

NHS Superannuation Scheme Circular No. 5/2009

NHS and other participating employers

GP Practice Managers

NHS Practitioner Services Division & Dental Payments

NHS Trades Unions and Staff Associations

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Our ref: NHS Circular 5/2009

20 February 2009

Dear Sir/Madam

NATIONAL HEALTH SERVICE SUPERANNUATION SCHEME (SCOTLAND) NHS CHOICE EXERCISE 2009

The purpose of this circular is to provide scheme members and NHS employers with an update on the position regarding the NHS Choice Exercise.

1. Background

New arrangements for the NHS Pension scheme were introduced on 1 April 2008. As part of the NHS reforms it was agreed by NHS employers and staff representatives that existing scheme members will have the option to transfer to the new 2008 arrangements.

The agreement stated:-

- There will be a choice exercise in which members will be given a choice to move to the new 2008 scheme arrangements.
- The Choice exercise will take place in 2009.
- Choice would be offered to members active on 1 April 2008 and still active at the date of the choice exercise.

2. Choice timetable

It was initially proposed that the Choice exercise would run for a 4-month period from either April 2009 or July 2009. However, as a result of delays in reaching agreement at UK level, the start date for the exercise cannot be confirmed but the exercise will not start before October 2009.

3. Statement distribution

When the time comes to make a choice, members will be issued with a pack containing a statement and other information to help them make an informed decision.

The preferred distribution method for packs will be by post direct to member's home addresses. However, this is subject to the Health Boards meeting the following conditions:

- (i) provision of home addresses to SPPA
- (ii) successful testing of the correlation between SPPA and employers data
- (iii) the current Mental Health Officer (MHO) reconciliation exercise must be completed by June 2009.

The Agency will contact employers soon with further details of the arrangements for obtaining addresses of members. There may have to be separate arrangements for Practitioners and staff working in GP Practices and these are currently under consideration.

4. Members retiring soon

Eligibility for Choice will depend on the member's last day of service which **must be on or after 1 October 2009**. Staff retiring before 1 October 2009 will not be eligible to participate in the Choice exercise. For members currently considering retirement, there is an information factsheet "Members Retiring Soon" on the SPPA website. It is recommended that employers bring this to the attention of all members who may be affected before they submit their retirement application form.

However, you should be aware that we are unable to provide members with personalised comparison figures until the exercise starts.

5. Members who retire between 1 April 2008 and 30 September 2009

Special Choice Arrangements apply to members who retired between 1 April 2008 and 30 September 2009. Members who have returned or plan to return to work in the NHS will be entitled to join the new April 2008 arrangements after 2 years of receiving their pension.

6. Choice information

The SPPA website now has a separate NHS Choice Exercise section with the following information:-

- NHS Choice presentation – intended to be used by individual members or as part of a presentation to staff.
- A comparison table detailing the main differences between the two pension arrangements.
- "Members Retiring Soon" - factsheet February 2009

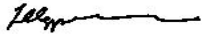
I am also enclosing our second "update for members" to keep staff up to date with developments. This is intended to be used for staff notice boards/other prominent locations or for insertion in relevant employee publications. Nearer the time we will also be providing posters for employers to display at workplaces and arranging payslip messages.



Updates and amendments to our website will be made as the preparations for the exercise proceed and plans become more firm. In addition, website modellers are being developed which will allow members to explore their own various pensions options in greater detail.

Further information is available on our website, www.sppa.gov.uk/nhschoice.htm or you can e-mail any queries to NHSChoiceExercise@scotland.gsi.gov.uk. Please also arrange to bring this to the attention of HR & Payroll contacts.

Yours Faithfully



Ian Clapperton
Director of Operations



YOUR PENSION SCHEME – NHS CHOICE EXERCISE 2009

UPDATE FOR MEMBERS No2 - FEBRUARY 2009

New arrangements for the NHS Pension scheme were introduced on 1 April 2008. All NHS employees who were members on 1 April 2008 and still active on 1 October 2009 will be given the option of transferring to the new 2008 arrangements.

The timing of the Choice exercise cannot yet be confirmed but it will not start before 1 October 2009. When the time comes to make a choice, members will be issued with a pack containing information to help you make an informed decision.

New Pension Arrangements

- The new arrangements will have a normal pension age of 65 years.
- Pension will accrue at 1/60th of your pensionable pay for each year of service
- Practitioner pensions will be calculated at 1.87% of your career uprated earnings
- When you retire, you must take a *minimum* lump sum based on your service in the current scheme up to 31 March 2008

Transfer Arrangements

- All your service in years/days accrued up to 31 March 2008 will be converted using factors provided by Government Actuary Dept (GAD)
- Factors are based on equal service transfer up to age 60 and reducing thereafter

Further information

There is a specific Choice area on our website www.sppa.gov.uk/nhschoice.htm. Members currently considering retirement should refer to the 'Members Retiring Soon' factsheet on the website. Further updates will be issued as plans progress.

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