



HSC Pension Service

*Provided by ....*



Business Services Organisation

# Employer Newsletter

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# 1. Final Pay Control

Final pay control is a regulation of the HSC Pension Scheme applicable to all members of the 1995 Section (or transitional CARE members with 1995 service who retain their Final salary link) of the HSC Pension Scheme who retire with entitlement to officer benefits. This includes non-GP providers and independent healthcare provider employees.

As the member's pension benefits in the 1995 section of the scheme are calculated on their best years pensionable pay of their last 3 years of scheme membership, if that member receives an increase to pensionable pay that exceeds the allowable amount in any of the three years prior to their last day of service, the employing authority that awarded the excess pay will be liable for a final pay control charge.

The allowable amount for a relevant year is determined by increasing the member's pensionable pay in the year immediately preceding the relevant year by CPI plus 4.5%. HSC Pensions will identify each instance of pensionable pay increase in excess of the allowable amount, calculate the employing authority charge and collect payment of that charge. An invoice will be sent to the Employing Authority where a charge is applicable after the member's pension and lump sum have been processed.

Some reasons why a members pay may increase include, promotion (except to a new employer), incremental rise in salary (an employer has no control over this) or an increase in Special Duty Payments (SDP's) which could include increased payments for night duty, weekend working allowance or on-call allowance.

Example Case:

- A member has accrued 35 years pensionable service up to their date of retirement at 15/01/2018 (age 60)
- The member's pensionable pay in each of the 2 years leading up to their final year was £40,000 per annum
- Their final year's pensionable pay was £48,000 (the member may have received additional on-call shift allowance or additional Special Duty Payments to enhance their final years pensionable pay)

The cost which would be attributed to the employer in this case is **£62,776.00**

**You as an employer should be aware of the potential costs attributable to your organization and have in place processes to manage such cost.**

Further information can be found on the [Final Pay Control Factsheet](#)



## 2. New Joiner Questionnaire

The New Joiner Questionnaire (NJQ) is a form which must be issued either in hard copy or by an electronic link to new employees who are eligible to join the HSC Pension Scheme. Although new employees may be automatically enrolled into the HSC Pension Scheme providing they meet the eligibility criteria, employers have a legal responsibility to provide those employees with important information pertaining to the HSC Pension Scheme.

Providing new employees with the NJQ ensures that Employers meet their legislative responsibilities and will provide new employees with important information which they can use to better manage their pension benefits.

We would therefore encourage you to make yourself and all relevant staff aware of the New Joiner process and which actions you should take on receipt of a completed NJQ. The NJQ process can be found at <http://www.hscpensions.hscni.net/employers-procedures/>

Failure by an employer to fully meet their legislative responsibilities could lead to investigation by the pension regulator and potentially being fined for any failings found. Further information on the role and powers of the Pension Regulator can be found at <http://www.thepensionsregulator.gov.uk/>

## 3. In Service– III Health Retirement Applications (Second Reminder)

Unfortunately HSC Pension Service continue to receive In Service III Health Retirement Applications signed off by employers after a member's termination of employment date. Please see below the rules governing the eligibility for a member to apply for In-Service III Health Retirement.

If an in-service application is signed and submitted by an employer after a member's termination date it will create additional work for HSC Pension Service and our Medical Advisers, thus slowing up the process for our other applicants. HSC Pension Service are not aware of a member's termination date until they are updated by Payroll Shared Services, therefore we are processing such applications in good faith which we will later have to reject and request re-submission.

It will also create an erroneous expectation for the member that they will be treated as an in service applicant and cause a considerable delay as they will now have to re-apply through the deferred member process.

In order for a member to be eligible to claim HSC Pension Benefits through In-Service III Health Retirement, the member must be in HSC Pensionable Employment at the date the decision was made that they were accepted for III Health Retirement by HSC Pension Service.



### 3. In Service– Ill Health Retirement Applications (Second Reminder) - cont

It is not sufficient for a member to have been in HSC Pensionable Employment at the date of the submission of the application to be eligible for claiming HSC Pension Benefits through the In-Service Ill Health Retirement Application Process.

If a member's contract of employment is terminated prior to HSC Pension Service making a decision on their eligibility for Ill Health Retirement, that member is no longer in HSC Pensionable Employment and therefore cannot be treated under the In-Service Ill Health Retirement Regulations. The member will be deemed to be a deferred member and such regulations will apply.

### 4. Pensionable Pay

HSC Pension Service has recently received a number of queries from employers and scheme members seeking clarification on what constitutes Pensionable Pay for the purposes of determining Contribution Rates and Pension Benefits

Under the Scheme Regulations Pensionable Pay is deemed to be:

“all salary, wages fees and other regular payments made to a member in respect of pensionable employment as an officer, but does not include bonuses, pay awards and pay increases that are non-consolidated or payments made to cover expenses or payments for overtime”

Special Duty Payments (SDP's) such as night duty allowance, weekend or bank holiday allowance or on-call allowance are deemed to be pensionable.

Any work carried out in excess of a member's full time contracted hours is NON-PENSIONABLE and should not be treated as such. This includes but is not limited to:

- Hours worked over standard full time hours and paid as Overtime
- Hours worked over standard full time hours paid at plain time
- Additional PA's carried out over and above standard full time PA's for consultants/ medical staff
- On-Call work carried out over and above standard full time hours

Employers should ensure that members are pensionable only on pay in line with the Scheme Regulations.



## 5. Member Workshops/One to One Consultations/MSS & Calculators classes

HSC Pension Service will continue to roll out the Member Workshops and One to One Consultations for Scheme Members in the year 2018/19. In addition to these services we will also be running quarterly sessions for members which will provide guidance on how to navigate the Member Self Service (MSS) Portal and how to use the information available to forecast potential pension benefits on the On-Line Calculators.

We appreciate your assistance that you provide in the reservation of rooms, booking of places for members and the communication issued to promote attendance at the events. Once HSC Pension Service has established the dates, venues and events relevant to your organization we will issue you a timetable which can be disseminated electronically to staff.



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

