

## NHS Superannuation Scheme Circular No. 14/2009

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 14/2009

13 August 2009

Dear Sir/Madam

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

The purpose of this circular is to provide a further 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 pension reforms it was agreed by NHS employers and staff representatives that existing scheme members will have the option to transfer to the new 2008 section of the scheme.

### 2. Choice timetable

It was initially proposed that the main Choice exercise would run for a 4-month period during 2009. **However, the start of the main exercise has now been delayed and will not now start before January 2010.** The reasons for the postponement are:-

- Delays in reaching regulatory agreements at UK level
- The late introduction of the additional eligibility date of 1 October 2009
- Data handling security issues
- Delays in systems development due to the complexity of the scheme Regulations

The revised date co-incidentally means that Choice will start on the same date in all NHS Schemes in England & Wales and Scotland. However the exercise will take much longer to complete in England & Wales.

### 3. Statement distribution

When the time comes to start the main Choice exercise, members will be issued with a pack containing a comparison 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. This will be subject to the successful transfer and testing of address data from employers.

### 4. Members retiring before the start of the main Choice exercise

Members retiring **before 1 October 2009** will not be eligible to participate in the Choice exercise.

Members retiring **on or after 1 October 2009** will be eligible to participate in the Choice exercise.

For members who are currently considering retirement, there is an information factsheet "Members Retiring Soon" on the SPPA website at :-

<http://www.sppa.gov.uk/nhschoice.htm> Employers are asked to bring this to the attention of members *before* they agree a retirement date. It is important that staff are aware of the provisions of the 2008 section of the superannuation scheme when considering their date of retirement. The factsheet contains illustrations demonstrating when a member may benefit from an increased pension by transferring to the 2008 section.

Although the main Choice exercise will not begin before January 2010, SPPA are required to ensure that members retiring from 1 October 2009 are given the opportunity to participate in the Choice exercise. SPPA are therefore contacting all eligible members who submit their application forms with a retirement date on or after 1 October 2009. These members have the option to transfer their benefits to the 2008 section before they retire. It is thought unlikely that this will affect any member's intended retirement plans.

### 6. Choice information

The SPPA website has a separate NHS Choice Exercise section. The main information booklet 'The Choice Guide – Understanding your options' is now available on the SPPA website at:- <http://www.sppa.gov.uk/nhschoice.htm>

A DVD has been commissioned to assist in explaining the Choice issues to members throughout the UK. The DVD is being edited to reflect the Scottish exercise and will be available soon. It is planned to make the DVD available for viewing via the SPPA website. Employers and members will also be able to request a personal copy from SPPA. Further information will be issued when the DVD is ready for distribution.

Before the main Choice exercise commences in January 2010, SPPA will provide employers with appropriate awareness posters, copies of the DVD and the various publications. In addition arrangements will be made to host a workshop for relevant HR and/or Payroll staff to ensure that roles and responsibilities are clear from the outset.

I am enclosing our third “update for members” to keep staff up to date with developments. This is intended to be used for staff notice boards/other prominent locations, electronic distribution or for insertion in relevant employee publications. The update reminds members of the need to report any change of address.

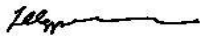
The draft Regulation amendments necessary for the Choice exercise were issued for consultation on 6 July 2009. This consultation period ended on 14 August 2009.

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](http://www.sppa.gov.uk/nhschoice.htm) or you can e-mail any queries to [NHSChoiceExercise@scotland.gsi.gov.uk](mailto:NHSChoiceExercise@scotland.gsi.gov.uk).

I would be grateful if you could cascade this information to all Payroll and HR managers within your organisation.

Yours Faithfully



Ian Clapperton  
Director of Operations



**YOUR PENSION SCHEME – NHS CHOICE EXERCISE 2009**

**UPDATE FOR MEMBERS No3 - August 2009**

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

**The timing of the main Choice exercise has been postponed and will not now start before January 2010.**

When the time comes to make a choice, members will be issued with a pack containing information to help you make an informed decision. It is planned to issue these packs to your home address, so please ensure you report any change of address.

***New Pension Arrangements***

- The new 2008 section has a normal pension age of 65 years.
- Pension will accrue at 1/60<sup>th</sup> of your pensionable pay for each year of service
- Practitioner pensions will be calculated at 1.87% of your career uprated earnings

***Retiring Soon?***

Members currently considering retirement should consider the benefits available from the 2008 section prior to deciding on a retirement date. You should refer to the 'Members Retiring Soon' factsheet on the SPPA website

If you are due to retire after 1 October 2009 you are entitled to participate in the Choice exercise and will be sent choice information when your retirement application is received at SPPA.

***Further information***

There is a specific Choice area on our website [www.sppa.gov.uk/nhschoice.htm](http://www.sppa.gov.uk/nhschoice.htm)

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