



HSC Pension Service

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Business Services Organisation

# EMPLOYER NEWSLETTER

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HSC (P) 01-16

August 2016

## Foreword

The purpose of this newsletter is to inform employers of certain provisions of the HSC Pension Schemes and their effect on members' benefits if not administered correctly. The newsletter has been worded in a manner which should provide employers with the knowledge required to assist their employees' awareness of the HSC Pension Scheme features and benefits. If you would like any topics covered in future editions of the newsletter please let us know by contacting John Coyle or Monica Smyth at [john.coyle@hscni.net](mailto:john.coyle@hscni.net) or [monica.smyth@hscni.net](mailto:monica.smyth@hscni.net)

## 1. Death Benefit Nomination Forms

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 employers in **highlighting** this facility to members/new employees where possible. The [PN1 nomination form](#) and associated guidance can be found on the scheme website.

## 2. Protection of Pay

There are two provisions under which a member can protect their pensionable pay:

1. Protection of Pay through no fault of the member (1995/2008 Sections of the Scheme) and
2. Voluntary Protection of Pay (1995 Section only).

Protection of Pay allows a member to apply to have their pension benefits calculated and protected at their higher rate of pay providing they meet the criteria which can be viewed on the [Protection of Pay & Voluntary Protection of Pay Factsheet](#).

It appears that not all employers/members maybe aware of this facility and a number of members may have been disadvantaged. Can you please review any cases you have had where a members pensionable pay may have been reduced as a result of the reasons specified on the factsheet and contact HSC Pension Service immediately. If you have any members whose pensionable pay may be reducing in the future please make them aware of the factsheet and the application process.



### 3. Serious Ill Health/Death in Service Estimates

If you are submitting a serious Ill Health/Death in service estimate request, please ensure that you have checked if the member has any outstanding annual leave at the estimated date of retirement/death. If so, the pensionable pay/service for this period should be included in the estimate request. **This is particularly important if the member is in the 2015 Scheme and has commenced a period of unpaid leave.** Failure to supply this information will result in an inaccurate estimation of benefits being provided.

### 4. Additional Pension Purchase

Active members have an option to purchase additional pension. This feature of the scheme is designed to allow the member to pay additional contributions (either by regular payments or by a lump sum payment) to increase their pension income in retirement and (optionally) the pension income of their surviving partner and dependent children in the event of the member's death.

The additional pension facility is intended to provide a degree of flexibility for members' retirement and contingency planning. It is offered as an optional facility. Purchase of additional pension by lump sum payment (only) may also be made on behalf of the member by their employer.

Further information on [Additional Pension Purchase](#) can be found on the scheme website.

### 5. New Joiner Questionnaire

Following the recent regional meeting with HR Representatives, Payroll Shared Services and HSC Pension Service it was agreed that all new employees must be provided with the HSC Pension Scheme [New Employee Questionnaire](#) & [New Employee Information Leaflet](#) available on the scheme website. A draft process has been developed in conjunction with the regional T & C's committee on how this process should be rolled out and monitored. When agreed this process will be shared with employers.



## 6. Choice 2

In 2009 members of the 1995 section of the HSC Pension Scheme were given an option to move their accrued benefits to the 2008 section of the scheme, this was known as Choice. Further to the impact of Pension Reform and particularly the increase on retirement age, this choice (Choice 2) is again being offered to active members who are affected by a change in their retirement age.

Letters are due to be issued to the affected members in Autumn and further information and guidance is available on 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 31 March 2015 and
- Have Tapered Protection or no protection (Members can check if they have tapered protection by accessing the calculator on the scheme website).

It is estimated that only 1 in 3 members will be eligible for this Choice exercise.

## 7. Transfer In

We have recently been receiving a significant number of late transfer in applications from scheme members. The time limit for submitting a transfer in of benefits is 1 year after joining the scheme. Any late transfer in applications made after the 1 year deadline are rejected as being outside the statutory time limits.

If the member appeals against this decision, the time limit may be extended but only in exceptional circumstances. As part of our considerations, we will make enquiries with their employer about the information made available to the member when their employment began i.e. the Scheme Guide/joiner questionnaire.

We would therefore like to remind employers that it is imperative for them to provide members or prospective members with information to prevent issues such as this from occurring.

You must provide a copy of or access to the [Scheme Guide](#) to a new joiner at the earliest opportunity (ideally as part of a starter pack), either by email or in hard copy format in case of dispute at a later date.



## 8. 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.**

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

## 9. Annual Leave – Pensionable Service

If a member leaves pensionable service and has a period of leave which has not been taken and a payment is made in respect of this period of leave then that member's pensionable employment will be extended to reflect the period of leave.

For example: Jim agrees with his employer that he will retire from pensionable employment on 09/05/2016 but at this date Jim has two days leave which he had not taken. Jim's employer makes a payment to Jim to compensate for the two days leave not taken.

**For pension purposes** Jim's leaving date from Pension Scheme membership is extended to 11/05/2016 and his pension benefits are payable from 12/05/2016.



## 10. Posters

HSC Pension Service has launched a Poster Campaign to raise awareness amongst members & potential members of the features and benefits of the Scheme. Posters covering topics, for example “Protection of Pay” will be released on a monthly basis.

It would be appreciated if you could arrange for the distribution and display of the promotional material throughout your organisation. Copies of the posters will also be available on the scheme website.

## 11. Employer Requests for Guidance or Clarification of Scheme Rules or Regulations

If an employer has any queries or questions regarding the HSC Pension Scheme Regulations or associated Pension Legislation please direct all your correspondence to the Pension Liaison Officer (John Coyle) at HSC Pension Service.

Contact details are:

[John.coyle@hscni.net](mailto:John.coyle@hscni.net)

Tel No. 028 71319111 (Option 1)



## 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](mailto: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](mailto:hscpensions@hscni.net)