



HSC Pension Service: Transfer in Guide

Help for anyone thinking of moving their pension
rights to the HSC Pension Scheme

HSC PENSION SERVICE

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REQUEST TO TRANSFER FORMER PENSION BENEFITS INTO THE HSC PENSION SCHEME

Thank you for your enquiry about transferring your former pension benefits into the HSC Pension Scheme.

The HSC Pension Scheme can accept a transfer from another pension scheme registered with HM Revenue & Customs (HMRC); including a Qualifying Recognised Overseas Pension Scheme (QROPS).

Overseas transfers include any transfers from pension schemes in the Republic of Ireland, Jersey, Guernsey and the Isle of Man.

If you want to transfer from an overseas pension scheme and your overseas pension provider is not a QROPS, the transfer cannot go ahead. You can view a list of QROPS schemes on the HMRC website: www.hmrc.gov.uk (enter QROPS list in the search engine).

If you are divorced or your civil partnership has been dissolved, the HSC Pension Scheme cannot accept any transfer payment in respect of pension credits derived from these proceedings.

Special rules apply where your employment is transferred to a new employer and you should discuss your transfer with the pensions/payroll manager where you work as you may not need to complete the application form in this guide.

If you recently joined the Scheme or are thinking of doing so, HSC Pension Service will confirm whether a transfer can be accepted and explain how HSC Pension Scheme benefits will be increased. However, a transfer payment can only be accepted if you are an active member.

To process your transfer, we will need some details from you and your previous pension scheme. This guide and application pack contains instructions and forms to help you.

Please read the notes on the following pages and check that your application meets the time limits. You will need to know which Scheme you are a member of. More information about the different Schemes can be found on our website: www.hscpensions.hscni.net

General HSC Pension Scheme Information

The pension provision for HSC employees is provided through two schemes, the 1995/2008 Scheme (a final salary scheme) and the 2015 Scheme (a Career Average Revalued Earnings (CARE) scheme – from 1 April 2015).

For a member of the 1995/2008 Scheme, all pension benefits are based on pay and length of membership in the Scheme. For a member of the 2015 Scheme, the pension earned each year is based on the member's pensionable pay in that year and is increased by a set revaluation rate (linked to inflation) for each year leading up to retirement or leaving. The final pension is then calculated by adding together the pension earned in each year of membership. More information can be found on our website: www.hscpensions.hscni.net

IMPORTANT NOTES

Advice

HSC Pension Service recommends that you consider taking independent financial advice from a financial adviser who is authorised by the Financial Conduct Authority (FCA) before making a decision about transferring benefits. The Financial Conduct Authority can be contacted at:

25 North Colonnade

Canary Wharf

London

E14 5HS

www.fca.gov.uk

Your commitment

If you are transferring from a scheme other than a corresponding health service scheme (NHS England and Wales or Scotland), you are not committing yourself to a transfer of pension benefits by making this enquiry. You can make your decision when we confirm what your previous pension benefits will be worth in the HSC Pension Scheme.

We will write to you within two months of receiving all the information we need with an offer of what the transfer would buy you in the HSC Pension Scheme.

Corresponding health service scheme

Special transfer arrangements operate between 'corresponding' health service schemes in England and Wales (E&W), Scotland and Northern Ireland. These arrangements mean that the effect of a transfer between the 'corresponding' schemes is your membership in the former NHS scheme is treated as if it had been worked in HSC Pension Scheme.

These special arrangements are only available when your application to transfer is made within one year of being eligible to transfer, as explained later in this guide.

Any membership held in NHS Scotland or NHS England & Wales will normally be transferred on receipt of this request. We will write to let you know what membership has been credited to you within two months of receiving the transfer payment and all the information we require.

Note: The special arrangements do not apply when transferring membership from a different Section or Scheme following a break of over five years. Under these circumstances a transfer will be on non-Club terms, for example:

- 1995 Section membership with NHS Pension Scheme (Scotland) to 2008 Section HSC Pension Scheme (N.I.)
- 1995 Section membership with NHS Pension Scheme (Scotland) to 2015 Scheme HSC Pension Scheme (N.I.)
- 2008 Section membership with NHS Pension Scheme (Scotland) to 2015 Scheme HSC Pension

PUBLIC SECTOR TRANSFER ARRANGEMENTS (THE 'CLUB')

The 'Inner' and the 'Outer' Club

Within the public sector transfer arrangements there are now 'inner' and 'outer' Club schemes.

The HSC Pension Scheme is a member of the 'inner Club'; however, the method of calculating the transfer value will depend on the classification of the former Club scheme.

Inner Club refers to transfers of Career Average Revalued Earnings (CARE) scheme benefits between schemes made under the Public Service Pensions Act 2014 and such other public service schemes whose rules are similar to those of any of the schemes made under the 2014 Act.

Career average benefits transferred in from CARE (Career Average Revalued Earnings) schemes that participate in the Inner Club are transferred on Club terms.

If the transfer goes ahead you will receive a 'Club transfer earned pension' in the scheme year in which your credit is determined, which will be subject to indexation in accordance with the 'in service' revaluation of your former pension scheme whilst you remain an active member of the HSC Pension Scheme.

A transfer of any final salary benefits will buy you a pensionable membership credit in the 2008 section calculated on Club terms.

Outer Club refers to transfers of final salary benefits between Club schemes that operate on a final salary basis – or that are able to accept final salary benefits.

A transfer of final salary benefits will buy you a pensionable membership credit in the 2008 section based on Club terms.

Career average benefits transferred in from CARE (Career Average Revalued Earnings) schemes that participate in the Outer Club only are transferred on non-Club terms.

If you have both final salary and CARE benefits, although two separate transfer credits will be offered, you must choose to transfer both the final salary and CARE scheme benefits.

More information about the Club is located on the Civil Service website at:

www.civilservice.gov.uk/pensions/transfer-club

Club Calculation time limits

If your former scheme is a member of the Public Sector Transfer Club a transfer on Club terms can only be made if the length of the break between leaving the former scheme and joining the HSC Pension Scheme is no more than five years.

In addition, your signed election to proceed with the transfer must be received by your former scheme within 12 months of becoming eligible to transfer for Club transfer arrangements to apply. A request for an estimate is not classed as an election to proceed; this time limit refers to the request for payment of the transfer value.

If the conditions for the Club transfer are not met you may still be able to transfer on non-Club terms.

Annual Allowance

When transferring from another public sector scheme into the HSC Pension Scheme, any excess growth in HSC Pension benefits (for example, arising from an increase in pensionable pay) will be taken into account when calculating the pension input amount for Annual Allowance purposes.

More information about the Annual Allowance can be found on our website at:

<https://hscpensions.hscni.net/hsc-pension-scheme/hsc-pension-members-section/annual-allowance-lifetime-allowance-2/annual-allowance/>

Transfer in time limits

An application to transfer pension benefits into the Scheme must be made before your Normal Pension Age (NPA) and within the following time limits:

- **1995 Section:** within 12 months of joining the Scheme for the first time and before NPA, age 60.
- **2008 Section:** within 12 months of becoming eligible to join the Scheme for the first time and before NPA, age 65.
- **2015 Scheme:** within 12 months of becoming eligible to join the Scheme for the first time and before your NPA, which is equal to your State Pension Age (SPA).

Note: if you have contributed to another pension scheme during a break in HSC employment you can transfer in those pension benefits, providing the time limit is met following the break.

The HSC Pension Scheme cannot accept a transfer payment if:

- **1995 Section:** our option forms are completed or you join the Scheme after reaching age 60.
- **2008 Section:** our option forms are completed or you join the Scheme after reaching age 65.
- **2015 Scheme:** our option forms are completed or you join the Scheme after reaching State Pension Age.

Your transfer may buy less than quoted if:

- **1995 Section:** it takes more than 12 months from you joining the HSC Pension Scheme to complete.
- **2008 Section:** it takes more than 12 months from you becoming eligible to join the HSC Pension Scheme to complete.
- **2015 Scheme:** it takes more than 12 months from you becoming eligible to join the HSC Pension Scheme to complete.

Make sure your application meets these time limits by completing and sending all forms to us immediately. HSC Pension Service will not accept responsibility for any delays incurred either by you or your former pension scheme.

What do I need to do to if I want to transfer?

If you want to transfer from a corresponding health service scheme (England & Wales or Scotland), please complete Part 1 of Form A and send it to your current pensions or payroll manager so they can complete Part 2. Form A should then be returned to you. Send us the fully completed Form A immediately (Form B is not required).

For all other transfers, complete Part 1 of Form A and send it to your current pensions or payroll manager so they can complete Part 2. Form A should then be returned to you to keep until you receive the transfer value quotation from your former pension scheme.

To request a transfer value quotation from your former pension scheme send Form B, with Form B Notes, to your previous pension scheme immediately. Please note that if you have already received a benefit statement from your former pension scheme, this won't include the transfer details we need and should not be sent to HSC Pension Service.

Your previous pension scheme should normally provide a transfer value quotation within three months of your request. When you receive it, send it with any option forms requiring HSC Pension Service completion and the fully completed Form A to us straight away.

Before sending the transfer value quotation to HSC Pension Service, make sure that your former pension scheme has given us all the information we need by using the checklist at the back of this guide.

- You should not complete or sign any option forms issued by your former pension scheme until HSC Pension Service has advised the transfer can go ahead and made you an offer of the credit the transfer would buy you in the HSC Pension Scheme.
- Do not send any policy documents relating to your former pension scheme to us, but keep them in a safe place until you receive our estimated transfer in credit quotation. If you decide to go ahead with the transfer, you should return any policy documents to your previous pension scheme, with any completed option forms we send you.

Contact your former pension scheme if you are having difficulty getting transfer details.

Contact your payroll manager or HSC Pension Service if you need help with anything else. Our address is shown at the top of Form A.

Guaranteed transfer value

Your former pension scheme may guarantee their transfer value and set a deadline for the transfer to be completed. If they have, it is important to send us their transfer value quotation and any option forms requiring our completion as soon as possible as HSC Pension Service will not be responsible for any charges if their deadline is not met.

If you are transferring from a personal pension, stakeholder, Section 32 buyout or money purchase scheme, your former pension scheme may not guarantee their transfer value quotation.

The estimated Statement of Entitlement from the HSC Pension Scheme

The Statement of Entitlement we will send you will include an option form for your completion. If you choose not to transfer or do not respond, any subsequent enquiry will be treated as a new request and will be subject to the time limits in the normal way.

If you want the transfer to go ahead you should complete our option form and any option form(s) your former pension scheme has asked you to complete. Send the completed option forms(s) (and any other documents your former pension scheme may have asked for) to your former pension scheme as soon as possible. A delay in sending these forms to your former pension scheme may reduce the transfer in credit your transfer value will buy in the HSC Pension Scheme.

HSC Pension Scheme Group Money Purchase Additional Voluntary Contributions (AVCs)

The HSC Pension Scheme has its own Group Money Purchase AVC scheme run by Standard Life and Prudential. If you have existing money purchase AVCs and you transfer your main pension benefits to the HSC Pension Scheme, you may have the choice to transfer your AVCs to the HSC AVC scheme through Standard Life, Prudential, or both.

Please note that Standard Life has a minimum transfer limit depending on whether you will continue to make AVCs. If the AVC value to be transferred is less than £1,000, please discuss your options with them before selecting them as your provider.

If you are transferring your AVCs, the new HSC AVC provider will need to know what type of fund you wish to invest in. This means that when you complete the HSC Pension Scheme option forms sent with our estimated transfer in credit quotation, you will also need to complete the Transfer of Single Payment application form which can be obtained from your new chosen AVC provider(s).

This form should be sent to your former pension scheme when you send them the completed HSC Pension Scheme option forms. Your former pension scheme should then forward this form to HSC Pension Service when they send the transfer payment.

Failure to return this form will mean a delay in making payment to the HSC AVC provider and may result in a loss of investment. HSC Pension Service or the HSC AVC provider(s) will not accept liability for loss of investment in such circumstances.

Free standing money purchase AVC arrangement

If you had a 'free-standing' money purchase AVC arrangement through a different pension provider, you may still be able to transfer it to either of the above HSC providers. If you want to do this you should arrange this directly with your chosen HSC provider(s).

If you would like to know more, please contact Standard Life or Prudential at the addresses shown below. Do not contact HSC Pension Service or complete this application form.

Standard Life
Group Pensions Public Sector
Standard Life House
30 Lothian Road
Edinburgh
EH1 0WT
Telephone: 0800 33 33 06
Website: www.standardlife.co.uk/HSC

The transfer payment

With the exception of transfers from a corresponding health service scheme (Scotland or England & Wales), the HSC Pension Scheme cannot accept a transfer payment unless we have first provided you with an estimated transfer in credit quotation. Any payment received where this has not occurred will be returned to your former pension scheme.

If the actual payment we receive is lower than originally offered, the credit you will receive may be lower.