

**Health Professions Council  
Finance and Resources Committee 21<sup>st</sup> June 2007**

**PENSIONS LETTER TO NEW EMPLOYEES**

**Executive Summary and Recommendations**

**Introduction**

At the 26<sup>th</sup> April 2007 meeting of the Finance and Resources Committee, the Committee requested that they see a copy of the letter regarding pension's entitlements which had been sent to all new employees who had commenced since the Committee meeting of November 2006. This letter is attached (Appendix 1).

This letter was drafted by the external pension advisors at Barnett Waddingham and has sent to all new employees who have commenced with HPC since 20<sup>th</sup> November 2006 following the Committee's discussion at the meeting on this date.

**Decision**

The Committee is invited to note the document. No decision is required.

**Background information**

This issue was originally considered at the meeting of the Finance and Resources Committee on 20th November, in item 5.06/156 from this meeting, 'Pension Fund update'. The minutes of the discussion were as follows:

“5.9 ...The Committee discussed the HPC's responsibilities to current and previous employees who were members of the pension scheme. The Committee noted that the HPC had acted in good faith in offering the scheme to employees to date. **However, preliminary legal advice to the HPC was that a holding letter should be issued to new employees qualifying for and electing to enter the pension scheme to explain that the scheme could not be offered until the current issues had been resolved, but the entitlement to employer contributions would be honoured.** The Committee noted that 36 current employees were members of the scheme”.

The above part of the minutes reflects advice from Mr N Hacking, Barnett Waddingham LLP.

The full minutes are available on the HPC website here: [www.hpc-uk.org/assets/documents/10001904finance\\_and\\_resources\\_20061120\\_minutes.pdf](http://www.hpc-uk.org/assets/documents/10001904finance_and_resources_20061120_minutes.pdf).

**Resource implications**

Nil

**Financial implications**

Nil

**Appendices**

Appendix 1 – Letter to New Employees concerning Pension Scheme

**Date of paper**

30<sup>th</sup> April 2007

**Appendix 1**  
**Letter to New Employees Concerning Pension Scheme**

**Private and Confidential**

NAME

ADDRESS

DATE

Dear .....

**Contract of Employment – Pensions**

Under your contract of employment you will be eligible, if you successfully complete your probationary period, to join HPC's contributory pension scheme.

As you may be aware, HPC currently participates in a Federated Flexiplan administered by Capita ("the Plan"). HPC is in the process of reviewing whether it should continue to participate in the Plan. It is likely that the Plan will be replaced by a group stakeholder arrangement. Further details will be available towards the end of March and it is proposed to start contributions in May 2007.

In the meantime, neither you nor HPC will be able to contribute to the Plan. In order to ensure that you are not worse off as a result, HPC will backdate to the first day of the month where you notify us that you wish to join the new stakeholder arrangement with monthly contributions to that arrangement at the rate of 16.5% of your basic salary each month. Should you wish to take up this opportunity, please notify Manj Cheema, Financial Accountant, in writing (emails will be accepted) with the date that you wish to join.

HPC's contributions are subject to you also paying backdated contributions of 3% of your basic salary for each month.

In the meantime, HPC is in the process of arranging lump sum death in service cover of 3.5 times your basic salary with an insurance company. This cover will become effective from the date on which HPC's insurance policy takes effect. We anticipate that this will be within the next fortnight and will notify you once cover is effective.

Please contact myself or Manj Cheema should you have any queries on the above.

Yours sincerely,

Larissa Foster  
Director of Human Resources