



HSC Pension Service

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Business Services Organisation

# EMPLOYER TECHNICAL UPDATE

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# 1. Foreword

This Employer Technical Update (ETU) provides an update on the temporary changes in legislation which were introduced as a result of the Coronavirus Act 2020 remain in place. These changes have temporarily removed some restrictions in The HSC Pension Scheme Regulations which permitted retirees to return to HSC Employment immediately without the requirement to adhere to the 16 hour per week rule and to allow members who retired with Special Class Status to increase their commitment without suffering financial penalties against their pension.

Also included is a reminder to employers that information required for the processing of Annual Allowance statements is due by 6<sup>th</sup> July. If you have not submitted said information please do so as soon as possible. An update from the DoH on the delay of the implementation of the revised scheme member contribution rates is also included in this issue.

## 2. Coronavirus Act 2020 - Change to Pension Legislation

Following the introduction of the Coronavirus Act 2020 a number of temporary adjustments were made to the HSC Pension Scheme Regulations. These adjustments include the temporary Omission of Regulation 84 and the amendments of Regulation 85 of The Health and Personal Social Services (Superannuation) Regulations (Northern Ireland) 1995 and equivalent in 2008 & 2015 Schemes

These temporary changes to legislation basically meant:

1. The 16 hours per week rule is omitted. There is no requirement for retiree's returning to HSC Employment to restrict their hours of work to 16 per week in the first month after retirement.
2. The limit on earnings normally imposed on Special Class Nursing Staff or Mental Health Officers on return to HSC Employment aft retirement is suspended.

These amendments currently remain in place but are due to cease with effect from 31<sup>st</sup> October 2022.

**Action for Employers:** Ensure all relevant managers/staff/affected members are aware of the end date of the suspension of the said rules.

### 3. Annual Allowance - Information Required

Employers are required in legislation to provide information to HSC Pension Service to update Annual Allowance data views for members. This data view informs members whether they have exceeded the Annual Allowance limit in the HSC Pension Scheme. The requirements specify that employers must provide pay (and membership) information to HSC Pensions by 6 July following the end of the tax year.

Failure to provide the required information may result in HMRC imposing fines on employers as follows:

- up to £300 per member
- £60 per day per member until the member's records are updated

If the information is not provided, we will not be able to conduct the necessary calculations to check whether the member has exceeded the Annual Allowance limit. We will not be able to generate an Annual Allowance data view and notify potentially affected members in a timely manner. Members could be subject to fines and late payment penalties from HMRC.

**Action for Employers:** If you have not already submitted the information please do so as soon as possible

### 4. Consultation on proposed changes to member contributions from 1 April 2022

The Department of Health DoH recently carried out a consultation exercise which sought views on changes to member contributions with effect from 1 April 2022. The proposals set out in that consultation aim to preserve participation in the scheme while protecting its substantial value for members in retirement.

The consultation document set out a number of proposals:

- Members' contribution rates would be based on actual pensionable pay instead of members' notional whole-time equivalent pay
- Rebalancing the contribution structure by narrowing the range of contribution rates.
- Increasing tier boundaries in line with annual AfC pay awards
- Phasing in the new member contribution structure over 2 years

The new Contribution structure was due to be implemented in October 2022, however the DoH have confirmed that a final decision on the implementation date is yet to be taken. As and when further information is available we will inform you immediately

**Action for Employers:** Ensure all relevant staff and members are aware of the delay in implementing the revised Contribution Banding.



## 5. Contact Us

### By writing to us at:-

HSC Pension Service

Waterside House

75 Duke Street

Londonderry

BT47 6FP

By Telephone: 028 7131 9111

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

