

HSC Pension Scheme: Opting Out Factsheet

Background

From 6 April 1988 all eligible members* are automatically brought into the HSC Pension Scheme on commencing work, but membership is voluntary.

Opting out process

To opt out of the Scheme a member must complete Part A of the SD502 form included in the Application to Leave the HSC Pension Scheme leaflet and return this to their employer.

The employer must complete Part B and send the form to HSC Pension Service. The employer must keep a copy of the SD502 for their records.

When does the decision to opt out take effect?

SD502 received before the end of the first pay period.

If the SD502 is signed by the member on commencing work and is received by the employer before the end of the first pay period, the member will be treated as never having been included in the Scheme. Any pension contributions taken during this period must be returned locally by the employer. The employer must also make any adjustments that may be required for national insurance and income tax.

SD502 received after the end of the first pay period.

If the SD502 is received by the employer after the end of the first pay period the decision to opt out will take effect from the first day of the next pay period following receipt. If appropriate, form REF(1), the application form for a refund of contributions, can also be completed by the member and the employer at this time.

Where the member has stated on the SD502 that they wish to opt out from a later date the decision to opt out will be effective from the first day of the next pay period following the date given.

Concurrent posts

A member who has concurrent part-time posts may opt out of individual posts; they do not have to opt out of all part-time posts.

However, a Practitioner who opts out of a Practitioner post must opt out of all their practitioner related posts, but they may continue to contribute to the scheme in respect of any concurrent officer posts if they wish to do so.

Subsequent Posts

1995 Section

If a member has opted out of the 1995 Section, they do not have to opt out of the scheme in any subsequent employments with the same employer if they remain eligible for membership of the 1995 Section. The original decision to opt out will remain effective.

Where the member becomes eligible for 2008 Section membership on returning to employment a further SD502 to opt-out will be required.

2008 Section

Where a member has opted out of the 2008 section and the employment ceases the decision to opt out will remain effective in respect of any subsequent employments with the same employer if the member returns to employment with that employer with a break of less than 12 months.

Where the break in employment with the same employer is 12 months or more the member should be automatically entered into the scheme in the new employment and a further SD502 will be required to opt out.

Re-joining the Scheme after opting out

A member who has opted out can apply to join or re-join the HSC Pension Scheme at any time, subject to satisfying the Scheme regulations on eligibility. However a member cannot under any circumstances apply to re-join the Scheme if they are absent from work for any reason.

A member contributing to the scheme under a Direction cannot re-join the Scheme in the same employment.

A member must apply in writing to their employer to join or re-join the Scheme. The member must be entered into the Scheme from the first day of the pay period following receipt of the application by the employer.

Where the member has stated they wish to join or re-join from a specific date they should be entered into the Scheme from the first day of the next period following this date.

The date of joining/re-joining cannot be backdated.

*except freelance locum medical practitioners and individuals working for direction bodies who must opt into the Scheme.