



HSC Pension Service

Provided by



Business Services Organisation

EMPLOYER TECHNICAL UPDATE

CONTENTS

1. Foreword
2. Ill Health Retirement - Eligibility Criteria
3. Reduction or Forfeiture of Benefits
4. Estimate of Benefits - New Procedures
5. Annual Allowance - Voluntary Scheme Pays
6. Consultation on Draft Regulations - DoH
7. Contact Us



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1. Foreword

This Employer Technical Update (ETU) is an update on important developments relating to the HSC Pension Scheme.

Details are provided on the Department of Health's decision to extend the Voluntary Scheme Pays feature to Scheme Members who may have a tapered Annual Allowance (AA) amount and as such have incurred an AA tax charge. Information relating to the Departmental consultation document on scheme changes is also included.

With the delivery of Annual Benefit statements to members through the HSC Pension Service Member Self Service Portal, Estimates of Benefits requests are now restricted to those members within 12 months of retirement. On-line tools and calculators are available for all other scheme members to forecast their benefits.

Reminders are also included for employers on the importance of following the scheme rules in relation to Ill Health Retirement applications and possible forfeiture of benefits.

2. Ill Health Retirement - Eligibility Criteria

Members can only be considered for "In Service Ill Health Retirement" if they meet the eligibility criteria set out in the Scheme Regulations.

This means that a member must be in HSC Pensionable Employment **at the date HSC Pension Service makes the decision that the member has been accepted as meeting the criteria for either Tier 1 or Tier 2 Ill Health Retirement.**

If a member's **contract of employment is terminated, prior to the date of being accepted by HSC Pension Service as meeting either the Tier 1 or Tier 2 criteria, the application (AW33) will not be treated as an In Service Application.** The member's application will be treated as a Preserved Members application meaning the member must meet the Tier 2 Criteria in order to qualify for Tier 1 Benefits.

Action for Employers: Ensure all Absence Management Teams are aware of the rules governing In Service Ill Health Retirement and review procedures if necessary. Ensure employees, where termination of contracts is possible/likely are informed in sufficient time of the rules and the timeframes relating to applications for consideration for Ill Health Retirement.



3. Reduction or Forfeiture of Benefits

The HSC Pension Scheme Regulations allow for HSC pension benefits to be reduced or forfeited under certain circumstances.

Employing Authorities should make HSC Pensions aware of any legal proceedings in respect of a loss to public funds as a result of a Scheme member's criminal, negligent or fraudulent act or omission.

Where there is a loss to public funds as a result of a Scheme member's criminal, negligent, fraudulent act or omission their HSC pension benefits may be reduced to recover the loss. Where an Employing Authority has suffered a financial loss, HSC Pensions may reimburse them directly by offsetting the member's HSC pension benefits once these have been claimed. Please note that the loss to public funds does not include any investigation or legal costs incurred by the employer.

When contacting HSC Pensions, Employing Authorities should provide as much information as possible including:

- The amount of loss to public funds and whether any of the loss has been or is to be repaid by other means.
- Details of how the loss to public funds has occurred
- Copies of the Certificate of Conviction if applicable.
- If the amount of the loss to public funds is disputed, a copy of the Court Order enforcing the member's obligation to repay the loss.
- Where the amount of loss to public funds is not disputed by the member, HSC Pensions will require the member's consent to offset benefits in order to recover the loss.

Forfeiture

Where an active or deferred Scheme member has been convicted of any of the following offences some or all of their HSC pension benefits may be forfeited:

- An offence in connection with employment which is certified by the Secretary of State either to have been gravely injurious to the State or to be liable to lead to serious loss of confidence in the public service.
- An offence of treason.
- One or more offences under the Official Secrets Acts 1911 to 1989 for which the member has been sentenced on the same occasion to a term of imprisonment of, or to two or more consecutive terms amounting in the aggregate to, at least 10 years.



3. Reduction or Forfeiture of Benefits - cont

Survivor and/or dependants benefits may be subject to forfeiture if the survivor or dependant has been convicted of the murder, manslaughter, or unlawful killing of the member.

Action for Employers: Any correspondence/queries should be sent to John Coyle, Pension Liaison Manager at HSC Pensions preferably by recorded delivery.

4. Estimate of Benefits- New Procedures

As a result of the introduction of the 2015 Scheme, the roll-out of Annual Benefit Statements and the development of On-Line calculators, from 01/04/2019, free estimates of benefits will be restricted to members within 1 year of their normal retirement age and more than one request of an estimate per year will cost the member £30 per estimate - administration charge. Estimates for serious Ill Health retirement will not be affected by this change.

Action for Employers: N/A Members will be informed of this change in the next Member Newsletter.

5. Annual Allowance - Voluntary Scheme Pays

The Department of Health has agreed to extend the Voluntary Scheme Pays (VSP) provisions in line with the other GB Health Schemes, to include members subject to a reduced Annual Allowance (AA), especially tapered, and for this to start with AA charges in 2017/18 only.

VSP has been extended as follows:

- Extension of VSP to apply for AA charges arising from tax year 2017/2018 onwards – no extended VSP available for AA charges in 2016/17.
- VSP extended for all members subject to a reduced tapered or alternative AA – where the pension input amount in the 1995/2008 Scheme, the 2015 Scheme or across both schemes is more than the tapered or alternative annual allowance but under the standard annual allowance.
- VSP extended for all members with an AA charge of £2,000 or less.



5. Annual Allowance - Voluntary Scheme Pays - cont

- The deadline for all initial VSP elections is 31 July.
- The deadline for changes to an initial VSP election is 4 years, in line with MSP.
- Extension of VSP to apply to the HSC Money Purchase AVC Scheme members subject to the reduced money purchase AA.

HSC Pension Service will update their AA Guide to reflect this change in Policy. HSC Pension Service will also include a comprehensive update in the next Member Newsletter.

Action for Employers: Inform affected members of this change in policy.

6. Consultation on Draft Regulations - DoH

The Health and Personal Social Services (Superannuation) and Health and Social Care Pension Scheme (Amendment) Regulations (Northern Ireland) 2019.

Subject to legislative procedure and the outcome of the current consultation, the employer contribution rate is due to rise from 16.3% to 22.5% from 1 April 2019.

Department of Finance Public Spending Directorate are taking forward discussions with HMT on the funding implications for NI Departments.

The consultation documents are now available to view on the DoH website at:-

<https://www.health-ni.gov.uk/consultations/hsc-pension-scheme-employer-and-employee-contribution-rates>

The **consultation ends at the close of business on Thursday 14 March 2019**. The Department of Health welcomes any comments or views on the proposals set out.

Action for Employers: Please provide relevant staff with a link to the Consultation.



7. 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: 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

