



HSC Pension Service

Provided by



Business Services Organisation

EMPLOYER TECHNICAL UPDATE

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June 2018



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1. Foreword

The June Employer Technical Update (ETU) provides an update on important issues which can have a direct effect on the value of benefits a member may receive on retirement.

These include the increase in the Lifetime Allowance (LTA) which is effective from April 2018 and is a limit on the value of PENSION benefits a member may have before incurring an additional tax charge. The potential impact a Salary Sacrifice can have on a member's benefits is also highlighted.

Procedural information for employers on benefit applications and in-year changes to pensionable pay are also addressed. Information and guidance relating to potential forfeiture or loss of benefits is also provided for employers and stakeholders.

Updates relating to the 2018 Annual Benefit Statements and compliance with the GDPR Legislation are also provided.

If you have any topic you wish to have included in an ETU please forward your request to john.coyle@hscni.net

2. New LTA

The Lifetime Allowance (LTA) is a limit on the amount of pension benefit that can be drawn from pension schemes either as lump sums or retirement income and can be paid without triggering an additional tax charge.

From April 2018, LTA is £1,030,000 and it is likely to increase in line with inflation at the end of the current tax year. The test for the LTA is completed each time the member accesses a pension benefit. This is known as a Benefit Crystallisation Event (BCE). The LTA is measured against all pension benefits a member has accrued.

Action for Employers: Inform members of the change to the LTA



3. Annual Benefit Statements 2018

The 2018 HSC Pension Scheme Annual Benefit Statements (ABS) will be available for viewing through the Member Self Service portal by the end of August 2018. The member Self Service Portal allows members to not only review their ABS but also to view their personal Pension Record.

Information on how to access the portal is available at <http://www.hscpensions.hscni.net/quick-links/member-self-service/>

Action for Employers: Inform members when their ABS 2018 is available.

4. HSC Pension Service Privacy Statement

On 25 May 2018, regulations governing the use of personal information changed. The General Data Protection Regulation has been adopted across all European Union member states. The legislation has been designed to harmonise data privacy laws across the EU and provide greater protection and rights to individuals.

The HSC Pension Scheme arrangements take member privacy seriously. Full details of the types of personal data the scheme holds, how it is used and whom it is shared with are set out in an updated privacy notice.

The notice and policy can be found here:

<http://www.hscpensions.hscni.net/download/HSCPS-Privacy-Notice.pdf>

<http://www.hscpensions.hscni.net/download/HSCPS-Privacy-Policy.pdf>

The privacy notice also sets out the rights in connection with the personal data held about members; who to contact if they want to exercise those rights; have concerns about the way we handle personal information; or, generally have any questions.

The information we hold is provided by employers and it is important that members keep employers up to date if anything changes; for example, if change address or their relationship status changes.

Without this information being maintained, there could be delays in paying benefits to members or dependents

Action for Employers: Make members aware of the HSC Pension Service Privacy Statement.



5. Pension Application Process

HSC Pension Service encourages members who are considering retiring to start the process at least 4 months in advance of their proposed retirement date.

This period allows members to make informed decisions about their retirement options and submit the form to their employer at their earliest convenience.

It is important that employer's do not delay in completing their section of the [AW6 Retirement Application Form](#) and forward it to Payroll Shared Services as soon as possible. Any delay in processing the application form could result in the member receiving no income for a period of time.

If a member has applied for and was accepted for Ill Health Retirement, the 4 month timeframe may not be applicable and we would encourage Employers to ensure these cases are treated urgently.

Action for Employers: Ensure all pension benefit applications are processed in a timely manner.

6. Changes to Pensionable Pay in Year

If a member has a change in pensionable pay in year, this should automatically trigger a re-assessment of that member's HSC Pension Scheme Contribution Rate.

Payroll Shared Services are not always made aware of such changes (they are triggered by a change in HRPTS) and as such cannot carry out a reassessment. Changes such as Promotion, Demotion or the receipt of a [Clinical Excellence award](#) will not be immediately evident to Payroll Shared Services.

If any such changes occur, Payroll Shared Services should be informed immediately. Failure to do so could result in an overpayment or underpayment of Scheme Contributions for both the member and employer.

Action for Employers: Inform Payroll Shared Services immediately of any in year changes in pensionable pay.



7. 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.

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.



8. Salary Sacrifice

Payroll Shared Services have recently noticed an increase in HSC Pension Scheme members entering into Salary Sacrifice arrangements.

It is important that members are made be aware, that if they enter into a Salary Sacrifice arrangement that their HSC Pension Scheme benefits may be affected. A Salary Sacrifice will reduce the value of a members pensionable pay.

For members of the 1995 section of the HSC Pension Scheme (including Transitional 2015 Scheme members) their pension benefits may be affected if they have a Salary Sacrifice in any or each of their last 3 years of Scheme membership.

For members of the 2008 section of the HSC Pension Scheme (including Transitional 2015 Scheme members) their pension benefits may be affected if they have a Salary Sacrifice in any or each of the 3 years of their last 10 years Scheme membership used to calculate their Reckonable Pay.

For 2015 Scheme Members (including 1995 & 2008 Transitional 2015 Scheme members) their pension benefits will be affected each year that a member pays towards a salary sacrifice whilst building up benefits in the 2015 scheme.

HSC Pension Service is in the process of developing a factsheet which will provide more detail, including examples on the affect a Salary Sacrifice could potentially have on a member's benefits.

Action for Employers: Ensure all documentation relating to Salary Sacrifice arrangements includes information relating to the potential effect this may have on a member's pension benefits.



9. 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

