

HSC Pension Scheme

*Consultation on the Health and Social
Care Pensions (Abatement)
(Amendment) Regulations (Northern
Ireland) 2022*

Department of Health

Response Document Regarding the
Further Suspension of Abatement
Provisions

Introduction and Summary of Proposals

The Coronavirus Act 2020 temporarily suspended certain regulations in relation to abatement in order to support those in receipt of an HSC pension who returned to work to help with the Coronavirus (COVID-19) outbreak. This Act expired on 24 March 2022 but, given the ongoing stresses on the health service, these suspensions were extended until 31 October 2022. Given the likelihood of continuing stresses over the winter period, a further extension is now proposed.

The Department considers that it is appropriate to continue these temporary amendments to the HSC Pension Scheme for a further period, to ensure that the HSC can continue to benefit from the capacity boost provided by retired and partially retired staff when responding to the ongoing pressures. On this basis, the Department consulted on proposals to continue the easing of the restrictions via temporary modifications to HSC Pension Scheme regulations for the period from 1 November 2022 to 31 March 2023.

For most staff, the HSC Pension Scheme does not place any limits on the amount that staff can work should they return after claiming their benefits. However, there are 3 rules across the schemes which limit the amount that some retired staff can work in specific circumstances:

1. The 16-hour rule. This rule requires staff who retire and return from the 1995 section to work 16 hours per week (2 days) or less in the first month after retirement. Where staff work more than this limit, their pension benefits are temporarily suspended until their working commitments are reduced.
2. Abatement of Special Class Status (SCS) members, including mental health officers (MHO) who are eligible to retire from the 1995 section at age 55 instead of 60, without an actuarial reduction in their pension. Abatement applies where staff return to work before age 60 and their pension plus salary exceeds their pre-retirement income.
3. Abatement of 2008 section and 2015 scheme members who draw down a portion of their benefits and continue working (partial retirement). Abatement requires them to reduce their pensionable pay by 10% upon each election to draw down benefits.

The Department recently consulted on proposals to continue these easements via temporary modifications to HSC Pension Scheme regulations.

Consultation process

The Department of Health published for consultation a draft Statutory Rule titled The Health and Social Care Pension (Abatement) (Amendment) Regulations (Northern Ireland) 2022. The Rule proposed an extension to the suspension of pension abatement for the HSC Pension Scheme from 1 November 2022 to 31 March 2022.

The consultation ran from 1 September 2022 to 23 September 2022. The shorter consultation period was considered to be appropriate given the nature of the proposals and to ensure that the proposed changes to regulations can be made in time to take effect from 1 November 2022, subject to the consultation outcome.

Consultation questions

Respondents were invited to consider the following questions:

1. Do you agree that the proposed amendments to the HSC Pension Scheme Regulations deliver the policy objectives as set out in the consultation document?
2. If 'No', why?
3. Are any changes needed to ensure the proposed amendments deliver the policy objectives?
4. Are there any additional comments you wish to provide with regard to the proposed amendments to the regulations?

5. Are there any considerations and evidence that you think the Department should take into account when assessing any equality issues arising as a result of the proposed changes?

Summary of responses

The Department is grateful for all consultation responses, which were received from 2 individuals, the HSC Pension Scheme Advisory Board and the following organisations:

- The British Dental Association
- The British Medical Association
- The Royal College of Midwives
- The Royal College of Nursing

Consultation responses

Five of the respondents were supportive of continuing the easements, however they also argued that the abatement rules in the HSC Pension Schemes should be removed entirely. It was also argued that a longer period of notice of any extensions should be given to allow for better forward planning by employers.

The HSC Pension Scheme Advisory Board, which consists of equal numbers of member and employer representatives, in its response endorsed the purpose of the Northern Ireland draft legislation to extend the current temporary suspension of aspects of the abatement regulations until 31 March 2023.

The also stated that SAB holds the view that the Department of Health should extend the suspension of abatement rules until HSC workforce pressures stabilise and that this would make a significant contribution to easing workforce pressures and contributing to workforce retention.

SAB Trade Union members advocated for the permanent removal of abatement rules.

One of the individual responses raised a number of wider pension issues.

The Department is pleased to note the positive support for the proposal to continue these easements. Having taken account of the responses the Department will proceed with proposals to do this via temporary modifications to the HSC Pension Scheme regulations.

The ongoing pressures on the health service presents a clear rationale for continuing the easements beyond 31 October 2022.

Duration of the continued easements

The Department notes the concerns expressed by respondents that a longer extension may be required.

DHSC in England also consulted on similar proposals and following that consultation have decided that the suspension of abatement of Special Class members will be extended to 31 March 2025 due to concerns about continuing pressures. The suspension of abatement of 2008 section and 2015 scheme members who draw down a portion of their benefits and continue working will still be extended to 31 March 2023. The suspension of the 16 hour rule will also be until 31 March 2023 but on the basis that DHSC intends to consult on a proposal to remove the rule entirely from this date.

Taking this, and the similar responses received to our consultation, in to account the Department will now proceed to extend the suspension of abatement of Special Class members to 31 March 2025.

The suspension of the 16 hour rule will now be extended to 31 March 2024, with further consideration being given to removing this permanently.

The suspension of abatement of 2008 section and 2015 scheme members who draw down a portion of their benefits and continue working will be extended to 31 March 2023.

Public sector equality duty

The proposed amendments to HSC Pension Scheme regulations seek to continue the easements currently provided by section 47 of the Coronavirus Act. Therefore, the Department's equality analysis remains consistent with the initial analysis performed at the introduction of the Coronavirus Act.

Conclusion and next steps

The Department is grateful for the responses received at consultation stage, which have helped test the proposals and provided valuable insight.

The Department intends to proceed with the extension of these provisions suspension of the abatement provisions as set out above. . The Department will keep the impact of this continuation under review.

These provisions will be set out in a Statutory Rule.

