

NHS Superannuation Scheme (Scotland)

Superannuation (Health Service) Circular No.6 /2007

General Managers/Chief Executives

- Health Boards
- NHS Quality Improvement Scotland
- State Hospital
- NHS Health Scotland
- NHS Education for Scotland
- NHS 241
- Scottish Ambulance Service
- Golden Jubilee national Hospital
- Melanie Stewart – Director SSPS

7 Tweedside Park
Tweedbank
Galashiels
TD1 3TE

<http://www.sppa.gov.uk>

Tel: 01896 893100

Fax: 01896 893214

Email: afc@scotland.gsi.gov.uk

Our ref: NHS Circular 6/2007

8 August 2007

Dear Sir/ Madam

**NATIONAL HEALTH SERVICE SUPERANNUATION SCHEME (SCOTLAND)
REGULATIONS 1995.****AGENDA FOR CHANGE**

The purpose of this circular is to advise NHS employers of the implications of Agenda for Change for members of the NHS Superannuation Scheme and to confirm the arrangements for notifying the Agency about members who may be affected by pay protection and arrears of pay.

PAY PROTECTION

It was agreed at national level (UK NHS Staff Council) that those staff who require pay protection under Agenda for Change would also be entitled to pensions protection under Regulation R8 of the National Health Service Superannuation Scheme (Scotland) Regulations 1995. Members' whose pre-assimilation pay is more beneficial than pay under Agenda for Change will remain on mark-time pay. For pension purposes, the Agency has agreed that pensions may be protected for membership up to the assimilation date for each member. This will mean that final pension benefits will be based on the best of the following two calculation methods:

Method 1: Separate pensions

A pension based on pensionable service up to the assimilation date and total pensionable pay for the best 365 days of the last 3 years up to the assimilation date, plus pension increases from the assimilation date to the date of retirement.

PLUS

A pension based on pensionable service from the assimilation date to retirement and total pensionable pay at retirement.

OR, if more beneficial to the member

Method 2: One pension

A pension based on total pensionable service and total pensionable pay at retirement.

Action for Employers

Usually, members are required to make individual applications for protection to the Agency. However, due to the scale of this exercise and to reduce the likelihood of members being disadvantaged, employers are required to supply the necessary information for those members affected. Employers are asked to provide the relevant data for all members affected, on the enclosed formatted disc, guidance notes are also provided on the disc. This information should be submitted to afc@scotland.gsi.gov.uk no later than 31 January 2008.

On receipt of this information, letters of acknowledgement will be issued to the affected members by the SPPA via employers to ensure that members receive them. This is intended to be a one off exercise to capture all members affected, therefore, we would ask you to make every effort to forward your data by the cut off date.

Due to the amount of members affected by AfC protection, revised pension entitlements will not automatically be calculated at this initial stage. However, if a pension event such as an Award or Transfer takes place, the Agency guarantees that a full set of pension calculation comparisons will be done for each member, ensuring that they receive the most beneficial outcome. Employers should ensure that, for any affected member who wished to retire before this information is submitted, the total remuneration for pension protection, the pay protection date and the deemed date is stated within the Award forms.

PAY ARREARS

In addition to Scheme members requiring pay protection, there will also be those who receive arrears of pay, which may span more than one financial year. This will result in an artificially inflated salary figure being stated within Benefit Statements and may lead to increased requests to employers from the Agency to verify figures if a pension event occurs.

Action for Employers

To rectify this problem we require the following information for all members who have received AfC pay arrears (this will also include former employees who were members of the Scheme).

- Surname
- Superannuation number
- National Insurance number
- Pay reference number
- Contract number
- Arrears amount (for each financial year)
- The correct financial year in which the arrears relate.
- The correct pensionable pay figure for that financial year e.g. the pensionable pay that would have been reported had the arrears been paid within the correct financial year.

For each member, we require details of each financial year affected i.e. if a member's annual return figure submitted for the financial year 2006/2007 includes arrears for 2005/2006 and 2006/2007 then

we require details, of all of the above information, in respect of 2005/2006 and details, of all of the above, for 2006/2007. An example of the information required is provided within the enclosed disc. This information should be sent to afc@scotland.gsi.gov.uk in Excel format no later than 31 October 2007. It is essential that this information is submitted by the cut off date to ensure benefits are calculated correctly. The Business Objects report required to produce this information will be available from NHS Greater Glasgow and Clyde for any Board who might have difficulty producing this.

If you require further information please e-mail afc@scotland.gsi.gov.uk or contact the address stated above.

Yours faithfully



Ian Clapperton
Director of Pensions Operations.