

HSC PENSION SCHEME
CONSULTATION ON PROPOSED CHANGES TO MEMBER CONTRIBUTIONS
FROM 1 APRIL 2022

IMPLEMENTATION DELAYED

The Department recently carried out a consultation exercise which sought views on changes to member contributions with effect from 1 April 2022. The proposals set out in that consultation aim to preserve participation in the scheme while protecting its substantial value for members in retirement.

The consultation document set out a number of proposals:

- Members' contribution rates would be based on actual pensionable pay instead of members' notional whole-time equivalent pay
- Rebalancing the contribution structure by narrowing the range of contribution rates.
- Increasing tier boundaries in line with annual AfC pay awards
- Phasing in the new member contribution structure over 2 years

DHSC in England has recently announced that the reform of their pension contribution structure will be delayed until October 2022. This delay will avoid increasing some members' pension contributions at the same time as increases to National Insurance contributions are being applied. The Minister of Health in Northern Ireland has decided that it would also be appropriate to delay the implementation here as it would avoid immediate pressures on the take home pay of some HSC staff, particularly in light of the extremely challenging circumstances our valued HSC workforce continue to face.

In view of this the current member contribution rates will not change before October 2022.

The Department will continue to analyse the responses and issues in relation to all the proposals set out in the consultation document and will publish a full response, addressing all the proposals, in due course.