

25 March 2011

## Lord Hutton's Report on public service pension arrangements

### Notice for the attention of all HSC Staff

#### Lord Hutton's Report on public service pension arrangements

Last year, the Government invited Lord Hutton to chair the 'Independent Public Service Pensions Commission' (IPSPC). The Commission was asked to recommend future public service pension arrangements that would be 'sustainable and affordable and fair to both the public service workforce and the taxpayer'.

The IPSPC's final report has now been published and the Government has accepted its recommendations as a basis for consultation with public service workers, trades unions and others.

You can view the report at:

[http://www.hm-Treasury.gov.uk/indreview\\_johnhutton\\_pensions.htm](http://www.hm-Treasury.gov.uk/indreview_johnhutton_pensions.htm)

#### Impact for the HSC Pension Scheme

It is too early at the moment to be absolutely clear about the detailed effects any reforms made will have on the HSC Pension Scheme. The Government has not responded in detail to Lord Hutton's report but there are some key messages of which staff should be aware **if reforms are introduced along the lines of those recommended by Lord Hutton.**

These are:

1. The benefits you will receive in the future for service up to the date any new arrangements are introduced will be no worse than those you would get if you left the scheme then. There will be no need to leave the scheme or draw benefits immediately to "protect" the benefits you have already built up.
2. Any change to the normal pension age (the age at which you can draw your benefits unreduced) will apply only to benefits you build up after the date any new arrangements are introduced.
3. The choice exercise is still valid. If you have already made your HSC pensions choice, your choice will apply to the benefits you build up until the date any new arrangements are introduced.

More details about the HSC Pension Scheme can be found at: [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)