

**NATIONAL HEALTH SERVICE SUPERANNUATION SCHEME (Scotland)  
2011/04**

<b>WHO SHOULD READ:</b>	<b>NHS HR and Payroll Managers GP Practice Managers Direction Bodies Practitioner Services Division (PSD) Dental Payments</b>
<b>ACTION:</b>	<b>1. To read and circulate to all relevant parties 2. To inform scheme members</b>
<b>SUBJECT:</b>	<b>1. Revaluing purchased Additional Pension 2. 1995 Section Consolidation 3. Proposed changes as a result of the 2011 Finance Bill</b>

**The purpose of this circular is to advise employers of recent and proposed changes to the NHS scheme regulations so that they can relay these changes to scheme members and other relevant parties.**

**1. Revaluing purchased Additional Pension - changes to scheme regulations****The National Health Service (Superannuation Scheme and Pension Scheme) (Scotland) Amendment Regulations 2011 SSI 2011/53**

These regulations amend the provisions in both the 1995 and 2008 sections of the scheme in respect of the revaluation of Additional Pension (AP) which has been purchased by the member. It allows that AP purchased before 1 April 2011 to be revalued by the Retail Prices Index (RPI) but AP purchased after 1 April 2011 to be revalued in line with the Consumer Price Index (CPI) as a result of a change in UK government policy for revaluing public service pensions. Further information about this change can be found in SPPA Circular no. [2011/01](#).

**2. 1995 Section Consolidation****The National Health Service Superannuation Scheme (Scotland) Regulations 2011 SSI 2011/117**

The above instrument SSI 2011/117 contains no new changes to the scheme but is a welcome consolidation of all the changes to the 1995 Section of the scheme that have taken place to date. The instrument replaces "The NHS Superannuation (Scotland) regulations 1995" (S1 1995/365) as the main document containing the scheme regulations for the 1995 section and will be effective from 1 April 2011.



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## **The National Health Service Superannuation Scheme (Scotland) Amendment Regulations 2011 SSI 2011/173**

The second instrument SSI 2011/173 makes 5 minor corrections to the 1995 consolidation.

These regulations are available to view on the [SPPA website](#) and the UK Government legislation website at <http://www.legislation.gov.uk> Alongside this instrument on the SPPA website is a table of derivation which shows where the regulations have been renumbered and also when changes were introduced from 1995 to date. Also on our website is a commentary on the scheme regulations which gives a brief overview of each regulation which should not be taken as an authoritative interpretation but we hope that the reader will find this helpful.

### **3. Proposed Changes from April 2011 as a result of the 2011 Finance Bill**

The Finance Bill 2011 will make changes to the Finance Act 2004. That Act provides for the taxation of pensions and certain of its provisions prevent the payment of a lump sum to or in respect of a member over the age of 75 years. The Finance Bill 2011 will lift that restriction from 6 April 2011 in respect of lump sums paid on:

- retirement
- death
- serious ill health
- the grounds of triviality.

Changes to the scheme regulations will, therefore, be introduced to reflect the above. Changes will also be made to the AVC regulations so that the upper age limit for members to transfer the value of their additional voluntary contributions (invested Standard Life or Equitable Life) to another provider will move from age 60 to age 75. These amendments will be made in due course and will be retrospective to 6 April 2011; however, SPPA will process any such cases in line with the Finance Bill 2011 in the meantime.

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**22 March 2011**

### **Contact Information:**

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