

# A GUIDE TO THE HSC PENSION SCHEME

HSC Staff



Practitioners



Practice Staff



# Summary of the main features and benefits



Description	 HSC Staff	 Practitioners	 Practice Staff
Member Contributions	5% - 8.5% depending on rate of Pensionable Pay	5% - 8.5% depending on amount of Pensionable Earnings	5% - 8.5% depending on the rate of Pensionable Pay
Pension	A Pension worth 1/60 <sup>th</sup> of Reckonable Pay per year of service	A Pension based on 1.87% of Total Uprated Pensionable Pay	A Pension worth 1/60 <sup>th</sup> of Reckonable Pay per year of service
Retirement Lump Sum	Option to exchange part of Pension for Cash at retirement, up to 25% of Pension Value	Option to exchange part of Pension for cash at retirement, up to 25% of Pension Value	Option to exchange part of Pension for cash at retirement, up to 25% of Pension Value
Normal Pension Age	65	65	65
Pensionable Pay	Normal pay and certain regular allowances	All Pensionable Earnings from HSC work	Normal pay and certain regular allowance
Reckonable Pay	The annual average of the best three years' consecutive Pensionable Pay in the 10 years before leaving or retirement, revalued by Retail Prices Index	Not relevant	The annual average of the best three years' consecutive Pensionable Pay in the 10 years before leaving or retirement, revalued by Retail Prices Index
Total Uprated Pensionable Earnings	Not relevant	The final value of Pensionable Earnings after adding all earnings and applying Revaluation Factors	Not relevant
Death in service lump sum	2 x Reckonable Pay	2 x average annual Pensionable Earnings	2 x Reckonable Pay
Dependants' Pension on death	A Pension based on your pay and service	A pension based on your average annual Pensionable Earnings and service	A Pension based on your pay and service

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What icon are you?

Throughout this guide you will notice icons alongside each section.

These icons relate to certain membership groups and you should take a note of which icon relates to you. If your icon is crossed out, then the benefits described do not apply to you.

There are three distinct groups of people who can be members of the scheme:



### **HSC Staff**

HSC employees employed by Boards, Trusts and Agencies. This group covers most employees working for the HSC.



### **Practitioners**

HSC medical, dental and ophthalmic practitioners, including assistants, registrars and some locums. This includes practitioners who are registered on a performers list.



### **Practice Staff**

General Practice and Direction Body staff. This group includes staff who work for a General Practice or for other employers connected to the HSC for whom agreement has been reached that they can participate or continue in the HSC Pension arrangements.

# Introduction



Welcome to the member's guide to the HSC Pension Scheme (the Scheme), the Pension scheme for HSC employees. This includes people directly employed by the HSC and also medical, dental and ophthalmic practitioners, general medical practice staff and staff working for certain approved employers.

This guide explains the main features of the Scheme to you. By reading this you should get a good idea of the benefits that the Scheme provides. Some words or phrases have special meanings and throughout the guide these appear with capital letters. We have included a glossary of many common terms at the end of the guide to help you understand them. More detailed information is available from your employer or from the pension administrator, HSC Pensions Branch via their website [www.dhsspsni.gov.uk/superann](http://www.dhsspsni.gov.uk/superann).

## The small print

This member guide is intended to provide you with a general guide to the Scheme benefits. We have taken great care to get the details right at the time of publication but it does not give a complete or legally binding statement of the law and Regulations which govern the Scheme. Nothing in this guide can override the Regulations which set out the conditions of entitlement and determine the rate at which benefits are payable. In the event of any conflicting information, the Regulations will prevail.

Note. Your employer has a copy of the Regulations. The most up to date version of this guide is kept on [www.dhsspsni.gov.uk/superann](http://www.dhsspsni.gov.uk/superann).

If you are in any doubt about how your benefits are calculated or what you may be entitled to, please contact HSC Pensions Branch for information. Contact details are on page 21.

### **scheme fact**

The NHS has separate schemes throughout the UK. England and Wales have a scheme and Scotland also has its own scheme. If you change employer and work in a different Nation, you may wish to transfer your Pension rights to maintain a continuous pension record.

A brief summary of the Scheme benefits is shown in the table on page 2. The following pages explain these benefits in more detail; describe how they are calculated and who they apply to.

HSC Staff and Practice Staff earn Pensions on the final salary method. This means that their Pension is based on their Pensionable Service and Pensionable Pay at or near retirement or leaving.

Practitioners earn benefits based on a Career Average Revalued Earnings method. This means that each year's Pensionable Earnings are recorded and revalued to give a total for their whole career. Their Pension is a percentage of that total.

Examples of how these work are included in the section entitled "Benefits at retirement".

# Eligibility



The Scheme is open to:

- all new HSC workers from 1 April 2008;
- all HSC workers who had not previously been a member of the HPSS Superannuation Scheme;
- active members of the HPSS Superannuation Scheme on or before 1 April 2008 who opt to move to the HSC Pension Scheme;
- eligible Preserved Members who return to the HSC and who opt to join the HSC Pension Scheme;
- Preserved Members returning to the HSC after 1 October 2008 more than 5 years after leaving the pre April 2008 HPSS Superannuation Scheme.

You will not be eligible to join the Scheme if you:

- are aged more than 75;
- only hold an honorary HSC appointment;
- are not a practitioner and are employed by a GDS or PDS contractor.

There are further restrictions on eligibility for some members who are in receipt of a HPSS Superannuation Pension. If you decide not to participate in the Scheme, but later change your mind, you may then apply to join the Scheme.

## **“If you are eligible you will automatically be made a member”**

Important note. Membership of the Scheme is voluntary but if you are eligible you will automatically be made a member, unless you decide not to join. You may choose to opt out of the Scheme at any time. You can do this by completing a form, available from your employer.

Before opting out of the Scheme, you should carefully compare the relative cost to you and the whole package of benefits provided under the Scheme. A financial adviser should be able to help you.

## Injury benefits



A separate scheme covers all HSC employees (whether they are in the pension scheme or not) for injuries or diseases contracted in the course of work. The Injury Benefits Scheme can provide temporary or permanent payments to you or your Dependants if you are absent from work, unable to earn as much or die as a result of the injury or disease.

Further details are available in the factsheet entitled Injury Benefits Scheme available on the HSC Pension website [www.dhsspsni.gov.uk/superann](http://www.dhsspsni.gov.uk/superann).

# Costs and Contributions



The costs of the Scheme are determined by the Scheme actuary who performs periodic valuations of the Scheme to determine how much needs to be paid to provide the benefits. These costs are shared between the HSC employers and the Scheme members.

## “You get tax relief on any amount you pay”

As a Scheme member you pay a Contribution towards your Pension based upon your Pensionable Pay; the more you earn, the higher your Contribution rate may be. The HSC employers pay the rest.

There are four rates of member Contribution, ranging from 5% for the lowest earners to 8.5% for the highest. The thresholds at which the rates change are linked to nationally agreed pay rates at set levels.

Contributions are taken from your pay before tax so you get tax relief on any amount you pay. You may also pay a lower rate of National Insurance. This can reduce the actual amount that you pay to between approximately 3.5% and 5.1% depending on your Contribution rate, earnings level and personal rate of tax.

Further details are available in the factsheet entitled Costs and Contributions available on the HSC Pensions website [www.dhsspsni.gov.uk/superann](http://www.dhsspsni.gov.uk/superann).

## Pension age



The Scheme's Normal Pension Age is 65. This is the age at which you can retire from HSC employment and draw the full value of your Pension.

If you work beyond age 65 your Pension will be paid when you eventually do retire and it will be increased to allow for it being paid later. More details are in the section entitled "Late Retirement".

You may choose to retire or partially retire from work before age 65. If you wish to take some or all of your Pension before you are 65 it may be reduced to allow for it being paid for longer. Further details on this are included in the section entitled "Partial Retirement".

# Benefits at retirement



HSC Staff and Practice Staff will receive a Pension based on Reckonable Pay.

Your Pension is 1/60th of your Reckonable Pay for each year of Pensionable Service in the Scheme. Part years will also count towards your Pension. You will also have the choice of taking a Retirement Lump Sum and having a reduced annual Pension.

## scheme fact

The most service you can have in the Scheme is 45 years.

Part-time staff have their Pensions based on the whole time equivalent rate of Pensionable Pay.

Your Pension is calculated as follows:

Reckonable Pay x Pensionable Service x 1/60

## Example 1



A midwife retires after 28 years and 173 days Pensionable Service with Reckonable Pay of £25,650.

Her Pension is

$£25,650 \times 28.474 \times 1/60 = £12,172.62$  per year

# Benefits at retirement



Practitioners will receive a Pension based on career earnings.

Your Pension is based on 1.87% of your re-valued career earnings. This is achieved by recording your Pensionable Earnings for each year of membership in the Scheme and applying a Revaluation Factor. From April 2008 the factors used to re-value your earnings will be 1.5% above the amount of the annual increase due under the Pensions Increase Acts. The resulting figure is known as Total Up-rated Pensionable Earnings.

Your Pension is calculated as follows:

Total Up-rated Pensionable Earnings x 1.87%

## Example 2



A GP retires at age 60. Her earnings for each of the years as a Practitioner are re-valued and added together and the total is multiplied by 1.87% giving a Total Up-rated Pensionable Earnings figure of £3,500,000. This is multiplied by 1.87% to give her annual Pension.

Her Pension is

$£3,500,000 \times 1.87\% = £65,450$  per year.

## Mixed service – pension flexibilities

Practitioners who have also worked in hospital care or as a GP registrar may also have Pension earned on the final salary method as well as on the CARE method. Members who have this type of mixed service will have additional calculations applied to their Pension records to ensure that the best results are obtained for them.

# Taking a Retirement Lump Sum



You have the option of receiving a Retirement Lump Sum and a smaller annual Pension. The Maximum Lump Sum you can take is 25% of your Pension Value. This is determined by a limit set by HMRC and adopted by the Scheme regulations. It applies across your entire pension arrangements so your HSC Retirement Lump Sum may be limited to a smaller amount if you have other pension savings.

You have to give up some of your Pension to get a Retirement Lump Sum. You will receive £12 of Retirement Lump Sum for every £1 of Pension you give up.

The value of your Pension is determined by multiplying the reduced Pension by 20 and adding your Retirement Lump Sum. The Maximum Lump Sum you can take is approximately 4.28 times your initial Pension.

## “You have to give up some of your Pension to get a Retirement Lump Sum”

### Example 3



The midwife in example 1 decides to take a Retirement Lump Sum when she retires. She receives £12 of lump sum for each £1 of annual Pension given up so she chooses to exchange £1,500 of her annual Pension to get a Retirement Lump Sum of £18,000.

$(£1,500 \times £12 = £18,000)$

Her benefits are now;

Pension

$£12,172.62 - £1,500 = £10,672.62$  per year

Retirement Lump Sum

£18,000

# State pension scheme and other pension schemes



The Scheme is completely separate from the State pension arrangements or any other pension schemes you may have.

This means that you will normally get a separate basic state pension as well as your HSC Pension. The Scheme is contracted out of the second level of state pension (known as the State Second Pension (or S2P) and you will not get additional pension from this, except for any contributions you may have made in another employment.

If you have arranged your own Personal Pension, or have pensions from other employments, these are payable as well as your Pension from the Scheme but it is up to you to choose when you take these.

Because of tax legislation, you may need to tell us about these pensions when you come to retire.

## [scheme fact](#)

The Scheme is contracted-out of S2P under the 1995 Pensions Act. This means that the Scheme has to pass a scheme quality test set out in the Pensions Act. The Scheme actuary has confirmed that the Scheme has passed the test.

## Applying for your benefits



When you are retiring you need to apply for your benefits using a form which is available from your employer. To help us pay you on time this should be completed four months before your intended retirement date. A separate form should be completed for each employment.

Your Pension is usually paid monthly for the rest of your life. HSC Pensions are protected against inflation by being linked to the Retail Prices Index. This means that they increase each year, in April, for as long as they are paid. In your first year of retirement a part year increase may apply.

**“Your Pension is usually paid monthly for the rest of your life”**

## Leaving early



The Scheme provides a number of options for those leaving the Scheme before retirement. The options available depend on your length of service.

Option	Less than 2 years' Scheme service when you leave	At Least 2 years' Scheme service when you leave
Refund of contributions, less tax and National Insurance contributions	Yes, if under 60	No
Leave your benefits in the Scheme and take a Preserved Pension	No	Yes
Transfer your benefits to another pension arrangement	Yes	Yes

### Scheme fact

Your Preserved Pension is calculated in the same way as your normal retirement Pension but is based on Pensionable Service and Reckonable Pay at the time you leave. Preserved benefits are normally paid when you reach age 65.

### Important note.

Whilst you are an employee member of the Scheme, you are entitled to death in service benefits including life assurance and family benefits. On leaving the Scheme these level of benefits will no longer be payable.

**“The options available depend on your length of service”**

## Early Retirement



The earliest you can draw your Pension is age 55. This is known as the Minimum Retirement Age.

## Voluntary Early Retirement on reduced Pension



You can choose to take Voluntary Early Retirement from age 55 and receive reduced benefits. Your Pension is reduced to allow for the fact that it is being paid earlier than expected. Your Dependants will still get any benefits they are entitled to in full.

In the unlikely event that your reduced Pension is less than the Guaranteed Minimum Pension, you will not be able to take Voluntary Early Retirement.

You may apply for Voluntary Early Retirement by completing a form which you can get from your employer.

**Further details** are available in the factsheet entitled Leaving Early available on the HSC Pensions website [www.dhsspsni.gov.uk/superann](http://www.dhsspsni.gov.uk/superann).

## Partial Retirement



If you reduce your Pensionable Pay by at least 10% and you have reached the Minimum Retirement Age of 55 you may partially retire and take some of your benefits. The benefits would be reduced if they are paid before your 65th birthday. Your Pensionable Pay must remain reduced for at least a year otherwise you will cease to be eligible for the Pension that you have taken.

**Further details** are available in the factsheet entitled Partial Retirement available on the HSC Pensions website [www.dhsspsni.gov.uk/superann](http://www.dhsspsni.gov.uk/superann).

**“You can choose to take Voluntary Early Retirement from age 55 and receive reduced benefits”**

## Ill Health Retirement



If you have at least two years Qualifying Service and are too ill to work in your present job you may be able to retire early and take your Pension benefits. There are two tiers of Ill Health Retirement benefits and the benefits you get will depend on whether or not you are capable of undertaking employment elsewhere.

<b>Lower-tier</b> Unable to do current job due to permanent ill health	Accrued service without reduction. No enhancement to benefits.
<b>Upper-tier</b> Unable to carry out any regular employment due to permanent ill health	Lower tier benefits, <b>plus</b> an enhancement of up to two-thirds of your prospective service.  Total service may not exceed prospective service at 65

It may be possible to move between the lower and upper tiers after retirement if your state of health changes or if your condition is such that it is not possible to determine at the outset whether you will recover sufficiently to undertake any regular work.

If you become terminally ill you may be able to take your benefits immediately as a Retirement Lump Sum. In this case they will be calculated based on the upper tier.

If you are a Preserved Member and you become too ill to undertake any regular employment you may be able to take your Pension early with no reduction. Your benefits will not be enhanced.

Your benefits may be reduced or withdrawn if you take up further employment after retiring early due to ill health.

You can apply for Ill Health Retirement by completing a form which you can get from your employer.

**Further details** are available in the factsheet entitled Ill Health Retirement available on the HSC Pensions website [www.dhsspsni.gov.uk/superann](http://www.dhsspsni.gov.uk/superann).

**“The benefits you get will depend on whether or not you are capable of undertaking employment elsewhere”**

## Premature Retirement



If you are retired prematurely because of redundancy or in the interests of the efficiency of the service, your benefits may be paid immediately. You must have at least two years continuous service and have reached the Minimum Retirement Age.

- If you are retiring in the interests of the efficiency of the service your benefits will be paid without reduction and your employer will meet the cost of paying the Pension early.
- If you are made redundant over the Minimum Pension Age you may choose to take your redundancy payment and have your pension paid at Normal Pension Age, or take your Pension benefits immediately, without reduction. If you choose to take your Pension immediately your employer would use your redundancy payment to meet any additional costs that arise, paying the balance (if any) to you.

If you have more than one job in the HSC you may either:

- Take your benefits only in respect of the employment from which you are retiring prematurely and remain a member of the Scheme in respect of your other Pensionable jobs; or
- Take your benefits in respect of all your Pensionable HSC jobs. If you do this, you must leave all your jobs for at least one day unless they total no more than 16 hours per week. If you choose to take your benefits from all your jobs, you will not be able to be a member of the Scheme in respect of any further employment in the HSC.

Further details are available in the factsheet entitled Premature Retirement available on the HSC Pensions website [www.dhsspsni.gov.uk/superann](http://www.dhsspsni.gov.uk/superann).

## Late Retirement



If you remain in employment after age 65, you may continue to earn Pension as long as you stay in the Scheme, up to age 75 or until you reach 45 years' service. When you take your benefits, any of your Pension earned before age 65 will be increased to take account of the fact that it is being paid later than your Normal Pension Age.

**“Any of your Pension earned before age 65 will be increased”**

Further details are available in the factsheet entitled Late Retirement available on the HSC Pensions website [www.dhsspsni.gov.uk/superann](http://www.dhsspsni.gov.uk/superann).

## Life insurance and family benefits



The Scheme provides lump sum and Pension benefits to your Dependants in the event of your death. The benefits payable will depend on your circumstances at the time of your death.

Summary of benefits payable on death:

Benefit	Death in service	Death after retirement	Death with preserved Pension	Death within 12 months of leaving service if benefits remain in Scheme
Lump sum	2 x annual Pensionable Pay or Pensionable Earnings	5 x Pension less pension already paid	3 x Pension	3 x annual Pension
Adult Dependants' Pension	<p>37.5% of your notional upper tier III Health Retirement Pension</p> <p>You must have at least 2 years Qualifying Service</p> <p>Short term Pension payable at rate of your Pensionable Pay for the first 6 months</p>	<p>37.5% of your Pension in payment</p> <p>Short term Pension payable at rate of member's Pension paid for first 6 months</p>	<p>37.5% of your Pension</p> <p>No short term Pension</p>	<p>37.5% of your notional upper tier III Health Retirement Pension at date of leaving</p> <p>No short term Pension</p>
Children's Pension	18.75% of your notional upper tier III Health Retirement Pension per child, if no more than 2 children. 37.5% shared equally if more than 2	18.75% of your Pension per child, if no more than 2 children. 37.5% shared equally if more than 2	18.75% of your Pension per child, if no more than 2 children. 37.5% shared equally if more than 2	18.75% of your notional upper tier III Health Retirement Pension per child, if no more than 2 children. 37.5% shared equally if more than 2

## Payment of lump sum



The lump sum will normally be paid tax free to your spouse, registered civil partner or qualifying partner. If you do not want this to happen you should contact HSC Pensions Branch to nominate someone else to receive the benefit. You should note that the lump sum may be subject to Inheritance Tax if it is not paid to your spouse, registered civil partner or qualifying partner.

## “The lump sum will normally be paid tax free”

If no beneficiary is nominated and you do not have a spouse or registered civil partner, the lump sum can only be paid to your estate.

## Payment of Dependants’ Pensions



These are payable for life to your legal spouse, registered civil partner, or qualifying partner from the date of your death.

## Children’s pensions



Children’s pensions are paid until the age of 23. If the child remains unable to earn a living due to a condition which existed at the date of your death, the children’s pension can be paid indefinitely.

Important note. It is important that you keep your nominations up to date to ensure that your benefits are paid as swiftly as possible and to whom you want to receive them. Forms are available to nominate who you wish to receive any lump sum and also to register a partner for a Pension.

# Increasing pension saving



You can increase the amount of benefits you get at retirement by paying extra Contributions. These are called Additional Voluntary Contributions or AVCs. There are three ways of doing this and each way buys you different benefits.

## Buying Additional Pension

Under this option you elect to buy a set amount of annual pension for an agreed amount of Contributions that you can choose to pay either as a lump sum or as a regular payment.

## Taking out an AVC account

Your Contributions are invested and build up a cash fund. When you retire you use this fund to provide additional benefits for you or for you and your Dependants. You can take some of this fund as a lump sum.

## Buying increased life assurance

If you wish to increase your life assurance there are special terms available through Standard Life.

The most that you can pay into AVCs is 100% of your taxable pay less your standard Contributions, subject to an overall maximum limit per annum set by HMRC.

Further details are available in the factsheet entitled Additional Pension Saving available on the HSC Pensions website [www.dhsspsni.gov.uk/superann](http://www.dhsspsni.gov.uk/superann).

# Transferring benefits into the Scheme



If you have been a member of another pension scheme you may wish to consider transferring your benefits to the Scheme to buy additional service. If you wish to explore a Transfer please contact HSC Pensions Branch. We will advise on the course of action that you need to take.

Important note. If you have been a member of the NHS Pension schemes elsewhere in the UK it is important to note that your benefits will not Transfer automatically to the Scheme. You must apply in writing for a Transfer to be made.

**Important note. Applications to Transfer benefits into the Scheme must be made within 12 months of joining the Scheme and before age 60.** Special rules apply to HSC employees transferring from elsewhere in the UK.

# Transferring benefits out of the Scheme



If you leave the Scheme you may be able to Transfer your benefits out of the Scheme to:

- Another occupational pension scheme
- A personal pension scheme
- An insurance company to buy an annuity contract
- A self-employed pension arrangement
- A combination of these

A Transfer payment is worked out by converting the value of the accrued pension rights to a current cash equivalent using factors supplied by the Scheme actuary in relation to the member's age at the date of calculation. The Transfer value takes account of movements in the stock market.

# Rejoining the Scheme



You can opt out of the Scheme at any time by giving notice in writing. If you are in HSC employment you may rejoin the Scheme if you continue to satisfy the eligibility conditions. You may not rejoin if you are absent from work for any reason.

If you rejoin the Scheme with preserved benefits, your benefits will be worked out in whichever of the following two ways gives the highest result:

- your periods of service will be added together and your total service and Reckonable Pay will be used to work out your benefits; or
- the benefits you have earned for each period of service will be worked out separately. The benefits will be based on the Reckonable Pay at the end of each period and revalued. The benefits will then be added together.

If you have taken benefits from the Scheme you may rejoin the Scheme as long as you meet the eligibility criteria and do not have more than 45 years' Pensionable Service. Benefits in respect of your re-employment will be calculated using the Reckonable Pay and service applicable to further service only. The benefits will be paid in addition to the Pension payable in respect of your earlier service.

# What HSC Pensions Branch will do for you



We aim to provide a prompt, efficient and helpful service to all members of the Scheme.

We are committed to providing a standard of service that you have a right to expect both in your employment and after you have retired or left service.

## While you are employed by the HSC and are a Scheme member

- You can ask us for the estimated value of your Scheme benefits.
- You can ask for other information about your pension rights.
- You can get in touch with us at any time. We will deal with your queries quickly, accurately and politely.
- If you write to us, we aim to send you a full and clear reply within 15 working days of the date we get your letter.
- If we need to get more information before we can give you a full reply, we will let you know.

## If you leave the Scheme or the HSC before retirement

We will tell you about your choices.

If you are entitled to a refund of Contributions or wish to consider transferring your Scheme benefits, we will deal with your application quickly. We will tell you the value of the Pension benefits you have earned.

We aim to:

- Pay a refund within three months of receiving the application.
- Issue Transfer value details within eight weeks of getting the request. These details are then guaranteed for three months. If the Transfer is to proceed, you must apply within the guarantee period to avoid recalculation.
- Complete the Transfer within sixteen working days of receiving a member's instruction to transfer their rights.

## When you retire

We will let you know how much your Pension and any Retirement Lump Sum will be.

We aim to:

- Work out your benefits accurately.
- Pay your chosen amount of any Retirement Lump Sum into your nominated account as soon as possible following the date of your retirement.
- Pay your first Pension payment into your account during the following month.

All other Pension payments will be issued to reach you on the due date.

Important note. We need to get information from you or your employer to be able to calculate your benefits. If we do not have the information needed it can take longer than we would like it to. In this case we will keep you informed of progress and ask you for anything we need you to provide.

**“You can get in touch with us at any time”**

# Complaints



If you have a complaint, please tell us.

If we have made a mistake, we will put things right as quickly as possible.

If you are not satisfied, we have a disputes procedure which complies with pension legislation and Citizen's Charter guidelines. This is a three stage process, the first of which asks you to write to the Scheme Manager who will try to resolve your complaint and let you have a response within three weeks. If you are still not satisfied, you can get advice from The Pensions Advisory Service (TPAS). Finally, you may take your case to the Pensions Ombudsman.

The address for TPAS and the Pensions Ombudsman is

11 Belgrave Road  
LONDON  
SW1V 1RB

The Pensions Ombudsman will normally expect any complaint to have been looked at by TPAS first.

The telephone number for TPAS is 0845 601 2923 and for the Pensions Ombudsman is 020 7834 9144.

# General information



## Pension Scheme Fund

The HSC Pension Scheme does not have any assets to cover the liabilities. Instead, benefits are guaranteed by the Government. Contributions from members and employers are paid to the Exchequer which meets the cost of Scheme benefits, including the cost of increasing benefits each year by the rate of inflation.

## Scheme Administration

This is carried out by HSC Pensions Branch, part of the Department of Health, Social Services and Public Safety.

## Scheme Rules

The rules of the HSC Pension Scheme are laid down in the Health and Personal Social Services (Superannuation) (Amendment) Regulations (Northern Ireland) 2008. The compensation scheme is covered by the Health and Personal Social Services (Compensation for Premature Retirement) Regulations (Northern Ireland) 1983, as amended, the injury benefits scheme by the Health and Personal Social Services (Injury Benefits) Regulations (Northern Ireland) 2001 and the AVC scheme by the Health and Personal Social Services (Additional Voluntary Contributions) Regulations (Northern Ireland) 1999 as amended. If you wish to see the Regulations, you can either ask your employer or see the HSC Pensions website.

## Data Protection

HSC Pension holds information about each Scheme member on computer. In terms of the Data Protection Act 1998, you have the right to request and be given a copy of all the computerised information held about you.

## Disclosure of Information

Under the Occupational Pension Schemes (Disclosure of Information) Regulations 1996 as amended, Pension schemes such as the HSC Pension Scheme must provide you with certain information. This guide includes the general information which we must provide but you are also entitled to ask us for further information about your own circumstances. For example:

- Details of what your Scheme benefits are likely to be when you retire
- The rights and options available to you if you decide to end your Pensionable Service before Normal Pension Age
- An estimate of the amount of the Transfer value you could expect on leaving the Scheme (and information on how it is calculated)
- An estimate of any refund of Contributions that might be due if you left the Scheme

## Pension Scheme Registrar

Information about the Scheme has been given to the Pension Scheme Registrar under the management of the Pensions Regulator. The address is

Pension Scheme Registrar  
PO Box 1NN  
Newcastle-upon-Tyne  
NE99 1NN

The Registrar's main responsibility is to provide a tracing service for ex-members of pension schemes who have pension entitlements and who have lost touch with their former employer.

### Financial Advice

If you are in any doubt which Pension arrangement will be the best for you, you should seek financial advice. A financial advisor who is independent can offer a range of financial services and products, whereas a financial advisor who is "tied" can only offer the products of one company or a limited amount of choice if they are "multi-tied". Before you ask for advice, make sure you know which type of advisor you are dealing with.

Important Note. Most financial advisors will charge for their advice.

## Contact details



If you need more information about the Scheme or about your Pension please visit the HSC Pensions website where more detail about the Scheme is held [www.dhsspsni.gov.uk/superann](http://www.dhsspsni.gov.uk/superann).

You can contact us by email at [superannbr@dhsspsni.gov.uk](mailto:superannbr@dhsspsni.gov.uk).

You can also contact us by writing to

HSC Pensions Branch  
Waterside House  
75 Duke Street  
LONDONDERRY  
BT47 6FP

You can also fax us on 028 71319144.

**Your employer may also be able to help you.**

# Glossary of terms



## Additional Pension

An extra amount of annual pension that you (or your employer) have purchased by paying extra contributions.

## Additional Voluntary Contributions

Extra contributions that you decide to pay to increase your benefits.

## Career Average Revalued Earnings (CARE)

For practitioners only. A method of calculating your pension by reference to your earnings over your entire practitioner service.

## Contributions

The amount needed to be paid into the Scheme to pay for the benefits. This is split between members and employers.

## Dependant

A spouse, civil partner, dependent child or nominated partner who qualifies to receive a pension after you die.

## Guaranteed Minimum Pension

As the Scheme was contracted out of SERPS, this is the minimum amount of pension you will receive from the Scheme.

## HMRC

Her Majesty's Revenue and Customs (formally the Inland Revenue).

## Ill Health Retirement

Being awarded a pension due to being too ill to continue to work.

## Injury Benefits Scheme

A scheme that pays you money if you are injured or become ill as a result of your work.

## Maximum Lump Sum

The maximum cash you can take from your pension benefits when you retire. HMRC determine this as being 25% of your pension value.

### Minimum Retirement Age

This is the lowest age you can take your benefits. This is age 55.

### HSC Staff

Most employees working for the HSC.

### Normal Pension Age

The age at which you can choose to retire from the Scheme and have the full value of your pension paid.

### Pension

An annual amount of income paid once you have retired from the Scheme.

### Pensionable Pay

The amount of your salary that is used to calculate the contributions you pay.

### Pensionable Earnings

The amount of your income that represents your earnings for HSC work and is used to calculate the contributions you pay and how much your pension will be. Some members who have transferred benefits into the Scheme may have been restricted by a maximum amount set by Revenue and Customs (the earnings cap) for service between 1 June 1989 and 31 March 2008 when the limit was removed. Additionally dentists may have previously been affected by a restriction called the Maximum Allowable Remuneration but this also has been removed from 31 March 2008. Affected members will receive pensions based on capped earnings before the change and uncapped earnings after the 31 March 2008.

### Pensionable Service

The time you spend at work that counts towards your pension.

### Pension Value

This is a definition of the value of your pension as determined by HMRC and is calculated by multiplying your pension by 20 and adding the value of your lump sum.

### Personal Pension

A separate pension that you can take out to save towards your retirement.

### Practice Staff

Staff who work for a General Practice or for other employers connected to the HSC for whom agreement has been reached that they can participate or continue in the HSC pension arrangements.

## Practitioners

HSC medical, dental and ophthalmic practitioners, including assistants, registrars and some locums.

## Preserved Benefits

A pension (and retirement lump sum) that is due to be paid at a later date.

## Preserved Members

People who have left the Scheme but have not yet taken their pension.

## Qualifying Service

The time that you work for the HSC that counts towards the benefits you can have.

## Reckonable Pay

The best average annual Pensionable Pay you have received in the last 10 years of membership. Some members may have been restricted by a maximum amount set by Revenue and Customs (the earnings cap) for service between 1 June 1989 and 31 March 2008 when the limit was removed. Additionally dentists may have been affected by a restriction called the Maximum Allowable Remuneration but this also has been removed from 31 March 2008. Affected members will receive pensions based on capped earnings before the change and uncapped earnings after the 31 March 2008.

## Retirement Lump Sum

A cash payment made at the time of retirement. Normally this is three times your pension amount but you can choose to take a bigger lump sum and have a smaller annual pension. There are some members whose lump sum may be less than 3 x pension if they were male and started service before 25 March 1972 or if they have elected to buy benefits for a spouse or partner by having a deduction from their lump sum.

## Revaluation Factor

A way of increasing the recorded value of each year's Pensionable Earnings to maintain their buying power by reference to current earnings values. Historically these have been linked to the relevant earnings of each group. These have also been called Indexation Factors and Dynamising Factors.

## Regulations

The legal framework that sets out the rules of the Scheme, The Health and Personal Social Services (Superannuation) Regulations (Northern Ireland) 1995, as amended.

## Scheme

In this guide, the Scheme refers to the HSC Pension Scheme.

## State Pension

A pension paid when you reach State Pension Age based on your National Insurance payments or credits.

## State Second Pension

A separate part of the State pension based on the amount of your earnings since 6 April 1978 on which you have paid National Insurance contributions. The Scheme is contracted out of the State Second Pension.

## Total Up-rated Pensionable Earnings

The final value of Pensionable Earnings after adding all year's earnings and applying revaluation factors.

## Transfer

Moving your pension benefits into or out of a pension scheme.

## Voluntary Early Retirement

Choosing to take your pension earlier than the Normal Pension Age.