



HSC Pension Service

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Business Services Organisation

EMPLOYER NEWSLETTER

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HSC (P) 03-22-23

December 2022

1. Applications for Consideration for Ill Health Retirement —OHS Update

Eligible HSC Pension Scheme members who have a medical condition which prevents them from carrying out the duties of their employment may apply for consideration for Ill Health Retirement (IHR). Members who are successful in qualifying for IHR may access the HSC Pension Scheme benefits before their Normal Retirement Age with no actuarial reductions applied to the benefits payable.

The process requires the member, their employer and their employer's Occupational Health Service Department to each contribute to the written application. At times, an application can and will include further supporting medical evidence from the member's GP/Consultant etc.

While HSCPS is ultimately responsible for making the decision on whether a member qualifies for IHR, HSCPS seeks the opinion of Medical Advisors employed with the NICS OHS on the interpretation of the medical evidence provided in the application.

In July 2022, the NICS OHS had written to HSCPS to inform us that they were encountering issues with staffing levels and that these issues would unfortunately impact service delivery.

Such impacts included longer processing times of normal applications and appeals, however those applications where a member suffered with a terminal illness with a limited life expectancy were still being prioritized.

Employers' Attendance Management Teams (who normally manage such applications) were informed accordingly of the potential delays in normal and appeal applications.

Current Position

The Director of Learning & Development, OHS and Welfare in the NICS OHS has now provided HSCPS with a further update on the staffing issues they are encountering and how this will impact services, summary of main points below:

- There has been a reduction in NICS OHS Medical Officer resource in November, and this will reduce further in December. This will have an impact on the delivery of services.
- NICS OHS is working to explore and implement additional delivery options in light of recent developments and further updates on these will be provided.
- Recruitment of nursing staff is at an advanced stage, and medical officer positions have been advertised with interviews planned early January 2023. NICS OHS are also working to source additional capacity via medical agency
- An overarching review on the NICS OHS delivery model is being commissioned and discussions were due to commence with Business Consultancy Services in early December to take this forward
- Short term limits to service provision that will be required until interim arrangements are in place. Therefore, as of 8 December:
 - a) Referrals will be processed on a prioritised basis.
 - b) Health & Social Care Pensions referrals will be deemed a priority in instances when a terminal illness requires that medical advice be provided on grounds of ill-health retirement.



1. Applications for Consideration for Ill Health Retirement - OHS Update cont.

What does this mean for Members and Employers?

Members/Employers may still submit applications for consideration for Ill Health Retirement to HSCPS, however until services provided by NICS OHS are fully re-instated, it is unlikely that normal/appeal applications will receive the medical advice required to allow HSCPS to make a qualified decision on the said application.

2. Eligibility for Applying for Consideration for Ill Health Retirement

Applications for consideration for Ill Health Retirement can be submitted by members up to the Normal Retirement Age (NRA0 of the Scheme that member is currently contributing to.

As all active members are now contributing to the 2015 Schemes where the NRA is equivalent to a member State Pension Age (SPA), members are eligible to apply for consideration for Ill Health Retirement up to their SPA.

This means that members, who were legacy members of the 1995 section of the Scheme who have now passed age 60, or members of the 2008 section of the Scheme who have passed age 65, can apply for consideration for Ill Health Retirement providing they have not yet reached their SPA.

3. Career Breaks/Authorised Leave

From 1 April 2008 the HSC Pension Scheme Regulations changed to allow a member who commenced a period of authorised unpaid leave on or after this date (including a career break where the contract of employment is retained), to choose to remain pensionable.

Where the authorised unpaid leave is to be pensionable the employer must treat the member as they would any other active member of the Scheme and ensure that employee and employer pension contributions are paid continuously throughout the period i.e. by the 19th day of the month following that which earnings (if there were any) would have been paid.

Therefore, before the leave begins, employers must make arrangements to collect the employee contributions continuously during the break. Arrears cannot be allowed to accumulate and payments made on returning to the Scheme as requests for retrospective payments of contributions cannot be accommodated.

3. Career Breaks/Authorised Leave - Cont

Further information can be found on the [Authorised Leave/Career Breaks](#) on our website. If a member takes authorised unpaid leave or a career break and opts not to pay contributions whilst on said leave the employer must inform Payroll Shared Services (PSS) to de-limit that members pension record for the duration of the career break/authorised unpaid leave.

Employers should ensure all staff are aware of the rules concerning the payment of contributions during periods of Authorised Leave/ Career breaks and PSS are informed of staff not paying contributions where appropriate. Ensure that payment of contributions is reconciled and recouped by the employer before being paid over to the HSC Pension Scheme Account via the normal contribution payment mechanisms.

4. Protection of Pensionable Pay

Protection of Pensionable Pay is a feature of the legacy 1995 and 2008 sections of the HSC Pension Scheme. As the legacy Scheme was a final salary scheme for both sections, it was applicable to allow members to protect their pension benefits, if their pensionable pay reduced before retirement, either through no fault of their own, or if they voluntarily stepped down to a less demanding role and met the eligibility criteria.

As all members are now moved to the 2015 CARE Scheme which does not use final salary a lot of stakeholders believed that protection of Pensionable Pay would no longer apply. **This is not the case.**

Although all members have now moved to the 2015 Scheme they retain a Final Salary link to your legacy scheme service. This means that members are still eligible to apply for protection of pay if they meet the criteria below.

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

- Protection of pay through no fault of the member (both Sections of the Scheme)
- Voluntary Protection of Pay (1995 Section only)

Protection of Pay (through no fault of the member)

A member, who has at least two years qualifying service and suffers a reduction in earnings through no fault of their own, may apply to protect their pension benefits.

Examples of accepted reasons for protection of pay are:

- A change in the nature of the duties performed, for example due to ill health
- A move to a lower paid post because of pending or actual redundancy.
- Being transferred to other employment with an employer.

To apply a member must complete Form [PROPAY1](#) and submit to their employer within 3 months of the date their pay reduced.

4. Protection of Pensionable Pay - cont.

Voluntary Protection of Pay

If a member of the 1995 Section of the Scheme has attained minimum pension age and chooses to 'step down' to a less demanding role where their new or remaining duties are less demanding and carry less responsibility than their previous duties, they may be able to apply for voluntary pay protection, if their pay reduces by at least 10%.

To apply a member must complete Form [PROPAY1](#) and submit to their employer **after 12 months and within 15 months** of the date their pay reduced.

HSC Pension Service will assess each application to ensure it meets the eligibility criteria and notify the member of the outcome.

Further information on protection of pensionable pay can be found at:
<http://www.hscpensions.hscni.net/membership-contributions-and-pay/>

5. Changes to How You Submit a Scheme Pays Election if You are About to Retire

If you have an annual allowance charge you can either pay the charge directly to HMRC yourself or share the responsibility for the payment with the HSC Pension Scheme using the scheme pays facility.

This is known as a scheme pays election. The HSC Pension Scheme offers both mandatory and voluntary scheme pays facilities.

If you are about to retire, you should try to submit your scheme pays election before you retire. This allows us to consider your election for payment under the mandatory scheme pays facility or a combination of the mandatory and voluntary scheme pays facilities.

When paid through the mandatory scheme pays facility, the HSC Pension Scheme is responsible for paying your tax charge to HMRC by their deadline.

If it isn't possible to submit your scheme pays election before you retire, we have recently changed our processes to accept scheme pays elections after retirement.

You can now submit a scheme pays election after you have retired, as long as your election is received before the relevant scheme pays deadline for the tax year in question.

So for example, if you would like to make a scheme pays election for 2021/22 this must be received by 31 July 2023.

Any scheme pays elections submitted after retirement will only be considered under the voluntary scheme pays facility.



5. Changes to How You Submit a Scheme Pays Election if You are About to Retire - Cont.

If your election is accepted after retirement you will remain responsible for the charge and any interest charges if the payment is received by HMRC after its tax bill deadline of the 31 January (for 2021/22 this is 31 January 2023). We may also need to put in place arrangements to recover any pension overpayments that have been caused because of your scheme pays election being accepted after retirement.

6. 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

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

