



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

June 2021



Have you Changed Your Address?

It is imperative that scheme members inform us of any change of their address. Upon receipt of communications from scheme members we may issue hard copy correspondence via post. If you move house and fail to inform us, this may result in your personal information being disclosed to an unauthorised party.

It is equally essential that you update your HR Department via the HRTPS portal, so that they too can amend their records and ensure all information held pertaining to you is kept up to date and accurate.

Your employer shares information electronically on a periodic basis with the HSC Pension Service, if you notify us but fail to notify your employer, your information contained on our records can be overwritten by your employers, essentially resetting your updated address held on file. The HSC Pension Service prides itself on protecting our members data but you must support us in our efforts.

Pension Workshops & 1-1 Sessions

Pension Workshops and Staff Engagement sessions continue to be provided via Zoom or Microsoft Teams. As and when conditions improve and further restrictions are lifted we would hope to deliver these sessions face to face with scheme members. In the meantime we appreciate your patience and willingness to engage via the electronic platform.

Following feedback from scheme members and employers HSC Pension Service hope to run a number of sessions specifically dealing with the issues which have arisen as a result of the McCloud Judgement and the recent Public Sector Pension Scheme consultation.

HSC Pension Service will continue to provide One to One pension consultations BY PHONE for those staff who have attended one of the generic Pension Workshops.

Your HR Team will advertise dates for upcoming Workshops and one to one consultations available in your Trust/Organisation and the contact details for applying.

If you have any specific issues relating to your HSC Pension and wish to contact the HSC Pension Service directly please use one of the following:

General Enquiries – hscpensions@hscni.net

Annual Allowance queries – aaqueries@hscni.net

General/Dental Practitioners enquiries – gpcertificates@hscni.net

Member Self Service enquiries – mssqueries@hscni.net



Public Sector Pension Consultation Update

Following the publication by the Department of Finance to the recent Public Sector Pension Schemes Consultation, HSC Pension Service has distributed information and FAQ's which will help employers and scheme members better understand the outcomes of the consultation.

This document can be found at <http://www.hscpensions.hscni.net/quick-links/public-sector-pension-scheme-consultation-summary-3/>

HSC Pension Service has produced a Myth Buster document to address many of the common questions being raised by Scheme members. The document can be accessed at the above link. As and when further information becomes available HSC Pension Service will share this with you.

HSC Pension Service proposes to roll out information sessions for scheme members in the near future. Further information will be disseminated from your HR Team.

Annual Benefit Statements 31st March 2021

We are happy to say that, even with the current limitations in place due to COVID-19, HSC Pensions are on track and Annual Benefit Statements for 31st March 2021 will be available on the Member Self-Service (MSS) portal in August 2021. These statements are not posted out to members and must be accessed online.

We would encourage all members who have not yet registered for MSS to do so as soon as possible. To register go to <https://mypension.hscni.net/>

You can find help to register on the system at [Member Self Service](#)

Annual Allowance April 2021

Annual Allowance details for 5th April 2021 will be available to view on the Member Self Service (MSS) portal by 6th October 2021 and we will have contacted those who have breached the standard £40,000 allowance only i.e. we will not take into account tapered allowance.

If you are approaching retirement and wish to use Scheme Pays for a tax charge we must receive the Scheme Pays Election form prior to your retirement date.

If you fall into the category below please contact aaqueries@hscni.net.

If you are:

- Retiring before October AND
- Will most likely have a breach of Annual Allowance AND
- Wish to avail of Scheme Pays



Annual Allowance & Pay Award Implications

In the event of a backdated pay award where arrears of pay may be owed to a member, the Annual Allowance is calculated in the standard way.

The member's pension benefits at the end of the current pension input period will be calculated using their new pensionable pay amount as determined by the pay increase. Any arrears of pensionable pay received in the current pension input period relevant to previous years will not be used to establish growth in the current year.

For example in the year 2017/18 Judith's pensionable pay was £80,000. Salary negotiations concluding in 2020/21 (March 2021) decreed that Judith is awarded pay increases of 2% for 2018/19 and 1% for 2019/20 and 1% for 2020/21. Judith received backdated arrears for all 3 years in April 2021.

As a result of the increases Judith's pensionable pay for year 2021/22 is now £83,240. She was paid arrears of £7,256 in her March 2020 pay (£1,600 for 2018/19 & £2,416 for 2019/20 & £3,240 for 2020/21). The total pensionable pay received by Judith in 2019/20 was therefore £87,256 (including arrears).

For the purposes of calculating Judith's Pension Benefits (and subsequently the pension growth) the arrears received in 2020/21 but relevant to the 3 previous years are ignored and her closing balance of pension benefits in year 2021/22 is based on a pensionable pay figure of £83,240.

Further information can be found at <https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm053800>

Lifetime Allowance

The Chancellor of the Exchequer removed the annual link to the Consumer Price Index increase for Lifetime Allowance (LTA) for the next 5 fiscal years and so maintains the standard lifetime allowance at £1,073,100 for tax years 2021/2022 to 2025/2026.

If you think the capital value of your pension(s) will exceed the standard LTA, you may consider applying to HMRC for Individual Protection 2016, which will protect your capital value to £1,250,000.00.

Currently HMRC have not set a time limit to applications for IP 2016. The capital value of your pension at 05.04.2016 is available from the dashboard on the Annual Allowance section of Member Self Service (MSS). Take the total value of your closing pension (s) at 05.04.2016, multiply this by 20 and add on any lump sum amounts. This is the capital value of your HSC Pension scheme benefits. If you have any other pension benefits outside the HSC Pension scheme you will need to include the total capital value to apply for IP2016.

IP2016 estimate request are subject to a charge, the Schedule of Charges is available at [here](#).



Extension of Voluntary Scheme Pays for Annual Allowance

Extension of voluntary scheme pays deadline 2019/2020 for members with an annual allowance charge.

To help support HSC Pension Scheme members who are continuing to deal with the impact of the Coronavirus (COVID-19) pandemic, we have taken the decision to extend the voluntary scheme pays deadline for 2019/20.

If you have an annual allowance charge for 2019/20 and you're wishing to use voluntary scheme pays to pay all or part of this charge, you now have until 31 March 2022 to submit your application.

Scheme pays allows you to ask the HSC Pensions Scheme to pay your annual allowance charge to HMRC. In return, your HSC Pension benefits will be permanently reduced when these become payable or if you leave and transfer out of the Scheme. The HSC Pension Scheme offers both a mandatory and voluntary scheme pays facility.

We do not have the authority to extend the mandatory scheme pays election deadline for 2019/20 as this is confirmed in legislation. The 2019/20 mandatory scheme pays deadline remains the 31 July 2021.

Submitting your scheme pays application, known as a scheme pays election (SPE2) before the mandatory deadline allows us to consider your election under the mandatory scheme pays facility or a combination of the mandatory and voluntary scheme pays facilities. If paid under the mandatory scheme pays facility, the HSC Pension Scheme is responsible for paying your tax charge to HMRC by their deadline.

If you apply to use scheme pays and we pay some or all of your annual allowance charge using our voluntary scheme pays facility, you remain responsible for the charge until the payment is made and for any interest that may be incurred for payments made after HMRC's tax bill deadline. HMRC's deadline for 2019/20 was the 31 January 2021.

You can find more information about mandatory and voluntary scheme pays, how to apply for scheme pays and the deadlines for doing so on our [Annual Allowance Section](#).



Added Years/ERRBO/Additional Pension Contracts

If you are currently paying additional contributions to purchase Added Years, Additional Pension or an ERRBO and change jobs/employer, you must inform Payroll Shared Services of the additional pension contributions percentage you are paying.

This must be done by completing a HSC Pension Scheme Re-Joiner Form which can be accessed [here](#).

If you fail to complete and submit the re-joiner form your contract will be terminated from the last day you paid contributions.

If you had an Added Year's contract which was terminated, you **cannot** re-start it at a later date. If you had an Additional Pension or ERRBO contract which was terminated you cannot re-start the original contract but can take out a new one under new terms from the next available start date.

Information for Members Approaching Retirement

If you are considering retirement, HSC Pension Service would recommend that you start the process at least **4 months** before your proposed retirement date. The steps to be taken are as follows:

- Agree a retirement date with your line manager
- Download the Pension Application form [AW6](#) from the HSC Pension Service website .
- Complete parts 1-9 of the form and send to your HR Department with your Birth Certificate

Your HR Department will complete part 10 and forward on to HSC Pension Service. HR contact details can be found at <https://payrollquery.hscni.net/hr-contact-details/>.

It is important that the form is received as soon as possible by HSC Pension Service to allow all relevant checks be made to your pension record. Failure to submit the form within the recommended timeframe may result in a delay in the payment of you pension and/or Lump sum.

Please note: members **do not** need to have attended a one to one pension consultation in order to retire.



HSC Pension Scheme Website

The HSC Pension Scheme website is a resource we would urge all members to look at when considering any pension related issues. There are various factsheets and FAQs available explaining all areas of our Schemes. We also publish quarterly [Newsletters](#) such as this one to keep members abreast of current issues and any upcoming changes.

The [Calculators](#) section of the website has a wide array of calculators which members can use to input their own service and pay details to look at estimated pension benefits at different retirement ages. This is particularly useful when looking at Voluntary Early Retirement (reduced benefits) or commuting some pension to take a higher lump sum.

Performance for Year Ending 2020/21

New Retirements – 2,479

Revision of Benefits – 507

Estimate of Benefits – 3,388

Transfers In – 393

Transfers Out – 88

Refund of Contributions– 416

Survivor's pensions – 276

One to One member consultations – 937

Value of lump sums paid – £112,497,244.16

Telephone Calls dealt with – 15,794



Three Frequently Asked Questions

Q.1 I saw an advertisement on TV saying I could draw down 25% of my Pension as a tax free lump sum at age 55 and continue working and keep contributing to the pension scheme. Is this the case with my HSC Pension ?

A. **No.** Drawing down 25% of a pension pot as a tax free lump sum whilst continuing to work is only available to Defined Contribution or Money Purchase Pension Schemes (commonly known as Private Pension Schemes). The HSC Pension Scheme is a Defined Benefit pension scheme. Benefits can only be accessed through full retirement in the 1995 section of the Scheme or Full Retirement or Partial Retirement in the 2008 and 2015 sections of the scheme. Further information on benefits payable from the HSC Pension Scheme can be found in the Scheme Guides available [here](#)

Q. How can I get an estimate of what I might receive on retirement?

A. The most efficient way to get estimates of benefits is to use the information contained on your Annual Benefit Statement and the On-Line calculators on the Scheme website. The on-line calculators will give you a forecast of standard benefits payable, adjusted benefits if you wish to claim a maximum lump sum and adjusted benefits if you wish to claim an additional lump sum less than the maximum permitted. The calculators can be accessed at [here](#).

Alternatively you can complete and submit an estimate request form. The form is available to download at [here](#).

Please note Estimates of benefits are taking approximately 12 weeks to process.

Q. When can I expect to receive my Lump Sum after I retire?

A. HSC Pension Service strives to pay your lump sum on a Friday as close to and following your retirement date. However this is not always possible given processing times, bank transfer times etc. Your lump sum will be paid into your account on **A** Friday in the month following your retirement.

Please Respect Our Staff

In HSC Pension Service we are committed to treating everybody with respect and courtesy, and to giving you a polite and effective response should you contact us.

Our staff also has the right to work in a safe environment, free from verbal abuse.

We therefore ask that you respond to this by showing polite, respectful behaviour when in contact with our staff.





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: 02871319111

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: john.coyle@hscni.net

