

**NHS SCOTLAND PENSION SCHEME
CIRCULAR - 1/2010**

WHO SHOULD READ: NHS HR and Payroll Managers,
GP Practice Managers,
Direction Bodies HR Managers,
Trade Union Representatives

ACTION:

1. To advise NHS pension scheme members on changes to, and proposed changes to the NHS pension scheme in Scotland.
2. To note the contribution arrangements for those members in the reserve armed forces who are required to take leave for training or mobilisation.

SUBJECT: Changes to pension regulations

Contribution arrangements for members in the reserve armed forces who are required to take leave for training or mobilisation.

About Circular 1/2010

The purpose of this circular is to notify employers of:-

- **Changes and Proposed Changes to the NHS Pension Scheme, Injury Benefit Scheme and Additional Voluntary Contribution Scheme.**
- **Contribution arrangements for members in the reserve armed forces who are required to take leave for training or mobilisation.**

1. The National Health Service (Superannuation Scheme, Pension Scheme, Injury Benefits and Additional Voluntary Contributions), (Scotland) Amendment Regulations 2010 (SSI 2010 No. 22)

During February and March 2010 (later for members with practitioners service) most members of the 1995 section of the NHS pension scheme will receive packs giving information on their scheme benefits and offering them the choice to transfer to the 2008 section of the scheme. The above regulations make the necessary changes as a result of allowing this choice and some other minor changes.

The main changes cover the following:

- Member's choice as to whether to transfer all service in the 1995 section to the 2008 section of the scheme.
- Transitional arrangements for certain members on opting to transfer.
- Mandatory lump sums.
- GP flexibility provisions.
- Determining GP earnings from transferred-in officer service.
- 1995 lower tier ill health pensioners opting to join 2008 section.
- The position of 1995 members who are on unpaid sick leave on and after 1 October 2009.
- Clarification that a member of the scheme under the 1995 regulations is a "1995 section" member and that a member of the scheme under the 2008 regulations is a "2008 section" member (there is only one scheme).
- That a member who chooses to transfer membership from the 1995 section to the 2008 section will be referred to as an "2008 optant".

The full regulations can be viewed by clicking on this link ([SSI 2010 No.22](#))

2. Consultation on a further set of amending regulations

The National Health Service (Superannuation Scheme, Pension Scheme and Additional Voluntary Contributions) (Scotland) Amendment Regulations 2010 (no. 2)

The main changes to be introduced by these draft Regulations are to:

- Permit those who retired from the 1995 section of the scheme between 1 April 2008 and 1 October 2009 (and who would therefore not have been eligible to participate in the choice exercise) to join the 2008 section on return to NHS employment after a 2 year waiting period.
- To allow Credit pension members to take their pension early on an actuarially reduced basis and to be able to commute benefits in the case of terminal ill health.
- To limit future access to the 1995 Section in respect of persons who opt out of that Section for five years or more, and persons with pensions in payment from other health service pension schemes.
- To provide for adjustments for the revaluation of 'Additional Pension' when inflation is negative.
- In the NHS AVC Regulations, to provide new commutation arrangements for certain investments up to £2,000.

Further information can be viewed on the SPPA website [NHS Pension Scheme Consultation page](#).

3. NHS SCOTLAND RESERVE FORCES TRAINING AND MOBILISATION

The Scottish Government [Chief Executive Letter CEL 2009 42](#) set out the general policy for NHS staff who are members of the Reserve Forces. These are staff who may be subject to call up and mobilisation in areas of conflict and also require regular time off for training to maintain their skills and readiness for deployment. A Reservist who is called out is entitled to remain a member of the NHS Pension Scheme. The Ministry of Defence (MOD) will pay the employer's pension contributions whilst the individual is mobilised provided they

continue to pay their individual contributions. Where mobilisation occurs the employee should be given special unpaid leave of absence. The employee's pension contributions would be calculated and held over until the employee returns. These would then be recovered monthly from salary and over the same period as the employee was absent.

The employer will continue, on request of the employee, to pay employer's contributions to the NHS Pension Scheme for the period of mobilisation and invoice the MOD to recover this amount. Although arrangements for collection of contributions from the member are to be collected from salary on return from mobilisation, when employers submit their annual return to SPPA they should be careful to ensure that the information is correctly recorded as showing contributions allocated to the relevant scheme year on which the payments were due.

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1 March 2010

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