

**NATIONAL HEALTH SERVICE SUPERANNUATION SCHEME (Scotland)  
2013/09**

**WHO SHOULD READ:** HR and Payroll Managers  
Direction Bodies  
GP Practice Managers  
Practitioner Services Division  
Dental Payments  
Pension Administration staff

**ACTION:** To read and circulate as appropriate

**SUBJECT:** Change to the initial pay period for opting out  
**(amended 29 October 2013)**

**The purpose of this circular is to inform NHS employers that the initial pay period for opting out of the scheme has been extended from one month to three months**

Current scheme regulations (Regulation(s) B4 – 1995 section and 2.B.5 – 2008 section) allow members to opt out during the initial pay period and be treated as having never joined the scheme. Where this happens, both member and employer contributions are refunded by the employer and SPPA are not involved in the process.

Following auto enrolment, we recognise that the process for employers to turn around contributions to SPPA within the scheme timescale will prove problematic and employers may receive opt out notifications later than the first month currently allowed. SPPA are currently responsible for making a refund of scheme contributions if members opt out after the initial pay period (first month).

Following discussion with the Scottish NHS Pensions Group, it has been agreed, that the current opt out period of one month in the scheme regulations in which employees are treated as never having joined, will be extended to **three** months. This will allow NHS employers more time to deal with those employees who wish to opt out of the scheme and enable them to make refunds of contributions locally, rather than the member having to contact SPPA directly to apply for their refund of employee contributions.

**Employers should, however, alert staff with enhanced or fixed protection in respect of their lifetime tax allowance.** If they are automatically enrolled by their employer, they will lose their protection status unless they opt out within **one** month. Further information [here](#)

SPPA require a leaver form (NSR02) to be submitted for every member who opts out of the scheme. Opt out forms relating to members who have opted out after the three month period should be sent to SPPA to process.

---

**Please do not send copies of opt out forms for members who opt out within the three month opt out period.** SPPA do not need to see these. However, under auto enrolment regulations, employers must keep a copy of the opt out notice (original format) for four years. Further information is available [here](#)

The benefits of this new process are:

- if the member opts out within the initial three month period, employers will have more control locally to refund employee/employer contributions
- a reduction in time and inconvenience to the member of applying to SPPA
- members will receive their refunds earlier by being paid directly via local payroll teams in their salary

The administration of this revised process should take effect immediately. Any required changes to the scheme regulations will be made in due course and will have retrospective effect from 1 April 2013.

To note the current scheme regulations (Reg D2(28) - 1995 Section and Reg 2.C.1(3) – 2008 Section) state that the employing authority must deduct each member's contributions from the member's earnings and pay them to the Scottish Ministers, no later than the 19th day of the month following the month in which the earnings were paid. This provision will still stand and means any future revision (due to a refund being paid locally) of contributions should therefore be notified to SPPA via your normal monthly remittance note.

**Sharon Liptrott**  
**Policy Manager**  
**28 October 2013**

**Contact information:**

Should you have any enquiries about this circular, or require further information, please contact: [Sharon.Liptrott@scotland.gsi.gov.uk](mailto:Sharon.Liptrott@scotland.gsi.gov.uk)

**Scottish Public Pensions Agency**  
7 Tweedside Park  
Tweedbank  
GALASHIELS  
TD1 3TE

[www.sppa.gov.uk](http://www.sppa.gov.uk)  
Telephone: 01896 893000  
Fax: 01896 893214