. 1995 scheme benefits are calculated on membership built up in that scheme and final salary at retirement. Benefits can be claimed at normal retirement age for that scheme but you must retire from HSC employment and cannot accrue any further benefits in the Scheme .

You can find more information on the features of the HSC Pension Schemes by visiting the scheme website or by attending the information workshops organised by your employer.



Salary Sacrifice in the 2015 Scheme

In the 2015 HSC Pension Scheme, pension benefits are built up on a year by year basis based on actual pensionable earnings in each year. This means that entering into or continuing any salary sacrifice arrangement (e.g. Childcare Vouchers, Lease Car Schemes etc.) that reduce your gross pensionable earnings will have a negative effect on the amount of pension built up in that **year** and any potential survivors benefits payable in the event of your death.

If you are in a salary sacrifice or thinking of joining one, you may wish to speak to an independent financial advisor on what are your best options for your circumstances.

The Pensions Board

The HSC Pension Board's role is to assist the Scheme Manager in the administration of the HSC Pension Schemes (both the 2015 Scheme and the 1995/2008 Scheme).

Visit <https://www.hscpensions.hscni.net/quick-links/pension-board/> to find out more about the role and responsibilities of the Pensions Board.

Pensions Terminology Guide

HSC Pension Service have developed a Pensions Terminology document which is designed to offer an explanation of the complex wording and jargon which is commonly found in the world of pensions and related financial environment.

The purpose of the document is to provide scheme members with a greater understanding of the technical language which can be used in pension related communication issued to you not only from HSC Pension Service but also organisations such as HMRC and The Department of Work and Pensions.

The document can be accessed [here](#)

Revaluation of your 2015 Scheme Pension Benefits

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 in 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 2016 was 1%. This means that benefits you built up in the 2015 scheme for years 2015/16 and 2016/17 are increased this year by 2.5%.

Pension Scams

Pension Scammers are aware that people can now access their pension savings in new ways and will try to lure members with promises of upfront cash and one-off 'deals' with guaranteed high returns.

Your pension savings are very important and as scheme members you should be aware that HSC Pension Service will not make unsolicited phone calls, texts or emails about your pension, if these are received they are nearly always scams.

The Pension Regulator provides guidance on their website for pension scheme members on how to learn how to spot the signs and have the best possible protection against pension predators by following a simple five-step guide. The guide can be found [here](#)



Definition of Annual Allowance & Lifetime Allowance

The Annual Allowance

The Annual Allowance is a limit designed to restrict the amount by which your pension savings can grow from one year to the next without a tax penalty. It is based on the total amount of benefits that you have built up in the Scheme (defined benefits) over the year plus the total amount of contributions that you paid into a defined contribution scheme (e.g. AVCs).

From 2016/17 the annual allowance tapers from £40,000 to £10,000 for high earners. The taper only applies if your income (including the value of any pension savings) is over £150,000 and you have an income (excluding pension contributions) in excess of £110,000

Lifetime Allowance

The lifetime allowance is the total capital value of all your pension arrangements which you can build up during your lifetime without paying extra tax. It applies to the total of all the pensions you have, including the value of pensions promised through any defined benefit schemes you belong to, but excluding your State Pension.

The lifetime allowance for 2017/18 is £1 million. Most Scheme members' annual pension savings will be significantly less than the lifetime allowance and therefore no charge will apply.

Bank/Casual Employments (Three Month Rule)

Scheme members should be aware of the rules surrounding membership of the scheme for Bank/Casual employees. The superannuable 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 must be closed down on the last day the member actually worked, the employee will then not be eligible for certain "in scheme" benefits such as in service ill health retirement. The onus is on the employee to ensure they are enrolled into the scheme by completing a re-joiner form.

The new State Pension and the ending of 'contracting out' (member)

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



Pension Calculators

HSC Pension Service has developed a comprehensive 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 (a number of calculators are available for the 2015 scheme and the one relating to your state pension age should be used to calculate your potential benefits in this scheme) 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 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.

A personal budget calculator is available for members to use for financial planning on retirement and to work out how converting a proportion of their pension for a higher tax free lump sum may affect their monthly disposable income.

Calculators can be accessed at the following link [HSC Pension Scheme Calculators](#)

HSC Pension Service Workshops

HSC Pension Service in conjunction with Trusts/Organisations provide workshops/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. 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.

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

HMRC Regulations Affected Members





Contact Us:

By writing to us at:-

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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

