

**NHS PENSION SCHEMES  
01/2016**

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| <b>WHO SHOULD READ:</b> | <b>HR and Payroll Managers<br/>Direction Bodies<br/>GP Practice managers<br/>Practitioner Services Division<br/>Dental Payments<br/>Trade Unions</b> |
| <b>ACTION:</b>          | <b>To read and circulate for information.</b>  |
| <b>SUBJECT:</b>         | <b>Electronic Data Management (EDM) portal<br/>Update on Technical issues</b>  |

**The purpose of this circular is to:**

- 1. provide information about the Employers Data Management web portal**
- 2. provide an update on a range of technical issues discussed at NHS Technical Working Group**

## **1. Employers Data Management (EDM)**

In early 2016 the SPPA will introduce a new way for NHS employers (except Health Boards) to submit their weekly, monthly and annual data returns (NSR forms).

When we introduced the Employer Contribution On-Line web portal, we received feedback from employers suggesting that a similar portal to allow the submission of data would be welcome. Working on this feedback we have developed the Employer Data Management (EDM) web portal.

EDM will allow employers to submit data through a secure electronic portal. Pre-submission validation checks are carried out to ensure the data is in a fit state to be loaded to the member's record. This will greatly reduce the need for SPPA to contact employers to obtain missing or erroneous data. The specification for this development is based on the existing NSR forms that are currently published on-line.

We intend to roll this out on a staggered basis over the next few months, with the intention that all employers be registered in time to submit their annual return data for 2015-16.

Whilst we expect Health Boards to continue using ATOS to submit data we would encourage all employers to register to have access to the secure messaging functionality available on EDM. This will allow SPPA to share member information, such as active member reports or new starter reports with employers, in a secure way. We may also use the website to share minutes of Technical Working Group discussions.



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## What we need from you?

We need your help to identify who the principal user of the new EDM system will be. We suggest the principal user will normally be the payroll or practice manager. In order for us to manage invitations to register, we need the following information about the principal user:

- full name
- email address
- telephone number
- employer name
- employer code

We would be obliged if employers could confirm the information by email to the following address – [SPPAEDM-Principle@gov.scot](mailto:SPPAEDM-Principle@gov.scot)

It would be appreciated if this information can be provided by **31 January 2016**.

Once the principal user has registered, they can then create basic users who will be able to access the system, submit data and have access to electronic messages.

## 2. NHS Technical Working Group

The NHS Technical Working Group (TWG) meet on a quarterly basis to discuss a variety of issues relating to the scheme. In the interest of ensuring messages discussed are communicated with all employers, we intend in the near future, to share the minutes of these meetings to raise awareness of technical issues. At recent meetings we have touched upon the following areas:

[Term Time Working](#)

[Protection Statuses for Special Class/Mental Health Officers](#)

[New Starter letter requirements](#)

[Bank Nurse Starters](#)

[Maternity arrears of contributions](#)

### 2.1 Term Time Working

NHS employees are entitled to apply for a reduced working year contract. This is where an employee's contract of employment remains in place, but they take paid/unpaid leave during fixed periods of the year, such as during school holidays. This is commonly known as Term Time Working.

Where a request for a reduced working year has been approved, it is important the correct contributions are collected and that the appropriate service and salary details are reported to SPPA.



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**Employers must confirm in writing any period of unpaid leave so we can calculate the members qualifying service accurately.**

The PIN guidelines on flexible working suggest that the annual pay including paid and unpaid leave should be calculated and paid in twelve equal payments throughout the year.

The two scenarios below outline the correct amount of contributions that should be collected and what service they should be credited with.

**Scenario 1 – Part-time member - Term time worker**

The employee has a part-time contract for 30 hours per week on a term time basis. They usually work 39 weeks in each year. The total hours worked per year are 1170 (30 x 39). The hours are for illustrative purposes and may vary.

To ensure the employee receives equal payments over the entire 12 months, they are paid on the basis of 97.5 hours per month (1170 \ 12).

Contributions should be deducted for employee and employer, based on the remuneration paid for the month. The service credit would be based on the member working 1170 hours.

**Scenario 2 – Full time member – Term time worker**

The employee has a full time contract for 37.5 hours per week on a term time basis, which is usually for around 39 weeks in each year, a total of 1,462.5 working hours per year. Again this figure is illustrative and may vary.

To ensure the employee receives equal payments over the 12 months in the year, they are paid on the basis of 121.87 hours per month. In this scenario, contributions for both employee and employer have been deducted on the basis of remuneration equal to the value of the 121.87 hours each month, for 12 months, and will receive service credit for the year based on 1,462.5 hours worked.

We are aware that some employers hold the member on the payroll system as full time and have been deducting contributions as if they were full time for the full year. This results in these members receiving a full 365 days service credit, when in fact they only worked for 39 weeks.

**2.2 Special Class/Mental Health Officers (SC/MHO) who have protection or partial protection in respect of moving to 2015 scheme**

If a member was in SC/ MHO employment as at 1 April 2012 and qualified for full or partial protection, they will retain this same protection as a result of moving to a non-SC/MHO post as tapering end dates are not revised. Please note that this relates to protection under the reforms only and does not mean they retain MHO/SC status in a non-MHO/SC post in respect of the normal rules of the pension scheme i.e. they cannot actually retire at age 55.



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## 2.3 New Starter Requirements

Within the NHS Pension Scheme there are a number of options available to members that are subject to time constraints. When a member joins the scheme, they must be made aware of the options available to them. These include:

1. Early Retirement Reduction Buy Out (ERRBO)
2. Transfers into the scheme. Time limits apply. In most cases a transfer must be fully completed within 12 months of joining the scheme. This is a lengthy process and any delay in initiating a transfer could result in a lower transfer credit, or may even affect the member's right to transfer.

We have published two starter factsheets on our website. A one page document which can be incorporated into the offer of employment letter. Alternatively, there is a factsheet that can be printed off and provided to the employee upon starting employment. These documents can be assessed using the following [link](#).

SPPA will continue to issue starter letters to new members. There is normally a delay between the date the member joins the scheme and the point we receive, and are able to load the starter information. In order to protect member's rights within the scheme we request that employers also inform members of their rights at the point of taking up employment, using the forms provided.

## 2.4 Bank Nurses

Starter forms (NSR01) should not be submitted to SPPA until the employee has physically worked and contributed to the scheme. It is important to note that death in service benefits, or benefits of any other kind, including transfer rights, are not applicable until a contribution has been made.

## 2.5 Maternity Arrears of Contributions

An agreement must be made between the employer and member before the commencement of maternity leave. On return to work employers and members should come to a decision about how the arrears of employee's contributions are to be re-paid within a reasonable timescale. The employee arrears are based on the pensionable pay rate prior to the start of the absence.

Employers should inform SPPA of the following, in writing:

- the members intention to repay any unpaid maternity on return to work and advise the dates of unpaid leave
- amount of arrears due
- dates between which the arrears will be paid. If the unpaid maternity leave covers 2 financial years a breakdown by year of the remuneration and contributions due must



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be supplied. The agreed repayment timescale and monthly amount should also be advised at this time

- how the arrears of employer's contribution will be made

After writing to the SPPA, employers should confirm how much of the arrears have been repaid via the usual data submission, using the following column numbers on the relevant forms:

- NSR02 - column 17\*
- NSR03 - column 25\*

Some employers have in-house administrative arrangements to recoup arrears of contributions. This involves paying SPPA the total contributions due and then arranging a repayment schedule with the member. If such an arrangement works well for an employer, there is no reason to follow the procedures noted above or to notify SPPA about the arrangement.

\*For health boards, the information required in the columns stated above would be generated from the 'Additional Superannuation Old Scheme with a type 3' field on the payroll system (as advised at TWG).

**Garren Conway**  
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**15 January 2016**

### **Contact information**

Please contact [Garren.conway@gov.scot](mailto:Garren.conway@gov.scot) you have any enquiries about this circular.

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