



HSC Pension Service

Business Services Organisation

Provided by

HSC Pension Service

**Welcome to the Winter 2016/2017 edition of 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



Annual Allowance

(Important Information)

The Government has introduced Tapered Annual Allowance from 6 April 2016 as a means to further reduce the Annual Allowance. It works by reducing a person's Annual Allowance by £1 for every £2 of 'adjusted income' earned over £150,000, up to a maximum reduction of £30,000 leaving a minimum Tapered Annual Allowance of £10,000.

Members with an adjusted income of between £150,000 and £210,000 will be affected by the Tapered Annual Allowance from the 2016/17 tax year. Those with an adjusted income of over £210,000 will have a Tapered Annual Allowance of £10,000.

Members with a threshold income of less than £110,000 will be exempt from the Tapered Annual Allowance.

As at present, any unused Annual Allowance from the three previous tax years can be carried forward and added to the individual's Annual Allowance. Where this Annual Allowance is reduced by the taper, the carry forward will be the balance of the tapered amount.

Annual Benefit Statements

HSC Pension Service proposes to issue hard copy Annual Benefit Statements (ABS) to all members by the 31st March 2017.

Members will be able to access their further ABS's through the Member Self-Service facility (MSS) which is currently in development. Details of how to access the MSS Facility will be included in the documentation accompanying your 2015/16 Statement.

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

Estimate of Benefits

If you are within 5 years of your normal retirement age you can request one estimate of benefits statement each year free of charge. If you require more than one estimate per year there will be a £30 administration charge per estimate.

Members requesting an Estimate must now complete the [Member Request for Pension Estimate Form](#) from the HSC website, which should then be forwarded to the Payroll Shared Services Centre at;

PSSC
16 College Street
Belfast
BT1 6BT

or emailed to; payroll.ssc@hscni.net



Increasing your benefits

There are a number of ways to increase your HSC Pension benefits, depending on your circumstances and which Scheme you are in.

Additional Pension is a flexible way of increasing your HSC pension. You can choose to buy a set amount of annual pension, starting from £250 and going up to £5,000 if you are a member of the 1995/2008 Scheme or up to £6,500 if you are a member of the 2015 Scheme. Further information on purchasing Additional Pension can be found on the Scheme factsheet [Additional Pension](#)

An Early Retirement Reduction Buy Out (ERRBO) allows you to take your 2015 Scheme benefits before your Normal Pension Age but no earlier than age 65. Please be aware that an application for an ERRBO agreement must be made within three months of joining the 2015 Scheme for it to be effective from your first Scheme year. For it to be valid for any subsequent scheme year the application must be made within the first three months of each new scheme year which begins on the 1st April. Further information about ERRBO and example costs can be found on the Scheme factsheet [ERRBO \(Early Retirement Reduction Buy Out\)](#)

Choice 2 Exercise closing date is fast approaching

All members of the HSC Pension Scheme who were eligible for the Choice 2 exercise would have received letters in September/October offering them the opportunity to move their accrued benefits in the 1995 section of the scheme to the 2008 section.

HSC Pension Service carried out a number of workshops throughout the province which provided members with additional information to assist them in making their Choice. If any members are still undecided about their Choice they should visit the [CHOICE 2](#) section of the Scheme website.

To be eligible for Choice 2 a member must:

- Have been an active member of the 1995 Section of the HSC Pension Scheme on 31st March 2008 and 31st March 2015 and
- Have Tapered Protection or no protection relating to movement to the 2015 Scheme.

Those affected members who have received a Choice 2 letter and are wishing to move their 1995 section of the Scheme benefits to the 2008 section of the Scheme must notify HSC Pension Service of their decision prior to 12 noon on 20th January 2017. If a member does not wish to move their benefits to the 2008 section of the Scheme they do not have to do anything.

Once a decision is made by a member it cannot be changed in the future.

Bank/Casual Employment (Three month rule) Reminder

Both Employers and Scheme members should be aware of the rules surrounding membership of the scheme for Bank/Casual employees.

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 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 the Death In Service Lump Sum Payment.



Survivors Benefits (Are your Nomination forms up to date?)

Death Benefit Nomination Form

Keeping your Death Benefit Nomination up to date is very important. This will ensure that any lump sum benefits payable by the Scheme in the event of your death are paid to the person (or people) you choose.

If you have not completed the form DG3 any death gratuity payable will be paid to your surviving partner. If you do not have a surviving partner the payment will be made to your estate/personal representatives on receipt of relevant documentation.

Form [DG3](#) is available on the [Nominations tab of the Scheme Forms](#) section of the Scheme Website.

Survivors Pension - Is your nomination form up to date?

If you are not married or in a civil partnership you can nominate your partner to receive a survivor pension after your death by completing the form [PN1](#) which can be found on the [Nominations tab of the Scheme Forms](#) section of the Scheme Website. For a nomination to be accepted certain conditions must be met, these are listed on the form.

If you are married or in a civil partnership a survivors pension will normally be payable to your spouse.

Protection of Pensionable Pay

There are two provisions under which a member can protect their pensionable pay: Protection of Pensionable Pay through no fault of the member (1995 & 2008 Sections of the Scheme) and Voluntary Protection of Pensionable Pay (1995 Section only). These options will remain open in relation to 1995/2008 scheme benefits accrued for those transitional members who have or will move to the 2015 Scheme.

Further information regarding Protection of Pensionable Pay can be found on the Scheme factsheet [Protection of Pay and Voluntary Protection of Pay](#) available on the Scheme Website.

Important information for any members who's pensionable pay may have reduced in the past through no fault of their own.

If any scheme member has had their Pensionable Pay reduced through no fault of their own in the past, HSC Pension Service will protect those members pension benefits built up to that date at the higher rate of pay, providing an application is submitted via the member's employer by 31/03/2017. **Any applications for retrospective Protection of Pensionable Pay will not be accepted after this date.**

Going forward members will have 3 months to apply for Protection of Pensionable Pay after the date the reduction occurs.

Please note Protection of Pensionable Pay is not available in the 2015 Scheme.



Lifetime Allowance & IP2014 & IP2016

The Lifetime Allowance (LTA) is the total amount of pension savings that an individual can have before being subject to a tax charge. From 6 April 2016 the standard LTA reduced to £1 million.

If the capital value of a member's LTA is in excess of £1million they will be subject to the following charges for benefits which exceed the LTA.

Pension which exceeds the LTA is subject to a tax charge of 25%

Lump Sum which exceeds the LTA is subject to a tax charge of 55%

HMRC currently offers protection to those members whose benefits could be impacted by the reduction of the LTA to £1million.

Individual Protection 2014 (IP 2014)

Individual Protection 2014 (IP2014) is available until 05/04/2017. A member can apply for this so long as they do not have Primary Protection and the capital value of their benefits at 05/04/2014 exceeded £1.25m

IP 2014 allows a member to crystallise benefits up to £1.5m without paying a LTA charge and to build up further benefits in the scheme without losing the protection.

If you wish to apply for IP 2014 you should visit the HMRC website to make an application. You will need the valuation of your benefits at 05/04/2014 which is provided by HSC Pension Service on receipt of an [IP 2014 valuation request](#) available from the Scheme website.

Individual Protection 2016 (IP2016)

Individual Protection 2016 (IP2016) is available from 05/04/2016. You can apply for this so long as you do not have Primary Protection and the capital value of your benefits at 05/04/2016 exceeded £1m

IP 2016 allows you to crystallise benefits up to £1.25m without paying an LTA charge and to build up further benefits in the scheme without losing the protection

If you wish to apply for IP 2016 you should visit the HMRC website to make an application.

You will need the valuation of your benefits at 05/04/2016 which is provided by HSC Pension Service on receipt of an [IP 2016 valuation request](#) available from the scheme website www.hscpensions.hscni.net.



Are you thinking of retiring in the coming months?

If you are considering retirement in the near future you should initiate the process 4 months in advance of your proposed retirement date. There are a number of steps which must be completed by the member, their line manager, Human Resources, Payroll Shared Services and the HSC Pension Service to ensure the accurate and timely payment of your benefits.

HSC Pension Service wish to ensure a smooth transition of the payment of your salary in one month to the payment of your pension benefits in the next.

When applying for your pension benefits you will be required to submit your birth certificate to your employer. You may wish to attend a pre-retirement seminar which are organised through your employer. You may also wish to visit the calculators section of the scheme website to check options relating to increasing your lump sum and read the relevant scheme/retirement guides.



Member Workshops

There are a number of HSC Pension Scheme workshops being run in the coming months in the Western, Northern, Southern, Belfast and South Eastern Belfast Health and Social Care Trusts. If you are interested in attending one of these workshops please apply via the correspondence issued by your employer.





Contact Us:

By writing to us at:-

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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

