

# HSC Pension Scheme GP Practice Administration Guidance

This guidance is intended for General Practitioners, Practice Managers and 3<sup>rd</sup> party providers who are responsible for managing Practice Staff pension contributions and member records. This guide has been provided following requests from Practice Staff who may not have been aware of the entire range of obligations an employer has to perform regarding the HSC Pension Scheme for their staff.

*Note: The term 'Practice Staff' excludes GPs and non-GP providers*

## Deadlines for information and contributions

As an HSC employer you have a statutory duty to:

- Send Scheme employee and employer contributions to HSC Pension Service. The method of payment is by submission of the GP1 form every three months, this then initiates a Direct Debit set up. The GP1 form can be accessed via the HSC Pension Service website: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net) in the Employer Section under heading 'Forms'.

*Note 1: For any queries regarding the setting up of a Direct Debit to pay over contributions or any changes that are required to existing Direct Debits please contact the payroll section at HSC Pension Service.*

*Note 2: Payments for GP Providers, non-GP Providers, salaried GPs, locums and registrars should not be included on the GP1 form.*

- Keep a record of all contributions deducted from salaries and wages, and update individual member pension records within 2 calendar months of the end of the financial year and upon someone leaving the Practice or the Pensions Scheme (by submission of the 55A form). Please note that this is required in addition to the monthly GP1 forms.

Further information about contributions and membership can be found in the Annual Leave factsheet, Sick Leave factsheet and Maternity Leave FAQs on the HSC Pension Service website.

## Eligibility

Every salaried HSC employee has the statutory right to join the Scheme unless they voluntarily 'opt out' by completing form **SD502**. The decision tree in the Scheme Guide will assist you in determining which Section the employee can join, so you can

enter the employee's details on form J2. Please note that form J2 should be completed for all employees (except GPs and non-GP Providers) to register them with the Scheme.

The Scheme Guide is an information booklet for all scheme members, which you should make your staff aware of either by printing a copy or by sending them a link. You can also request hard copies from the stationery officer at HSC Pension Service. The guide provides a general overview of the scheme's rules and benefits for the member.

## Contributions Rates

### Employer

The employer contribution rate is 13.3% of the member's pensionable pay and took effect from 1 April 2008.

### Employee

From April 2008 the employee's contribution rates changed to tiered rates based on their pensionable pay. There are four rates of member contribution ranging from 5% of pensionable pay for the lowest earners to 8.5% of pensionable pay for the highest. The thresholds at which the rates change are linked to nationally agreed pay rates at set levels on salaries equivalent to someone working full time. More information is also available on the HSC Pension Service website.

*Note: There are different rules for GPs and non-GP Providers.*

## Additional Pension (AP)

The amount of benefits at retirement can be increased if the member pays extra contributions. The buying of additional pension (AP) is done by the member electing to purchase a set amount of annual pension for an agreed amount of contributions. These can be paid either as a lump sum or as a regular payment for an agreed period of time. Further information on AP is available on the website.

## Money Purchase Additional Voluntary Contributions (MPAVCs)

*(This option relates to existing contracts for members in the 1995 section only)*

Lump sums or regular amounts can be paid in to a fund chosen by the member and invested by the provider selected by the scheme managers. Contributions are invested in accordance with the member's selection and a separate fund is built up.

When a member retires they can use this fund to provide an additional pension for the member, or the member and their dependants. The member could also take some of this fund as a lump sum. More information can be found on the HSC Pension Service website.

## Added Years

Members of the 1995 section of the scheme who took out, or elected to take out an added years contract before 1<sup>st</sup> April 2008 may also be buying additional membership by lump sum or regular payments. These contracts may continue whilst members are in the 1995 section. This option is no longer available for new contracts in either section.

## Transferring benefits in to the HSC Pension Scheme

The HSC Pension Scheme allows the member to apply to transfer previous pension rights into the HSC Pension Scheme if the member wishes (subject to HMRC approval.) It is important to note that if the employee has been a member of the NHS Pension Scheme elsewhere in the UK (England&Wales/Scotland) that the benefits will not transfer automatically to the scheme, an application must be made for a transfer. The Transfer Booklet contains more information, and is available on the website or by writing to the Stationery Officer at HSC Pension Service.

## Transferring benefits out of the HSC Pension Scheme

If a member leaves the HSC or the Scheme they may be able to transfer their benefits to:

- another occupational pension scheme
- a personal pension scheme
- an insurance company to buy an annuity contract
- a self-employed pension arrangement
- an overseas pension scheme
- a combination of these.

## Refunds

If a member has been in the scheme for less than 2 years when the leave, they can apply to have their contributions refunded. Tax and National Insurance deductions will be made before these are repaid to the member. The refund application form is from AW18 and can be obtained by writing to the Stationery Officer at HSC Pension Service.

## Ill health retirement

If the member has at least two years membership and are too ill to work in their present job they may be able to retire early and take their pension benefits. Further information for ill health retirement can be found on the HSC Pension Service website.

## Retirement & applying for benefits

When a member is retiring they will need to apply for their benefits using form AW6. To ensure that the member receives their benefits on time it should be completed at least four months before their intended retirement date.

A Guide for Pensioners and their Dependants gives the member information regarding the benefits payable on retirement from the HSC Pension Scheme.

Should you need to make a change to an employee pensionable pay after they have retired, an AW171 should be completed.

Most pension scheme forms can be found on our website, or can be ordered from the Stationery Officer at HSC Pension Service.

### LEGAL OBLIGATIONS

Failure to remit contributions to the Scheme, complete relevant paperwork, update member pension records, or deny employees access to the Scheme constitutes a breach of the statutory HSC Pension Scheme Regulations and section of the Pensions Act 1995. Section 48 of the Pensions Act 1995 and section 70 of the Pensions Act 2004 states that HSC Pensions has a legal duty to report any 'breaches of law' to the Pensions Regulator. If an individual is found guilty of a 'breach of law' they may be subject to a heavy fine, imprisonment, or both.