HSCPS Annual Report 2025/26

Business Services Organisation
Pensions Services

HSC Pensions

Orchard House,
40 Foyle St,
Derry/Londonderry
BT48 6AT
Phone: 028 71 319111
Email: hscpensions@hscni.net

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1. The Pension Board Purpose and Role

HSC Pension Board

The HSC Pension Board provides scrutiny and assurance of the administration of the HSC Pension Scheme.

Role of the Board

The HSC Pension Board's role is to assist the Scheme Manager in securing compliance with all relevant pension law, regulations and directions – as well as the relevant Pension Regulator's codes of practice. This role is one of providing assurance in and governance of the scheme administration of the HSC Pension Schemes (both the new 2015 scheme and the old scheme consisting of the 1995 and 2008 sections).

Main responsibilities:

The Pension Board is responsible for assisting the Scheme Manager in:

- Providing overall assurance and governance of the HSC Pension Scheme administration;
- Assuring effective and efficient administration of the scheme;
- Seeking assurance that decisions made by the scheme administrator are fully legally compliant, including consideration of cases that have been referred to the Pension Regulator and/or the Pension Ombudsman; recommending changes to processes training and / or guidance where necessary;
- Supporting continuous improvements;
- Assuring the scheme administrator supports employers to communicate the benefits of the HSC Pension Scheme through effective communication to members;
- Assuring the scheme administrator supports members with a range of tools to improve their understanding of their pension benefits and to inform their personal financial and career planning;
- Supporting effective implementation of the Employer Charter;
- Enabling data quality improvements to deliver CARE pension outcomes;
- Compliance with the Pension Regulator's codes of practice;
- Fostering good working relationships with the Pension Regulator;
- Consideration of the annual report from the Pension Regulator, including any responses to recommendations;
- Producing an annual report outlining the work of the Board throughout the scheme year.

A Terms of Reference (ToR) is maintained by the Pension Board

Membership

The Pension Board has an equal number of employer and member representatives and is overseen by an independent chair.

Pension Board members are appointed after being nominated by HSC trades unions and employer organisations.

Non-employer/member representatives such as Department of Health officials and HSC Pension Service representatives attend Pension Board meetings in an observer capacity.

Chair

The current independent chair is Paul Cummings

Employer Representatives

Brona McAuley	NIAS
Geraldine McAleer	Western Trust
Lesley Allen	Northern Trust
Eimear McAuley	Western Trust
Gillian Somerville	Belfast Trust
Arnie McDowell	NIGPC

Member Representatives

Brenda Stevenson	UNITE
Gerry Mackin	BMA
Kevin Kelly	NIPSA
Andrew Doherty	RCN
David Cassidy	UNISON

Annual Update from Independent chair

As I enter my fourth year as Chair I am struck how much has changed over such a short period. The implementation of the McCloud judgement and the introduction of partial retirement regulations have changed the pension landscape within the HSC. This has added significantly to the workload of the pension team but equally important has been the challenge of ensuring employees fully understand the implications and potential for them as individuals. I have been really impressed at how the staff have tackled this challenge with numerous workshops and help clinics. The feedback on this area of our work is extremely positive.

The work of the Pension Board forms a vital role in the governance of the HSC Pension Scheme. Our role is to assist the scheme manager in ensuring that the scheme has effective governance and administration in place to ensure and effective and efficient pension service for all our members. The Pension Board's overriding aim is to ensure that all members of the HSC pension arrangements receive on time their correct benefits under the scheme rules. The Department has set several key performance indicators for the pension service all of which were met in. 2025/26. However, the most important performance indicator is the feedback of our members when they use our service especially when they transition from work to retirement. This will always remain our primary focus.

In these financially challenging times for the HSC, it is a recognition of the importance of the work of the pension service that additional resources to meet the additional demands they face. I personally wish to thank all our staff for their continued effort to meet this rising demand. Finally, I want to thank the Board members for the contributions they make in ensuring that we continue to have a pension service that reflects the values of the HSC and meets the needs of HSC family that make up our members.

HSC Pension Service Senior Team

Martin Bradley MBE – Head of HSC Pension Service, Assistant Director of Finance

Heather Dougherty – Senior Manager HSC Pension Service

John Coyle – Senior Manager HSC Pension Service

HSC Pension Service Annual Update

2025/26 has proved to be a particularly challenging year for HSC Pension Service (HSC PS), not least with the final push in implementing the McCloud Remedy and the full administrative implementation of pension flexibilities including partial retirement for those members who accrued benefits in the 1995 section of the scheme. The issue of backdated pay awards for both AFC and Medical and Dental staff have again increased the workload of HSC PS staff considerably and has in many cases had added considerable complexities and stresses for scheme members when managing their Pension Annual Allowance liabilities.

However, HSC PS senior management team and scheme administrators have continued to strive for excellence in the pursuit of delivering a best in class service to all of our stakeholders. Considerable strides have been made in embracing innovative hybrid ways of working and enhancing our virtual & digital capabilities making access to HSC Pension Scheme information much more convenient for all our members including our retirees and deferred members through the transformation of the Members Self Service portal to our new “Engage” gateway which allows members access to the their HSC Pension Scheme Records/Annual Benefit Statements/Pension Payslips/P60’s etc. from any electronic device.

Following the administrative go live of Partial Retirement for members with benefit accrual in the 1995 section of the scheme, uptake of this benefit has proved to be most popular. In calendar year 2025/26 1,067 members have partially retired across the HSC. This averages out at approximately 89 members per month which HSC PS has now managed, with receipt of additional resources, to integrate into normal Business as Usual. However, it should be noted that 25% of the said resources are available only on a temporary basis and if not made recurrent it is highly likely that management of the future applications would not be possible leading to delays in processing and payment of benefits. Further statistical information can be found in the 2025/26 Partial Retirement Annual Report.

2025/26 saw HSC PS make considerable progress through the McCloud Project including but not limited to the issuing of dual Annual Benefit Statements, the production and provision of Remedial Pension Savings Statements and the provision of McCloud Choice information for new and Partial retirees. HSC PS have moved to the phased issuing of Remedial Service Statements (RSS’s) to McCloud affected retirees. This will be done on a staged basis with timelines displayed on the HSC Pension Scheme website, through member and pensioner newsletters and has also been reported to and agreed with the Pension Regulator

In 2025/26 HSC PS also completed the full data extract to allow our colleagues in the Government Actuaries Department (GAD) to carry out the four yearly Scheme Valuation. Details of the outcome from the valuation will be delivered by GAD in 2026/27.

Below are listed some of the Key Achievements and Developments in 2025/26:

- Approximately 645,000 individual payments were made to pensioners and members in the year 2025/26
- 1,067 Partial Retirement Applications processed
- 2,347 Remediable Service Statements (McCloud choice) on retirement issued
- 10 Permanent and 3 temporary staff recruited to manage pension flexibilities
- 356 Cost Claim Back Scheme applications processed to the value of £252,647
- 64 Refunds of overpaid Tax Charges to the value of £463,936 including interest
- Managed over 34,500 telephone calls from stakeholders.
- Successfully connected to the Money Helper Pensions Dashboard platform and have colleagues included in the Research Panel for Phase 2 of testing prior to Go Live in 2026/27
- Engaged with approximately 7000 Scheme members via Workshops/1-1 consultations/Information Sessions

Looking Ahead to 2026/27:

With further implementation of the McCloud and the ever-changing landscape of pension legislation there will be challenges ahead for 2026/27.

Key targets for the year ahead will include;

- Ensuring successful implementation of final aspects of the McCloud remedy whilst maintaining Business as Usual
- Continued collaboration with software providers to ensure system is up to date and capable of dealing with changing legislation
- Continued development of comprehensive communication strategy
- Further development of online tools and upgrading of calculators to assist members and help them understand the McCloud Remedy
- Enhanced payroll solution to allow early calculation of pension and automate arrears.
- Implementation of Pension Dashboard– system capabilities and resourcing
- Liaison with Government Actuary Department (GAD) for 2024 Valuation and implementation of associated system changes
- Liaison with colleagues across the HSC and Ernst Young to assist in the implementation of the Equip HR and Payroll System

2. The HSC Pension Scheme

2.1 Pension Administration Team

The Pension Administration Team (PAT) is responsible for the calculation of benefits due to members. These benefits include, but are not limited to, award of pension benefits, revisions, transfer of benefits and estimate of benefits.

During 2025/26, the Pension Administration Team (PAT) experienced a sustained and high-volume workload as both McCloud remedy activity and pension flexibilities were fully absorbed into business-as-usual (BAU).

The team continued to issue Remedial Service Statements (RSS) to all retiring members, while the Transfers Team progressed McCloud dual calculations and worked closely with software developers to refine system functionality. In parallel, the Assessment Team managed significant volumes of backdated pay revisions for retirees and supported system and process development ahead of issuing the first Immediate Choice Exercise (ICE) RSSs for affected pensioners, which commenced at the end of March 2026.

At the same time, the team continued to implement retirement flexibilities, with a particular focus on partial retirement under the 1995 Scheme, adding further complexity to retirement processing.

Overall, 2025/26 was a very busy year, with the team successfully sustaining service delivery while embedding major legislative and system-driven changes into BAU.

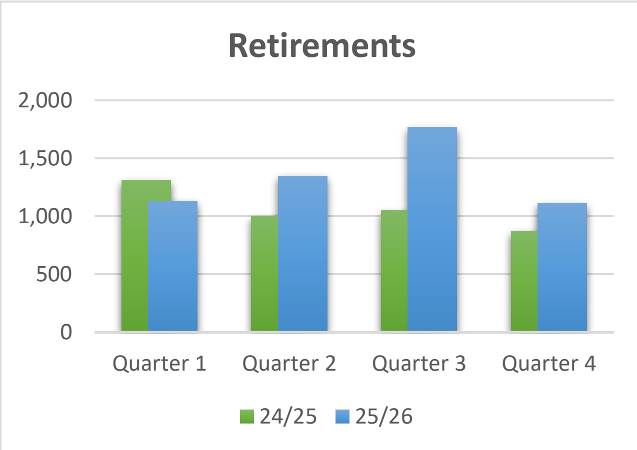
Scheme Activity	Annual 24/25	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual 25/26	KPI
New Pensions[1]	4,233	1,133	1,349	1,769	1,114	5,365	Green
Estimates	2,650	199	479	269	152	1,099	Green
Refund	1,462	441	153	612	680	1,886	Green
Transfers	643	146	156	85	82	469	Green
FPC Charges*	40	0	0	25	1	26	Green
OHS Referrals	500	115	137	126	105	483	Green
Telecall's Rec'd	31,583	8,882	8,638	8,081	9,038	34,639	Green

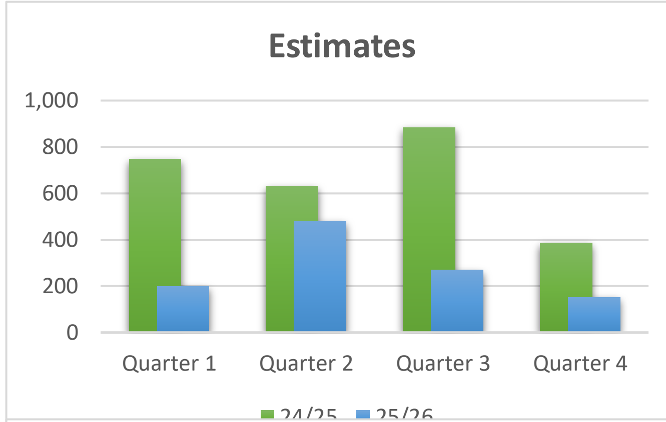
RAG Boundaries for the above

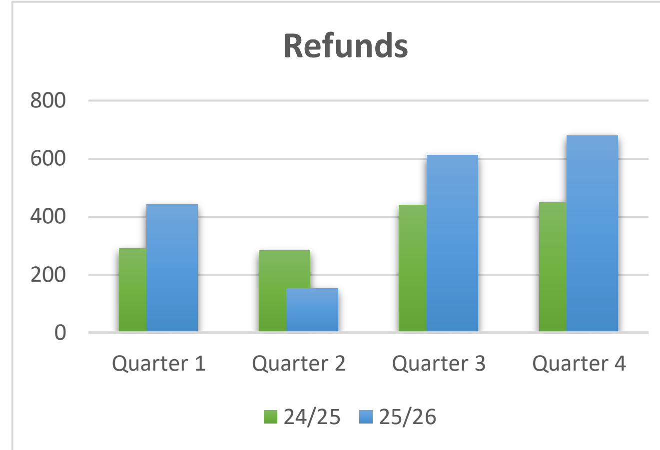
Red, Amber & Green.

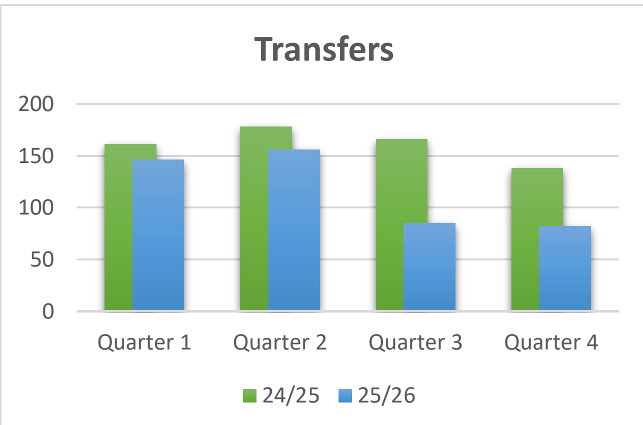
RAG Boundaries for above	
Payments – Green - 98-100% Amber - 95-97.99% Red - below 95%	**Transfers** – Green - 90-100% Amber - 80-89.99% Red - below 80%
Retirements – Green - 98-100% Amber - 95-97.99% Red - below 95%	**FPC Charges** – Green - 90-100% Amber - 80-89.99% Red - below 80%
Estimates – Green - 90-100% Amber - 80-89.99% Red - below 80%	**OHS Referrals** – Green - 95-100% Amber - 85-94.99% Red - below 85%
Refund - Green - 90-100% Amber - 80 - 89.99% Red - below 80%	**Telephone calls** – Green - 98-100% Amber - 95-97.99% Red - below 95%

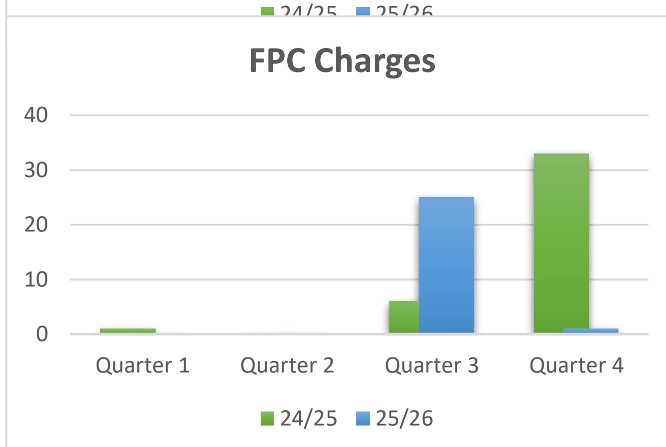
[1] These stats include new pensions calculated at pension level not member level. A member who receives a pension from 2 different schemes will be counted twice eg 1995 pension and 2015 pension.

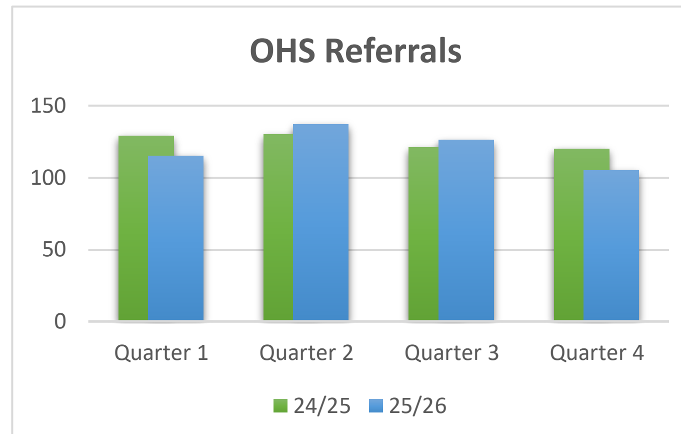

Retirements
2,000
1,500
1,000
500
0
Quarter 1
Quarter 2
Quarter 3
Quarter 4
24/25
25/26

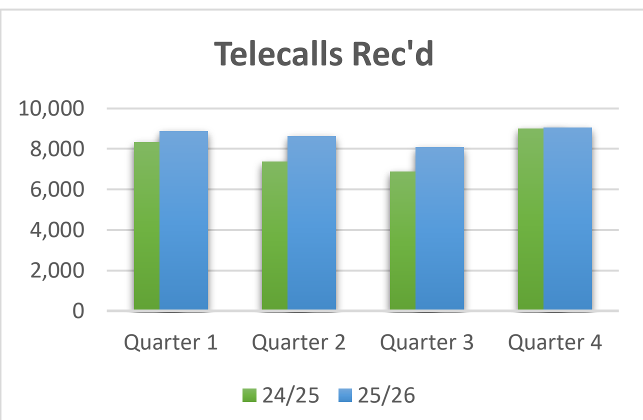

Estimates
1,000
800
600
400
200
0
Quarter 1
Quarter 2
Quarter 3
Quarter 4


Refunds
800
600
400
200
0
Quarter 1
Quarter 2
Quarter 3
Quarter 4
24/25
25/26


Transfers
200
150
100
50
0
Quarter 1
Quarter 2
Quarter 3
Quarter 4
24/25
25/26

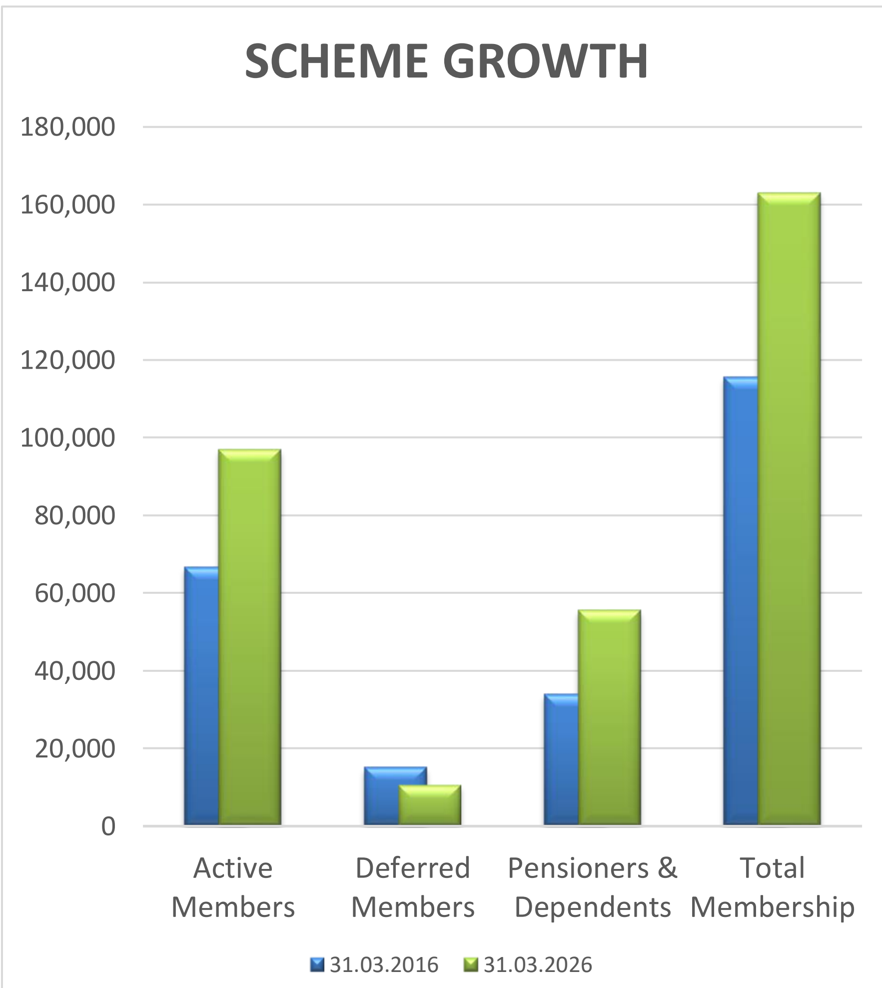

FPC Charges
40
30
20
10
0
Quarter 1
Quarter 2
Quarter 3
Quarter 4
24/25
25/26


OHS Referrals
150
100
50
0
Quarter 1
Quarter 2
Quarter 3
Quarter 4
24/25
25/26


Telecalls Rec'd
10,000
8,000
6,000
4,000
2,000
0
Quarter 1
Quarter 2
Quarter 3
Quarter 4
24/25
25/26

Scheme Growth

SCHEME GROWTH	31.03.16	31.03.2026	Growth % in last 10 years
Active Members	66,646	96,945	45%
Deferred Members	15,098	10,563	-30%
Pensioners & dependents	33,930	55,530	64%
Total	**115,674**	**163,038**	**41%**

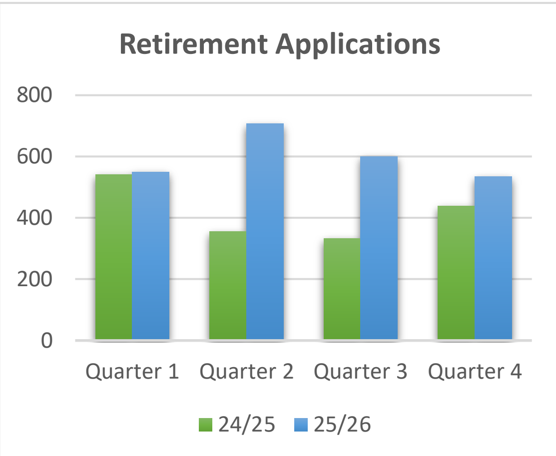


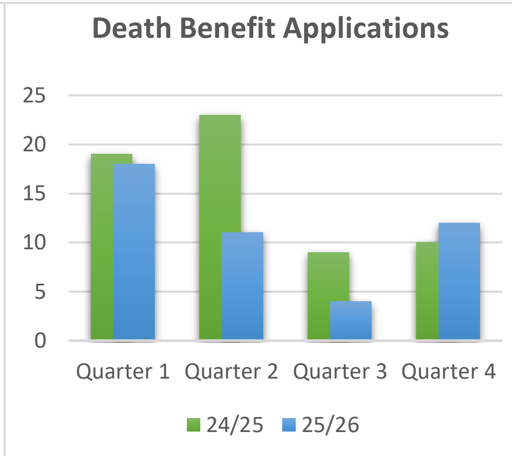
2.2 Payroll Pension Team

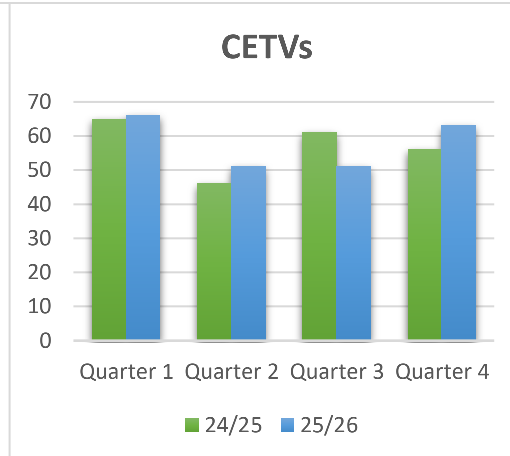
The PPT Team is responsible for managing a number of pension related processes including Pension Benefit applications, pensions on divorce and death in service calculations for dependants. This includes the calculation of Final Salaries, length of service and part time and additional hours across a range of multiple employments and contracts. The 25/26 year was quite challenging for PPT as the rollout of pension flexibilities, particularly Partial Retirement, and the late availability of additional resources to provide this service put the team under unnecessary pressure. However, the backlog has been cleared and PR is now part of our business as usual. Late pay awards have a big impact on our workload, which in turn impacts on most of the other Pensions teams, therefore we are working through a full year of revisions, ensuring their timeliness for the provision of RSS for retirees...

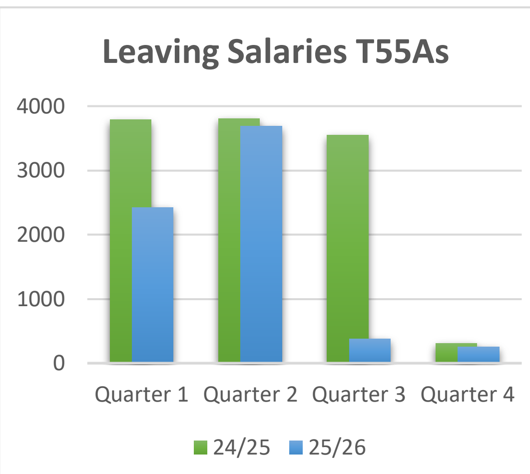
Activity	Annual 2024/2025	Quarter 1	Quarter2	Quarter 3	Quarter 4	Annual 25/26
Retirement applications	1669	550	707	600	534	2391
Death Benefit app	61	18	11	4	12	45
CETVs Cash eq Tran value	228	66	51	51	63	231
Leaving salaries T55As	11450	2424	3693	376	255	6748
General queries	2208	389	559	332	383	1663
Protect of Pen Pay	21	3	6	4	5	18
Benefit Revisions	345	269	103	959	539	1870
CARE Earnings	17819	1458	2718	3987	2819	10982

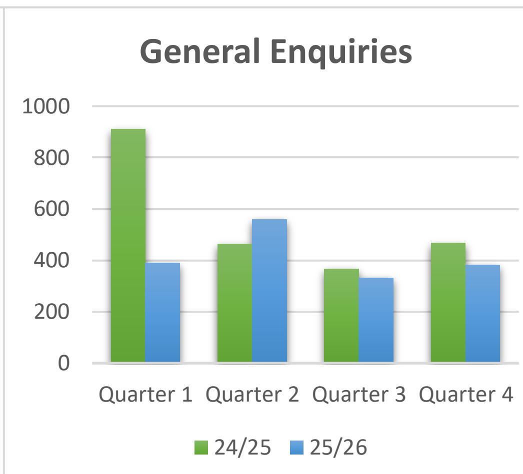
Pension Payroll Team Activities – 2025/2026

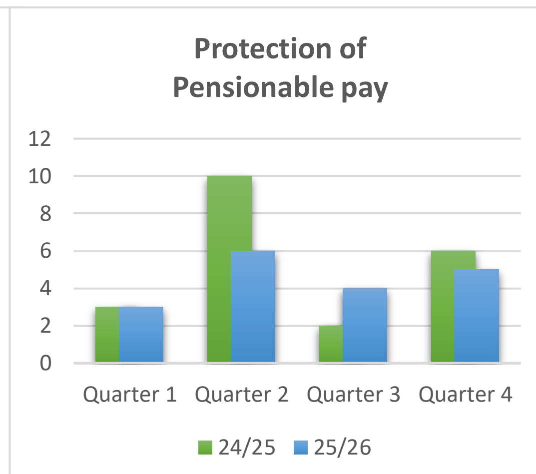


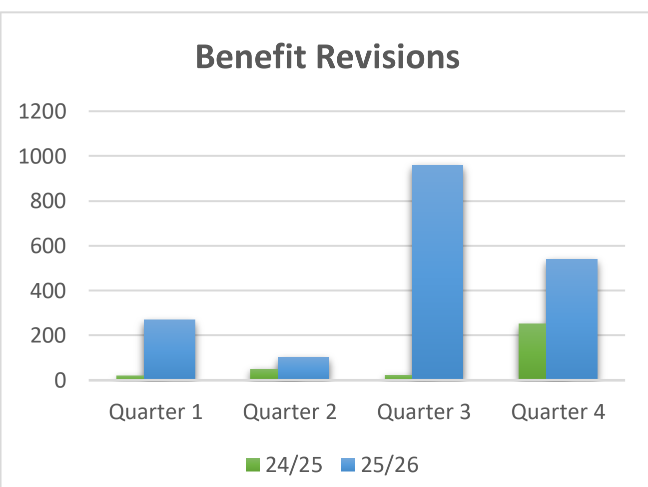


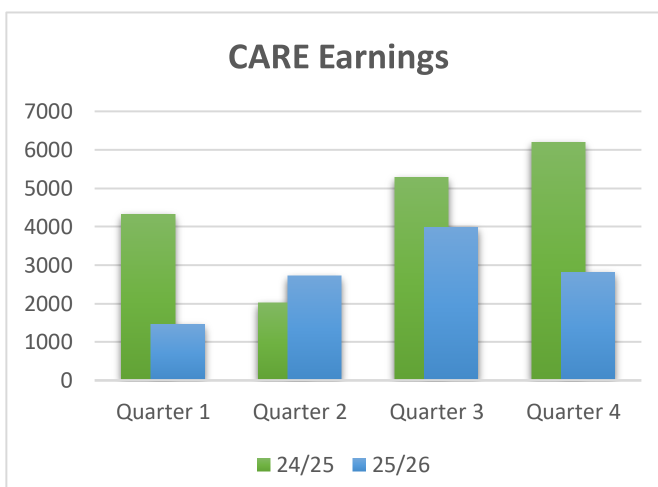












2.3 Annual Allowance Team

The Annual Allowance Team are responsible for informing all members who exceed the Standard Annual Allowance of £60,000 by 6th October following the tax year end. For the tax year 2024/25 1,270 members exceeded the Standard Annual Allowance. This is a significant increase in comparison to the tax year 2023/24 when 27 members exceeded the Standard Annual Allowance. This is due to two factors: firstly, the CPI reduced from 10.1% to 6.7% and most members impacted by Annual Allowance were subject to 2 back dated pay awards: June 2024 effective from 01/04/2023 and January 2025 effective from 01/03/2024.

This resulted in an increase in telephone and email queries from members, additional requests for 1:1 consultations in particular from those members who had exceeded the Annual Allowance for the first time. We also received a significant number of enquiries from members regarding the pensionable pay used to calculate the Annual Allowance for the 2023/24 year – HSC Pension Service follow HMRC guidance and procedure in the calculation of Annual Allowance, this states the pension input should be calculated based on the pensionable pay payed in the period and not what a member should have been paid (backdated pay award included).

Education of members on the complexities of Annual Allowance continued by providing 4 Workshops to those members across the HSC impacted by Annual Allowance – 236 members attended and the feedback from these sessions was positive.

Two team members were involved in a project set up to provide support and information to Senior Executives due to the review and implementation of a new pay structure which was backdated to 01/04/2023. They worked to calculate the possible impact to member's Annual Allowance and in conjunction with the Pension Liaison Team carried out 67 one to one consultations. This Project completed at the end of December 2025 and feedback from the affected members was positive.

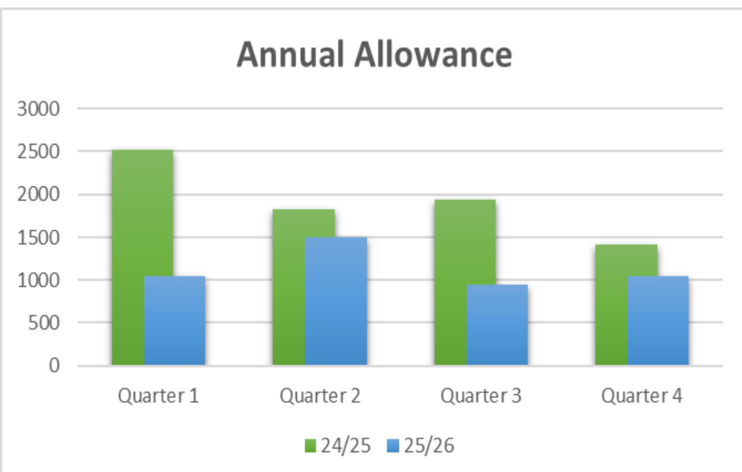
2,179 Remediable Pension Savings Statements (RPSS) have been issued to members. A number of these members will have completed the HMRC Digital Service which was set up by HMRC to allow members to submit their revised pension input figures following the rollback of service and recalculation of Annual Allowance for the years 2015/16 – 2021/22. Since February 2025 HSC Pension Service have received CSV files on a monthly basis from HMRC which consist of three spreadsheets and detail any Direct/Indirect Compensation due, any revisions to previous Scheme Pays Elections and any new Scheme Pays Elections.

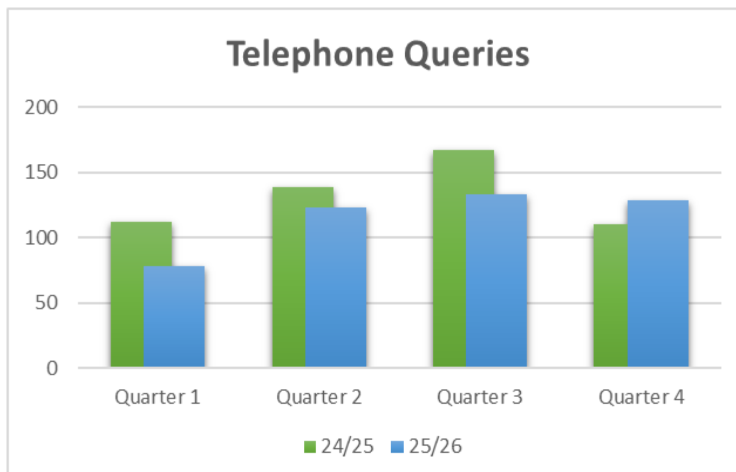
Initially we received a significant number of queries from HMRC (via members and their tax advisors) - this was due to HMRC carrying out random checks or where they couldn't match the information entered on the HMRC Digital Service with their own records and required further information from us.

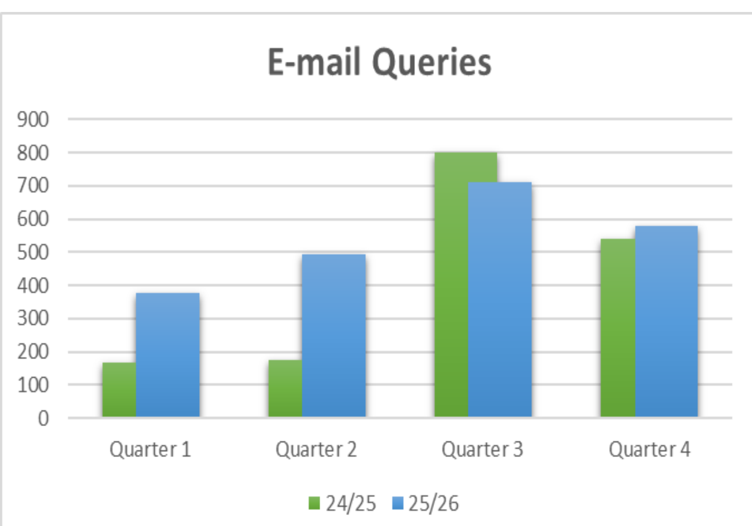
Below are details of the work completed this financial year by the team:

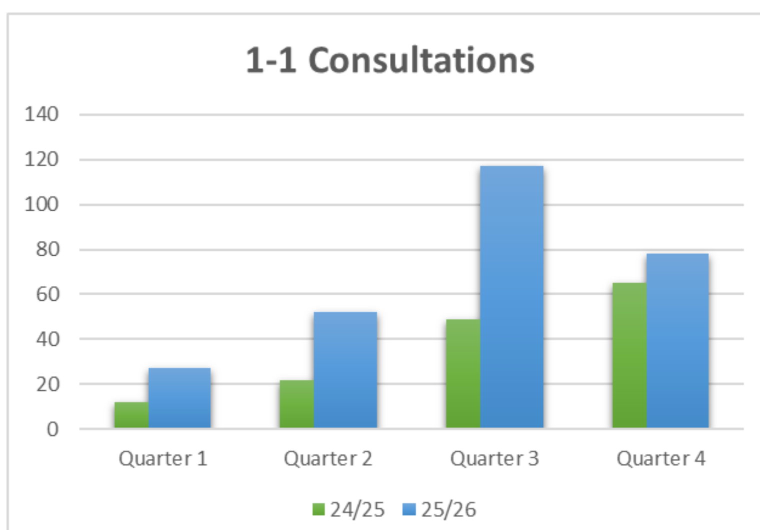
Area of Activity	Annual 2024/25	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual 2025/26
Annual Allowance	7705	1052	1501	951	1043	**4547**
Telephone Queries	528	78	123	133	129	**463**
E-Mail Queries	1684	379	495	713	580	**2167**
1-1 consultations	148	27	52	117	78	**274**

Annual Allowance Activities - 2025/2026









2.4 Data Management Team

The Data Management team receives data via the monthly interface from Payroll Shared Service Centre (PSSC). The team works to validate the accuracy and consistency of the data prior to uploading to member's records in Altair. They work closely with PSSC to address any issues that may be identified from quality assurance checks.

Regular meetings are held with colleagues in PSSC to streamline procedures. This enables member record updated to be completed in bulk e.g. Terminating 55a spreadsheet to update leaver pay, hours, contributions and pensionable dates.

During 2025/26, the Data Management Team, completed a significant amount of work in preparation for the 2024 Valuation. Regular meetings continued throughout the year, between HSCPS, GAD and Heywood to support effective planning, and ensure that the Valuation of the scheme is completed within the allotted deadline. The table below reflects work that the Team has completed as part of day to day operations which is in support of the 2024 Valuation.

Annual Benefit Statements for active members were produced in August 2025, with a total of 64046 statements completed and made available on the member portal.

The team are now preparing for the 2026 Annual data submission from PSSC, HSC Employers and Directional Bodies. Work is also underway to prepare for the bulk calculations for the 2026 Annual Benefits Statements (ABS).

Valuation Task	Total Outstanding	Completed by Qtr 4	Remaining	Comments
Revised Pay Data for employments from revised Annual Files	97655	97655	0	
Pay Data Missing for Members from revised Annual Files		11167	TBC when 25/26 annual file ran	**This is an ongoing exercise in conjunction with PSSC
Members missing from the Valuation Extract	1061	1061	0	**These members were identified through revised annual files received from PSSC
Members who are missing their status/ end date	233	233	0	
Members identified as being in the wrong Scheme	6128	6128	0	
TOTAL	**105,077**	**116,244**	**0**	

2.5 Trust Liaison Team

The Trust Liaison Team work side by side with Employers to provide assistance where needed with complex queries as well as training for HR staff. In particular this year training has been delivered to Trust HR teams in relation to the complexities of the HSC Pension Scheme such as, impacts of McCloud Remedy, Protection of Pensionable Pay, Pension Flexibilities and the Pension Application process as a whole. The team is also responsible for the communication of all updates in legislation as well as other points of interest to staff and employers.

In 2024/25 Pension Flexibilities went live for all Employers. Initially there were issues with resources meaning potential delays in payment of benefits. During 2025/26 we secured some additional temporary resources to clear the backlog and processing has now been bedded in to BAU.

We have updated our Pension Workshops to now include details of Pension Flexibilities to assist members with any queries they may have. Feedback has been positive with high numbers in attendance.

McCloud specific workshops continue to be delivered across all Trusts/Organisations and are addressing the majority of concerns raised and continue to receive positive feedback as evidenced in our Customer Surveys.

We have initiated the ‘Ask Erin’ campaign. This was piloted with NHSCT and consisted of members of the team being present in person with an information stand at various locations. This allows members to come ask questions and we are reaching staff that we may not normally speak to. this has been proposed to other Trusts and they have now provided contacts within each area so we can roll out in 2026/27

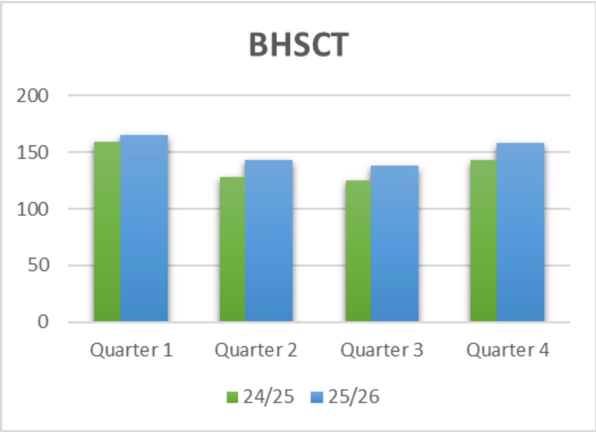
The Trust Liaison Team took the lead on the successful implementation of Engage, the new member self-service portal as well as successfully meeting the deadline for being connected to Pensions Dashboard. Testing will continue for Dashboard early in 2026/27 in preparation for it going live to the public.

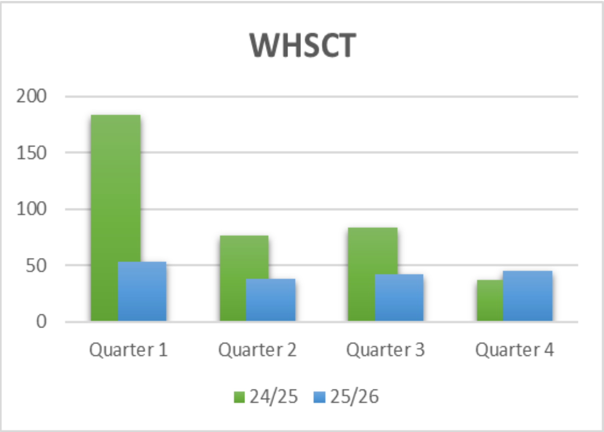
Below are details of the work completed this financial year by the team:

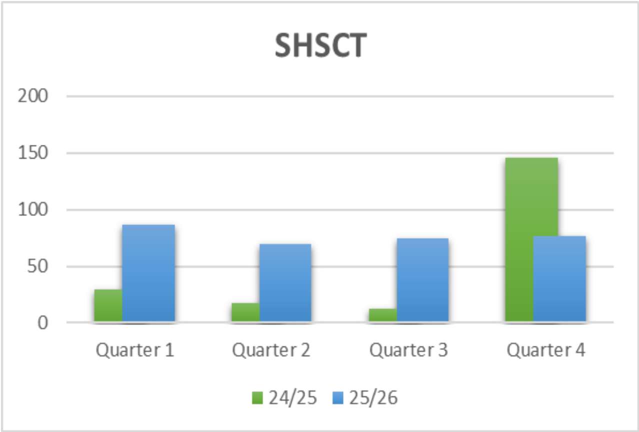
HSC Pension Scheme Member Workshops Delivered & Attendees – 2025/26

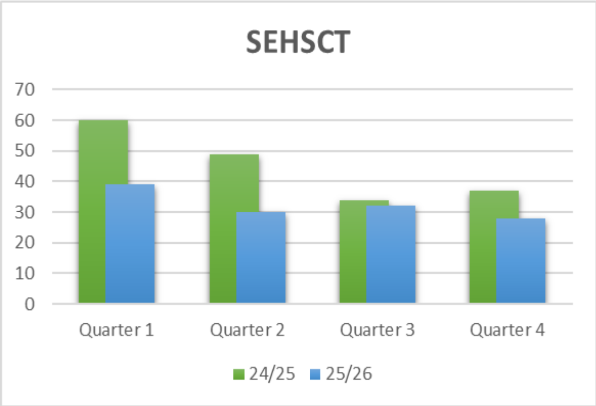
	Annual	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Annual
Employer	**2024/25**	**No.**	**Attended**	**No.**	**Attended**	**No.**	**Attended**	**No.**	**Attended**	**2025/26**
BHSCT	**555**	4	165	4	143	4	138	4	158	**604**
WHSCT	**382**	4	53	4	38	4	42	4	45	**178**
SHSCT	**204**	4	87	4	70	4	75	4	77	**309**
SEHSCT	**180**	4	39	4	30	4	32	4	28	**129**
NHSCT	**264**	4	49	4	39	4	40	4	44	**172**
BSO	**164**	4	47	4	35	4	34	4	30	**146**
NIAS	**35**	4	2	4		4		4	6	**8**
HSC Wide	**2863**	12	368	6	91	3	851	5	362	**1672**
Total	**4647**		**810**		**446**		**1212**		**750**	**3218**

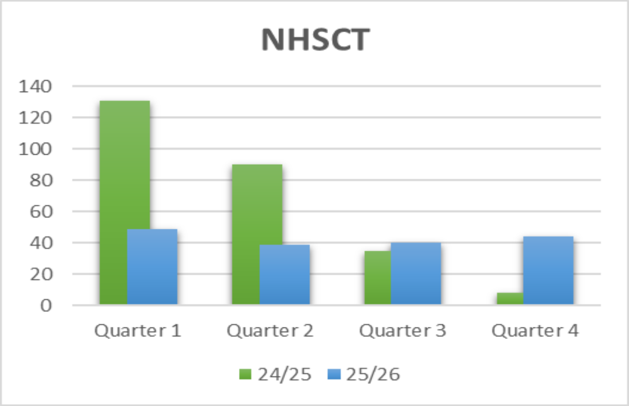
HSC Pension Scheme Member Workshop Attendees – 2025/26

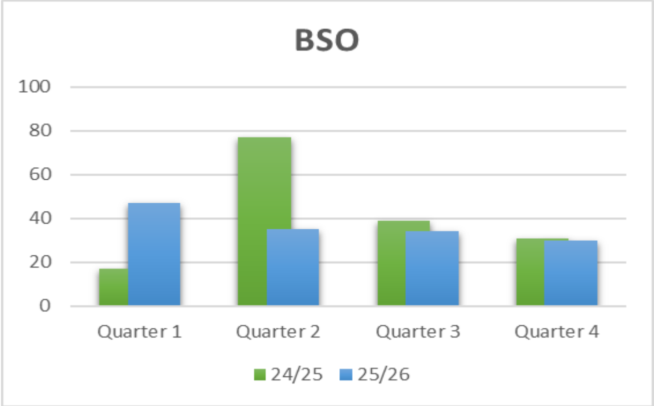


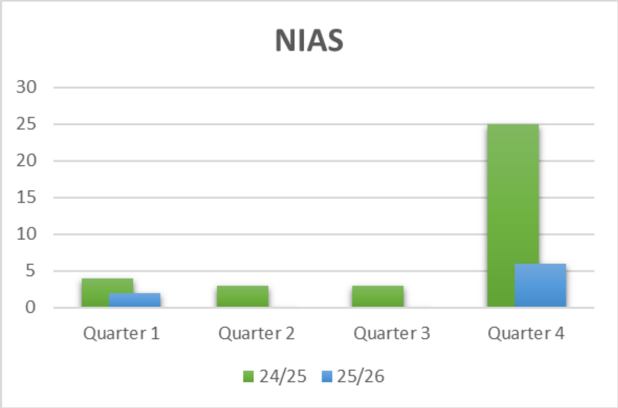


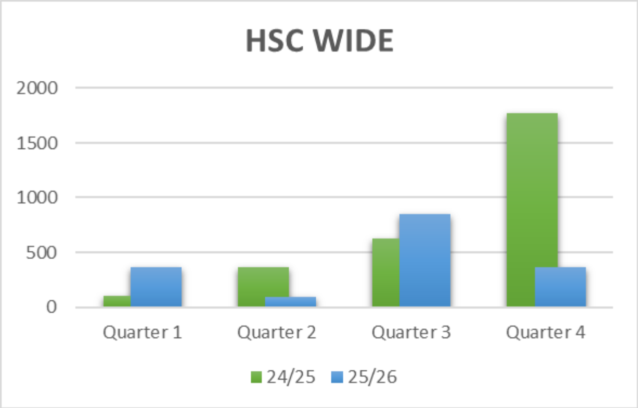








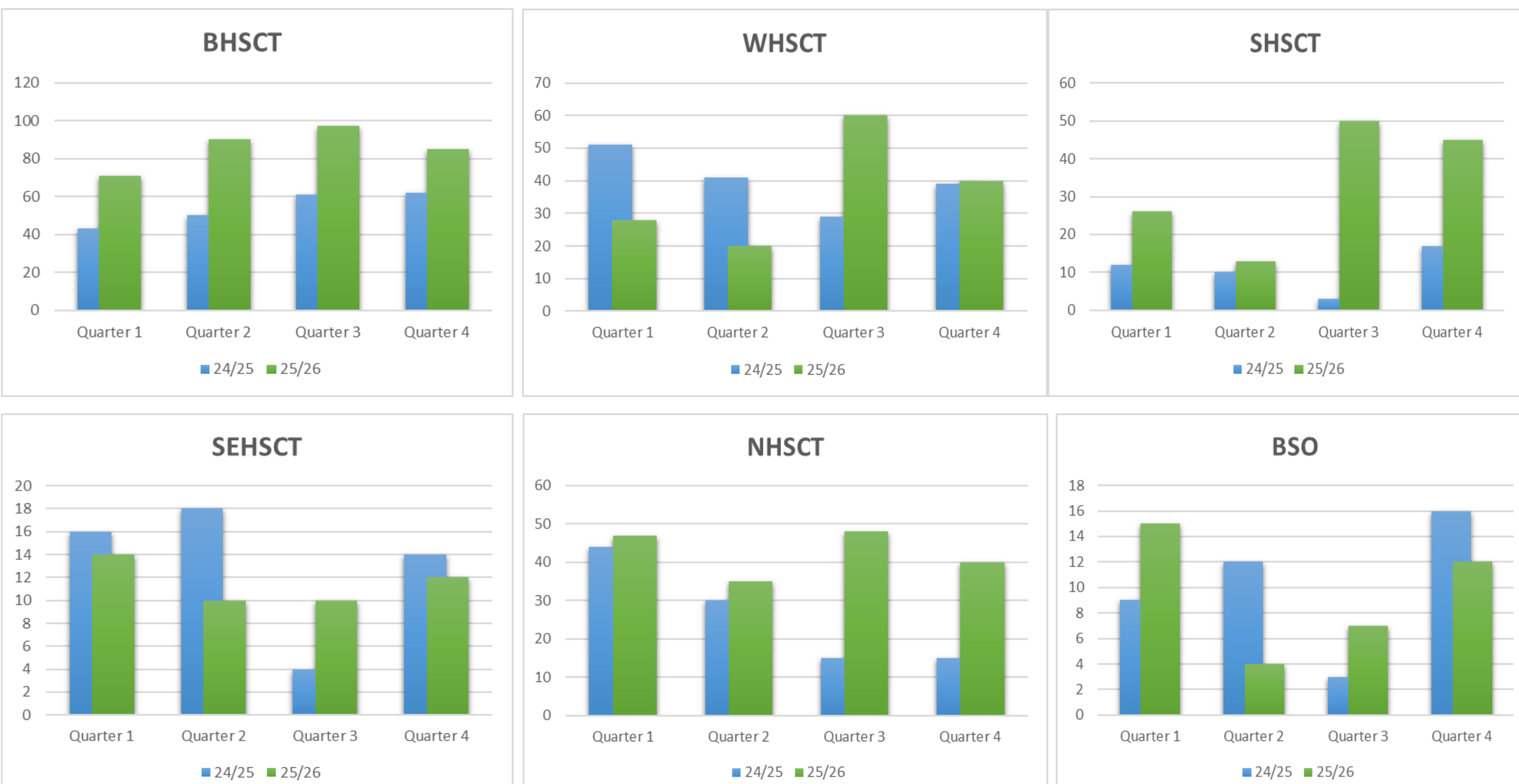




One to One Consultations

	Annual 2024/25	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual 2025/26
Employer						
BHSCT	**216**	71	90	97	85	**343**
WHSCT	**160**	28	20	60	40	**148**
SHSCT	**42**	26	13	50	45	**134**
SEHSCT	**52**	14	10	10	12	**46**
NHSCT	**104**	47	35	48	40	**170**
BSO	**40**	15	4	7	12	**38**
Total	**614**	201	172	272	234	**879**

One to One Consultations 2024/25



2.6 Medical/Dental Practitioner Team

This team administers pension records for all general medical and dental practitioners which includes the verification of GP pension certificates submitted on an annual basis and calculates the rates of Seniority to be paid to eligible members. The team also administers pension records and provides training workshops for staff employed in GP practices and other directional bodies.

HSC Pension Service issued the General Medical Practitioner Annual Certificate of Pensionable Profit for 2024/25 on the 06th December 2026 with a submission deadline of the 28th February 2026, the new annual certificate takes account of the HMRC legislation changes were all practices have to have an accounting year end of the 31.03 each year and any overlap has to be utilised.

As of 31st March 2026, we have received 1004 Annual Certificate returns, which are currently being processed with payment plans being created to reimburse the practice for overpayment of contributions, or deduct any outstanding contributions due as a result of underpayment of contributions. The Northern Ireland average has now been calculated as £101,181.00, this figure has now been used to review seniority paid to each GP in the 2024/25 year and all seniority payments will be reconciled to ensure correct amount has been claimed by GP's, any over or underpayments will be reconciled via the practice monthly GMS Payments.

During the 2025/26 year the team has successfully delivered the following workshops:

- 10 On-line practice manager refresher training workshops
- 1 In-person stakeholder led practice manager training workshops
- 2 Locum workshops for newly registered GP's

GP Staff Starters and Leavers 2024/2025 & 2025/2026

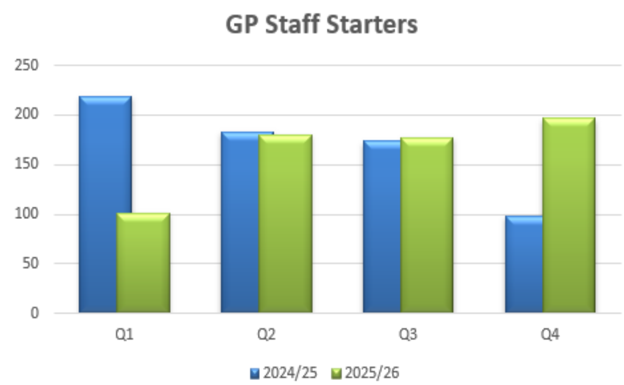
Progress of starters and leavers for Officers within GP Practices, GP Federations, Directional Bodies and OOH providers

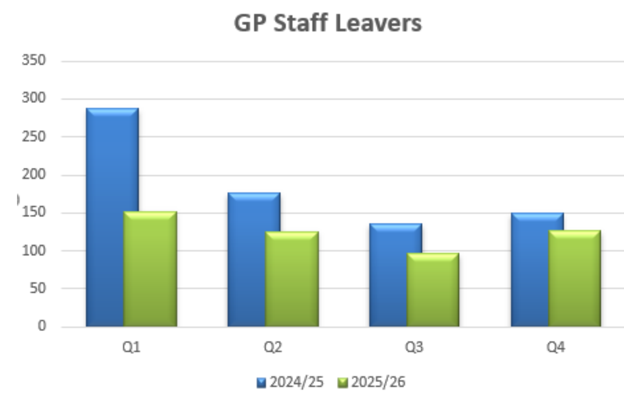
2024/25 Starters and leavers

2024/25	Leaver	Starter
Q1	287	219
Q2	176	183
Q3	135	174
Q4	149	98

2025/26 Starters and leavers

2025/26	Leaver	Starter
Q1	152	101
Q2	125	180
Q3	96	177
Q4	126	197



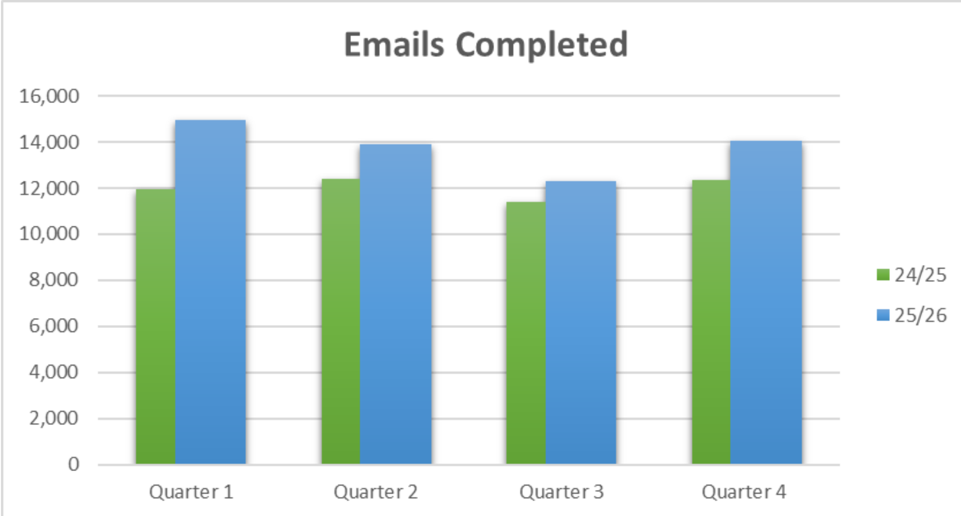


2.7 Business Support Unit

The Business Support Unit is the first point of contact for many HSC Pension Service members. We ensure their first point of contact experience is that of a first-class member focused service. The team are responsible for answering and triaging member queries received via telephone, post and emails. The team manage incoming documents received from members, uploading them to member records, and assigning tasks to the relevant teams for action. The team are also responsible for the in-house administration of the Storm cloud-based telephone system.

There has been a significant increase in member queries through both phone calls and emails concerning McCloud, Partial retirement queries, and Remedial Service Statements. The generic HSC mailbox receives an average of 7,913 emails per month, highlighting the growing demand and complexity of queries. Member Self Service transitioned to a new portal, Engage, which members now use to view pension details and submit online queries; this change has resulted in increased phone calls to support members with setting up accounts, as well as a rise in member queries due to the availability of online query submissions.

Scheme Activity	Quarter 1	Quarter2	Quarter 3	Quarter 4	YTD
Emails Completed	**14,972**	**13,929**	**12,297**	**14,072**	**55,270**



2.8 Payroll Team

HSC Pension Service Payroll team are critical in ensuring HSC Pension Service delivers pension payments and lump sums to new and existing pensioners on time ensuring these are accurate. It is also responsible for ensuring proper financial governance in relation to its statutory obligations, relevant to payments made to our members and HMRC.

Due to revised refund payments received following the 2024/25 backdated pay award, the payroll team processed additional payroll runs and saw a significant increase in both lump sum payments and refund payments received.

The team continue to process Transfer of Fund requests arising from McCloud remedy cost claim applications, refunds of annual allowance payments, and interest on annual allowance charges.

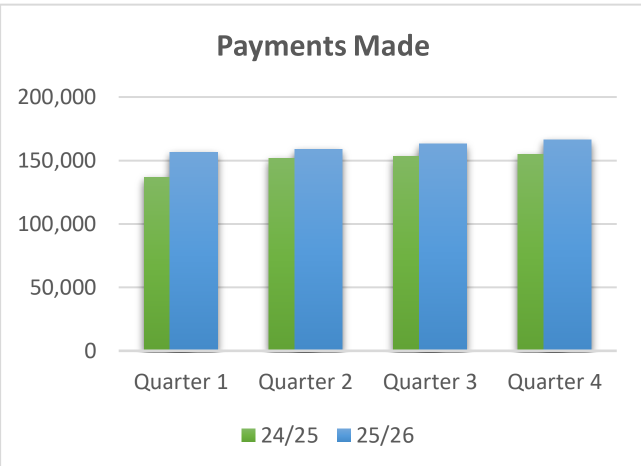
There has been a continued rise in scheme pay queries, driven by annual allowance issues affecting members. We are actively working on cleansing and reconciling the data between our records and HMRC, which involves ongoing contact with HMRC to ensure accuracy and compliance. In addition, we are working closely with the Annual Allowance team to manage scheme pays received through the Secure Data Exchange Service, ensuring all data is processed accurately.

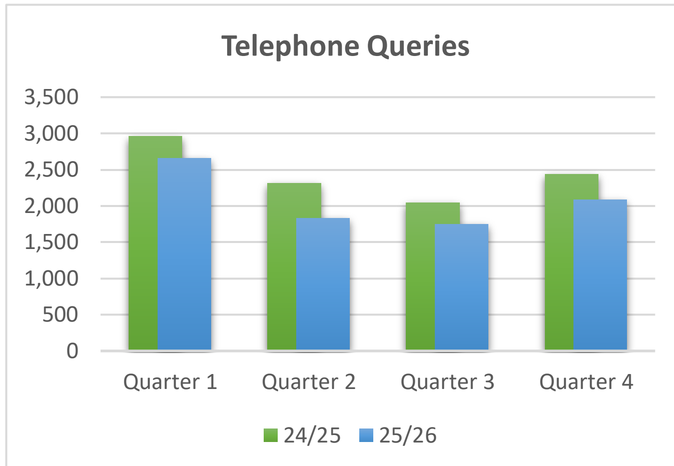
The annual declaration exercise is currently underway, covering 1,348 overseas members and 1,388 members aged over 90. This process ensures members complete a declaration of entitlement, enabling ongoing pension payments to continue while maintaining regular contact and engagement with these members.

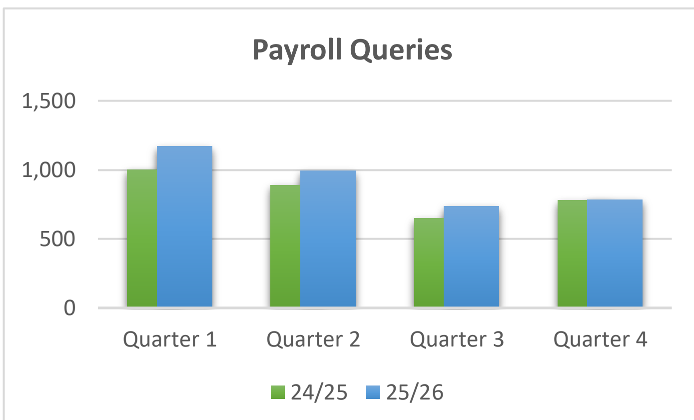
As part of the introduction of partial retirement, the Pension Increase calculation was updated to include partial retirement pension types. This was successfully tested in March 2026 in advance of the live Pension Increase calculation scheduled for April 2026.

All HSC Pension Payrolls were run successfully and on time in the last year.

Scheme Activity	Quarter 1	Quarter2	Quarter 3	Quarter 4	YTD
Payments made	**156,660**	**159,036**	**163,129**	**166,319**	**645,144**
Telephone queries	**2,657**	**1,832**	**1,749**	**2,088**	**8,326**
Payroll Queries	**1,169**	**992**	**737**	**784**	**3,682**







2.9 McCloud Implementation

The introduction of the McCloud Remedy has created extensive administration activity for HSC Pension Service.

Communications

- HSCPS continues to reach out to scheme members, employers and other stakeholders through various channels such as, Employer and Member newsletters, workshops, updates to the scheme website and social media, and development of McCloud specific scheme literature and videos to help assist members understand their choice packs, ABS and change in service due to rollback.

- HSCPS continue to attend NIPSPG meetings and HMRC webinars and ongoing collaboration continues with NHS E&W to ensure consistency on the development of documentation.

- McCloud Project Board has been established and currently meets on a bi-monthly basis.

- HSCPS have set up McCloud specific workshops and 1-1's for member knowledge and understanding of completing their RSS and a how to guide for understanding the pension commutation calculators which are available on our website.

- We have completely redesigned the HSCPS website to include McCloud guidance and developed a number of helpful information videos to aid members with their decisions on completing their pension application forms and RSS decision forms.

Remediable Service Statements

Remediable Service Statement (RSS) – Deferred Choice

In December 2024 HSCPS commenced Choice on Retirement for members affected by McCloud. Members are provided with an RSS with both Legacy and Care option calculations for the remedy period and will make their choice prior to receiving their pension benefits. HSCPS have also updated the website with supporting information and informational guidance videos to support members in understanding their options.

- Total RSS issued – 2,345
- Total RSS received from members – 2,173

- Legacy choice – 1,622
- CARE choice –551

<u>Remediable Service Statements (RSS) – Immediate Choice</u>

Issuing choice packs for already retired members has been split into 3 cohorts. The first cohort timeline is 31st March 2026 for previously unprotected pensioners, Ill Health pensioners and dependents.

The second cohort timeline is 30th June 2026 for previously protected pensioners, Ill Health pensioners and dependents and cohort 3 will be 31st December 2026 for previously tapered pensioners, Ill Health pensioners and dependents.

The scale and complexity of implementing McCloud has been challenging and the levels of complexity have resulted in a change to the original timescale for issuing Remediable Service Statements to already retired members. HSCPS formally advised the Pension Regular on 25th June 2025 that we would be exercising the section 29(10)(b) discretion of the 2022 Act, in relation to the McCloud remedy and the associated timescales for the Remediable Service Statements (RSS). Confirmation of receipt was received on 5th October 2025. To ensure that members receive statements that are robust, accurate and enable them to make an informed decision, a revised delivery plan was put in place and details of this have been made available to members via the website and member and employer newsletters.

System Development

All affected members and their data have been successfully placed into their legacy schemes for the remedy period and work continues with our IT provider Heywood to ensure that the HSCPS software system is fit for purpose and meets the requirements of the legislation. HSCPS and Heywood continue to liaise on the process and development for recalculations and agree a format of how the system will display and writeback the results in line with our Remedial Service Statements.

Regular fortnightly meetings take place between the implementation teams in Heywood & HSCPS with additional fortnightly meetings between the calculation team at Heywood and all teams within HSCPS to input and identify issues in the early stages of the development work.

Work planned – Our Next Steps

- Issue Immediate Choice Election (RSS) to members already retired
- Fully absorb McCloud into business as usual activity
- Contingent decisions
- Ongoing Members specific communication.

Challenges ahead

- Final fixed Term Contracts staff employed through McCloud are ending on 31st March 2026.
- New timeline provided for Immediate Choice RSS leading to increased complaints from members, political representatives and unions causing strain on resources
- Budget constraints
- Resources required to maintain BAU post McCloud
- Resources required to process ICE-RSS and remedy recalculations payments
- System Capabilities to automate the delivery of McCloud immediate choice
- Partial Retirement and other flexibilities leading to an increase in work which provides challenges on current resources
- Valuation – 4 yearly cycle
- Implementation of Pension Dashboard– system capabilities and resourcing

The forthcoming year, 2026/27 is expected to be challenging as we move from implementing the McCloud remedy to including it fully as part of Business as Usual (BAU), along with the full implementation of Pension Flexibilities, the scheme valuation and the launch of Pension dashboards, many challenges lie ahead.

2.10 Website/Communications

The HSCPS website and social media platforms play an important role in strengthening engagement with members by offering straightforward access to timely and relevant information. Ensuring that online content remains up to date, alongside proactive use of social media, helps reduce the volume of enquiries directed to the branch. As a result, staff are able to dedicate more time to their core operational responsibilities.

- **Ongoing Content Updates** - The website is regularly refreshed to reflect legislative updates and other key information of interest to stakeholders, ensuring accuracy and relevance.
- **Move to Digital Content** - All guides and factsheets are now available in a fully digital format. The majority of material that was previously issued as PDFs has been converted to web-based content. Newsletters have also transitioned to a digital format, allowing readership and engagement to be monitored through analytics. This digital approach will be maintained for all future publications.
- **Accessibility as a Priority** - The website has been designed with accessibility at its core. Text size can be increased significantly—up to 500%—without affecting layout or usability, and a read-aloud feature assists users with visual impairments. In addition, a translation tool enables content to be accessed in multiple languages, supporting members whose first language is not English.
- **Regulatory Compliance and Digital Forms** - In line with accessibility requirements, the use of Word and PDF documents has been largely eliminated and is now limited to cases where no alternative is suitable. Most high-use forms have been converted to online versions, improving accessibility for users who may find writing or word-processing software challenging. Work continues to digitise the remaining HSC and newly developed pension forms.

Progress:

- The new Engage platform was launched this year to replace the old Member Self Service website. We have developed 4 separate videos to accompany the launch to help our members navigate and understand the new platform. Videos include a Login and Register Video, A general navigation video, a pensioner's guide and a video explaining where members can locate and download their ABS/RSS statements on the new site. Training has also been provided to all staff within the branch to allow them to provide technical support to members who call or email with registration or navigational issues. Since the move over to Engage, 18,354 member records have been migrated over to the new platform.
- The ABS-RSS Statements were published for the first time in 2025, and to go alongside the launch, we created a new website section and an animated video to help members understand the new format. This

section and video has been viewed 4961 times since the publication of this year's ABS-RSS Statements, which will have helped to reduce the number of calls and emails we get into the branch regarding the new ABS-RSS format.

- Our online AW6 form with an optional Partial Retirement addition has been published, enabling members to apply for their pension online for the first time without the need for paper forms.
- All newsletters from all 4 quarters of the year have been digitised and published to the website.

The updated website analytics from each quarter have been used to track user engagement and they have been displayed in the table below.

Area of Activity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Website Views	201,536K	207,919k	171,584k	223,289k	804,228k
Website Clicks	659,290K	684,121k	572,383k	715,032k	2.64 Million
Average time spent on website	2 minutes 47 seconds	2 minutes 39 seconds	2 minutes 03 seconds	2 minutes 39 seconds	
Active Users	27k	30k	36,485k	38,858k	143,582k
New Users	27k	30k	30k	31k	118k
Bounce Rate	19.89%	19.85%	27.38%	26.27%	

* *Bounce rate for any website below 40% is deemed to be engaging with the user.*

The figures above illustrate a clear and continued increase in website usage from our members throughout the last year, and the total website views for this year are over 140k more than last year. Our website clicks are up half a million from last year and our active users have increased by almost 40k.

Challenges ahead:

- Pensions Dashboard is due to launch in October. This will enable citizens of the UK to check all of their pension pots in one convenient place. The launch of Dashboard will likely result in an increased number of queries into the branch, as well as a large number of transfers both in and out of the scheme for members who discover that they've got forgotten about pension pots with ourselves, or other providers.
- ABS-RSS will be published in August this year for the first time on the new Engage platform. At present, only 14.4% of member records have been transferred across from MSS to Engage. We envision that this number will increase dramatically once the ABS/RSS has been published as members try to register to get access to their statements.

2.11 Equip Project

HSC Pension Service have a dedicated team working in collaboration with colleagues in Payroll Shared Services (PSS) to assist in the development of Equip, the new HSC HR/Payroll/Travel and Subsistence (HRPTS) System to ensure its functional design meets all the requirements of HSC Employers to comply with legislation and the Pension Regulators Code of Practice in the provision of pension benefits for employees.

Regular meetings and workshops continue to be held with system developers Ernst Young (EY) and PSS to offer support regarding the administrative statutory requirements of Employers in relation to pension provision for employees and to ensure that the system functionality fully meets the requirements in accordance with the HSC Pension Scheme Regulations and Auto Enrolment legislation.

Work with EY is also ongoing on the development of a pension integration system to electronically transfer data from the Equip System to the HSC PS Altair System to ensure electronic updates of scheme member records.

3. Accommodation

After over 30 years residence in Waterside House, HSC PS relocated to Orchard House in December 2024. In order to reduce the carbon footprint and accommodate hybrid working, HSC PS were allocated a total of 50 workspaces across 2 offices in Orchard House.

The move has not gone without challenges, including initial teething problems such as ensuring suitable network connections, however one of the principal issues surround the ongoing problem of accessing training/meeting rooms or having access to spaces to conduct highly confidential meetings. This has caused significant problems for Senior management in HSC PS who have raised their concerns with both NI Civil Service (owners of the building) and BSO Properties Division in order to find a resolution to the issue.

4. SAB Update

Scheme Valuation

Government Actuaries Department delivered a presentation outlining the process used for the administering the 2024 Scheme Valuation, the data requirements for completing the valuation and the assumptions used in the valuation including both Demographic and Financial Assumptions.

SAB briefly discussed comparisons between a recent Republic of Ireland Living Standards report and those from Northern Ireland which would be included in the Demographic assumptions for the Valuation.

Scheme Contribution Thresholds

DoH confirmed that the NHS Pension Scheme contribution thresholds are increased annually to prevent staff being moved into higher contribution tiers solely because of pay awards. This same principle will apply in Northern Ireland for the HSC Pension Scheme once the NI pay position is confirmed.

As in England and Wales, the 2025/26 threshold uplifts continue to be linked to Agenda for Change (AfC) pay awards rather than CPI inflation. This approach avoids disproportionate increases in pension contributions for AfC staff. This year, AfC pay growth was higher than CPI inflation. Using AfC rates rather than CPI ensures that staff are not unfairly pushed into higher pension tiers.

- CPI (Sept 2024): 1.7%
- AfC uplift: 3.6%

NHS England and Wales did not undertake a full public consultation because the uplift is regarded as a technical implementation within an already established policy framework. However, they did undertake a short two-week consultation with their Scheme Advisory Board, allowing SAB members to provide comments on the proposed thresholds before finalisation.

DoH following agreement with members of SAB intend to follow the same approach. Once the Northern Ireland pay award is settled, and assuming approval to proceed with the short SAB consultation, the Department expects to bring forward the necessary regulations to give effect to the uplift.

HSC Pension Scheme - Employer levy

DoH provided a brief summary of the levy proposals and confirmed that letters were issued to all Trusts and stakeholders advising plans to hold targeted engagement sessions

Discussions are at an early stage, prior to any formal consultation. Current conversations are intended to explore the potential layout of the scheme and gather initial views.

The emerging view is that the levy, which is approximately 0.2%, should be made cost-neutral where possible. Work is now refocusing on exploring what cost-neutrality would mean for modelling and the wider scheme budget.

DoH will develop options for cost-neutral modelling and assess implications for the scheme budget and resume engagement with stakeholders once options are developed and circulate dates for planned sessions.

5.Pension Flexibilities

2025/26 saw the first full financial year following the introduction of Pension Flexibilities. The most notable change in legislation was the extension of Partial Retirement regulations to include members who had accrued benefits in the Legacy 1995 Section of the Scheme.

Prior to the implementation of Flexibilities legislation HSC Pension Service (HSC PS) carried out an exercise in collaboration with colleagues in NHS England & Wales in order to forecast the estimated uptake by member of the opportunity to partially retire.

It was estimated that approximately 5% of eligible members would avail of partial retirement resulting in an increase in pension applications of approximately 80-85 per month across the region.

Following analysis of the statistics for year 2025/26 HSC PS can report that from 01/04/2025 to 31/03/2026 there were 1,067 applications processed, averaging out at 89 applications per month.

It is noted that there are variances across the region in the uptake of Partial Retirement and HSC PS have documented these in the Pension Flexibilities 2025/26 Annual Report.

Statistical break downs are provided for the full region and are broken down by Trust/Employer to cover:

- Applications Per Trust/Employer
- Age of Partial Retiree
- Job Type (Admin, Nursing etc.)
- Pay Band of Partial Retiree
- Reduction Criteria (reduction in hours/split contract etc.)
- Reduction in Hours used

APPENDIX A

Record Keeping; data improvement

All public service scheme administrators are obliged to review scheme data regularly and maintain accurate records. HSCPS has various tools in place to ensure full compliance in maintaining common and scheme specific data.

Scheme specific data

Accurate scheme specific data is maintained in the following ways

- monthly and annual interfaces with Payroll Shared Services
- annual and quadrennial full funding valuations with GAD
- bulk Annual Benefit Statement processes
- Annual Allowance process with Pension Input Amounts (PIA's)

Additionally, HSC Pension Service regularly runs reports across all member records to ensure the accuracy of member data, known as "common data".

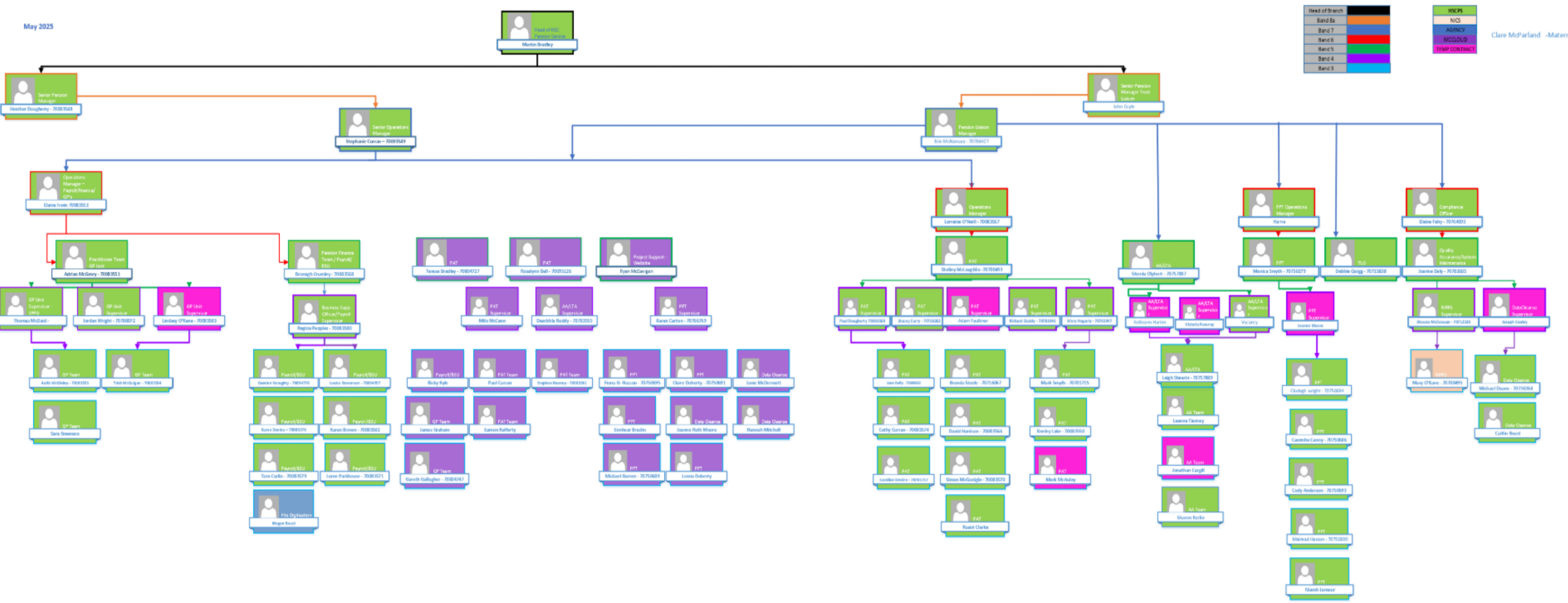
The table below shows the latest data check on 16.01.24 across 400,038 records revealed that 13 National Insurance numbers were missing. Investigations revealed the members were dependants

13296 records were missing a postcode and again, this was due to the member having left the scheme. The correct address and postcode will be obtained once a new pension event has been triggered.

Common Data checks	No of errors / missing data	Reason	Action
NINO	13	Dependant members	Records updated
Surname	nil		
Forename	nil		
Postcode	13296	All deferred members/or no liability	No action until a pension event is triggered as member may have changed address
Sex	nil		
Date of birth	nil		

APPENDIX B

Organisational Chart



6. GOVERNANCE

6.1 Risk Management

Throughout the year board members received copies of the HSC Risk Register including key risk areas, an assessment of likelihood and impact of the short, medium and long-term risks, threats and opportunities.

The Board has an opportunity to discuss and challenge the risks, and if appropriate, reconsider a risk assessment and the mitigating actions to bring the risk within the HSC Pension Board's risk appetite.

6.2 Reporting to The Pensions Regulator (TPR)

The HSC Pension Scheme had no incidents to report to the TPR in this financial year.

6.3 Membership Changes to Pension Board

During the 2025/26 scheme year, the Pension Board met on 3 occasions. The Board will endeavour to meet in person at least once per year. There have been 2 new appointments to the Pension Board within 2025/26 year. These are Arnie McDowell and David Cassidy who replaced Johnny Burns and Stephanie Greenwood respectively.

6.4 Pension Board Training

- Presentation from The Pensions Regulator
- Partial Retirement
- McCloud Remedy
- Annual Allowance and the impact of the Senior Executives Pay Award