



Department of

**Health, Social Services
and Public Safety**

An Roinn

**Sláinte, Seirbhísí Sóisialta
agus Sábháilteachta Poiblí**

www.dhsspsni.gov.uk

The Chief Executive of:
Each Health and Social Services Board
Each HSC Trust
Central Services Agency
Northern Ireland Practice and Education Council
Northern Ireland Guardian Ad Litem Agency
Northern Ireland Blood Transfusion Service Agency
Northern Ireland Health Promotion Agency
Northern Ireland Regional Medical Physics Agency
Northern Ireland Social Care Council
GP Practices
Directional Bodies

Staff Representative Bodies

Circular HSS(S) 01/2008

Date: 15 January 2008

Dear Colleague

- 1. Communicating Information about Changes to the HPSS Superannuation Scheme (now known as the HSC Superannuation Scheme) and the Introduction of a New Health and Social Care (HSC) Pension Scheme with effect from 1 April 2008**
- 2. Important Changes to the Guaranteed Added Years Scheme**
- 3. Choice Exercise**

The purpose of this circular is to inform you of how we intend to communicate information regarding changes to the HSC Superannuation Scheme that were announced on the 21 December 2007. (*See Annex 1*).

There is also important information regarding the ending of the current added years purchase facility, including time limits for new applications, and information on the choice exercise due to run in 2009/2010.

Action for Employers

Employers have a legal responsibility to advise staff of changes to the pension scheme they have joined, or are able to join if they wish. To help employers fulfil this obligation, HSC (*formerly HPSS*) Superannuation Branch has prepared a specially designed leaflet entitled, "The HPSS Superannuation Scheme is changing". The leaflet which explains the main changes to the existing scheme and proposals for a new HSC Pension Scheme is **for issue to all staff** with their January payslip.

Supplies of the leaflet should have reached employer payroll offices in early January 2008 and GP Practices should receive theirs by the end of January 2008. Payroll offices or GP Practices who do not receive supplies of the leaflet by the end of January should e-mail modernisation@dhsspsni.gov.uk.

Members Retiring Soon

Employers should also ensure that any staff who are planning to retire soon get a copy of the factsheet 'HPSS Superannuation scheme changes: *members retiring soon*' which is available on the HPSS Superannuation website.

Pensioners, Dependant Pensioners and Deferred Members

HSC Superannuation Branch will be writing directly to scheme pensioners, dependant pensioners and deferred members shortly to inform them of all scheme changes.

Other Published Information

The most comprehensive collection of information can be found at the HPSS Superannuation website www.dhsspsni.gov.uk/superann. This includes a Frequently Asked Questions section and the following:

- HPSS Superannuation scheme changes: *members*
- HPSS Superannuation scheme changes: *non-members*
- HPSS Superannuation scheme changes: *rules and benefit comparisons*
- HPSS Superannuation scheme changes: *deferred members*
- HPSS Superannuation scheme changes: *members retiring soon*

Supporting Employers

HSC Superannuation Branch plan to host presentations / workshops in the run up to the introduction of scheme changes and will be in contact with you about these in due course.

Important Changes to the Guaranteed Added Years Scheme

Employers should note the information in the payslip leaflet regarding the ending of the current added year's scheme.

In particular, any new added years applications must be notified as an expression of interest to the Employer or HSC Superannuation Branch by 31 March 2008 at the latest. All such new contracts must then commence by the member's next birthday and not later than 31 March 2009

Choice Exercise

Active members of the HSC Superannuation Scheme will be offered the choice, for a limited period, planned to run from the 1 July 2009 to 30 June 2010, of moving their pension into the new HSC Pension Scheme, something that may better suit some members' retirement plans

If you have any enquiries about the contents of this circular please e-mail them to modernisation@dhsspsni.gov.uk

Yours faithfully

A handwritten signature in black ink, appearing to read "David C. Bingham", with a long horizontal flourish extending to the right.

D C Bingham

Annex 1

David Bingham

Director of Workforce & Human Resources
Development (Designate)

Chief Executives, Directors of Human Resources, Directors
of Finance of HSC Trusts/HSS Boards/Agency's

GP Practices
Directional Bodies
Out of Hours Providers

HSC Superannuation Review Group

Staff Side Representatives

Castle Buildings
Upper Newtownards Road
BELFAST
BT4 3SQ

Tel: 02890-520781
Fax: 02890-528126
Email: david.bingham@dhsspsni.gov.uk

21 December 2007

Dear All

MODERNISATION OF THE HSC SUPERANNUATION SCHEME AND INTRODUCTION OF THE NEW HSC PENSION SCHEME

I am writing to inform you that changes to the HSC (formerly HPSS) Superannuation Scheme will be implemented from 1 April 2008.

Existing staff, and those joining the **HSC Superannuation Scheme** up to 31 March 2008, will keep their normal pension age of 60. A new **HSC Pension Scheme** will be introduced for new staff from 1 April 2008 and will have a normal pension age of 65.

The main provisions for members of each scheme are set out below.

Existing HSC Superannuation Scheme members will:

- keep a normal pension age of 60 (or 55 for staff with special rights) and the right to take a pension after the age of 50
- keep a final salary pension with a 1/80th accrual rate and a 3/80th lump sum for each year of service based on the best of the last three years of work before the age of 60
- have their contribution rate linked to salary
- have a new option to take a larger lump sum, up to 25% of the value of the pension, in return for giving up some of their pension
- have survivor pensions extended to partners in addition to widows, widowers and civil partners

New HSC Pension Scheme members will:

- have a normal pension age of 65 and the right to take a pension after the age of 55
- have a final salary pension with a 1/60th accrual rate for each year of service based on the average of the best three consecutive years of membership in the ten years before retirement

(allowing staff to take a lower paid job in the run up to retirement but have their salary calculated on the higher salary they had before stepping down)

- have their contribution rate linked to salary
- have the choice between converting up to 25% of the pension into a lump sum, foregoing a lump sum in favour of a larger annual pension or they can choose anything in between the two options
- have a more flexible pension with the ability to take all or part of the pension while continuing to work and build up more pension

Other changes to both the existing and new schemes include extending survivor pensions for children up to the age of 23 and providing short-term death in service benefit for six months.

The option to buy added years will be removed (although existing contracts will be retained) however, staff will be able to top up their retirement income by buying up to £5,000 of additional pension.

Both existing and new General Practitioners, (GPs) and Dentists will have a career average scheme, with the same benefits as other staff. Existing members will keep their accrual rate of 1.4% while those on the new scheme will have an accrual rate of 1.87% with choice on lump sum. In both cases, the pension will be annually dynamised by the Retail Prices Index plus 1.5%

In keeping with Section 75 of the Northern Ireland act 1998 the design of the changes has taken into account equality issues and the Department has concluded that a full equality impact assessment is not appropriate. As part of the governance arrangements the impact of these changes on equality issues will be kept under review

The most comprehensive collection of information can be found at the HPSS Superannuation Branch website www.dhsspsni.gov.uk/superann. This will be available from 28 December 2007 and will include the following information:

HPSS Superannuation scheme changes: **members**

HPSS Superannuation scheme changes: **non-members**

HPSS Superannuation scheme changes: **rules and benefit comparisons**

HPSS Superannuation scheme changes: **deferred members**

HPSS Superannuation scheme changes: **members retiring soon**

Full text of the agreement on the pension scheme changes between NHS Employers and Trade unions is available on the NHS Employers website www.nhsemployers.org/pensionagreement

All staff will receive basic information about these changes in a leaflet to be issued with their pay advice notes in January 2008. Pensioners, dependants, and deferred members will receive information through personal letters also in January 2008. In addition HSC Pensions Branch will provide stakeholders with more detailed guidance on an ongoing basis in the lead up to implementation.

I will keep you informed of all further developments

Yours faithfully



D C BINGHAM