

**NATIONAL HEALTH SERVICE SUPERANNUATION SCHEME (Scotland)
Circular No: 2012/03**

WHO SHOULD READ: NHS HR AND PAYROLL MANAGERS
GP PRACTICE MANAGERS
DIRECTION BODIES
PRACTITIONER SERVICES DIVISION (PSD)
DENTAL PAYMENTS

ACTION: EFFECTIVE FROM 1ST APRIL 2012, IMPLEMENT & INFORM
SCHEME MEMBERS OF EMPLOYEE PENSION
CONTRIBUTION TIERS FOR THE PERIOD 2012/2013

SUBJECT: INCREASE IN EMPLOYEE PENSION CONTRIBUTION
RATES 2012/2013

PURPOSE: To confirm the Scottish Government's intention to increase NHS employee pension contribution rates with effect from 1 April 2012.

This circular sets out the employee pension contribution tiers for the scheme year 2012/2013.

Please note that these are provisional subject to the regulations recently consulted on being approved by the Scottish Parliament. Employers are expected to prepare for the introduction of the employee contribution rate increases on the basis of this information and to notify employees. If there are any changes to these rates that the Scottish Government determines may be necessary, SPPA will issue a further circular as soon as we are notified.

Earlier [consultations](#) confirmed the Scottish Government's intention to introduce increases in average employee contribution rates to the NHS pension scheme in Scotland via tiered member contribution rates with effect from 1 April 2012.

The first consultation provided an explanation of the policy background to the new contribution rates and the recent consultation on draft regulations provided detail on the rates which will take effect from 1 April 2012. It also alerted employers to the need to prepare systems and processes so that the new rates are fully operational from that date.

The new employee contribution rates are now spread across seven pay (or earnings) bands and replace the existing four. As explained in [SPPA Circular 2012/01](#), these changes have been set out in draft regulations. The Scheme regulations will be amended, subject to



normal Parliamentary processes, in order that the changes take effect from 1 April 2012.

This circular covers all NHS scheme members and is split into the following parts:

- Part A - Officers including GP practice staff who are not practitioners
- Part B - Practitioners and Non GP Partners
- Part C - Further Guidance
- Part D - Next steps

Annex 1 - Form applicable to assistant medical practitioners and salaried GP practitioners (to be used for estimating the correct tier to be applied)

Annex 2 - A fact sheet for assistant medical practitioners and salaried GP practitioners

Annex 3 – A fact sheet for officer members

Annex 4 – A fact sheet for practitioner members

Annex 5 – Form FC21 (for completion by dental assistants and return to PSD)

A [calculator](#) illustrating the impact of the contribution rate changes for members can be found on the SPPA website.

Part A - Officer members (including GP practice staff who are not practitioners)

The following table should be used to set employee contribution rates in 2012/2013.

Tier	Full time 2011/12 salary or total pensionable earnings	2012/2013 contribution percentage rate
1	Up to £15,000	5%
2	£15,001 to £21,175	5%
3	£21,176 to £26,557	6.5%
4	£26,558 to £48,982	8%
5	£48,983 to £69,931	8.9%
6	£69,932 to £110,273	9.9%
7	£110,274 to any higher amount	10.9%

Pensionable pay should be rounded down to the nearest pound.

For **existing officer scheme members** i.e. those who were in service at 31 March 2012 and continuing, their contribution tier is based on their 2011/2012 full year, whole time equivalent (WTE) pensionable pay.

For **new starters** (including staff that have changed jobs, returned to NHS employment after a break or have “stepped down”) on or after 1st April 2012 their contribution tier will be based on their estimated full year WTE pensionable pay in 2012/2013.

To note that anyone stepping down into a lower paid job should be treated as a new starter for contribution tier purposes but this does not affect those whose hours may reduce within the same job.

Members who are classed as bank workers are likely to have several stop and start



pensionable posts. For each new & subsequent employment an estimated full year WTE pensionable pay for 2012/2013 should be used. (Similar to treatment of new starters above).

Health Boards should note that ancillary employments such as OOH, Bed Fund and sessional payments (not officer) for Principal GPs should be pensioned at **8% from 1st April 2012** and will be corrected to the actual rate by PSD when the GP's Annual Certificate is processed.

Tiers at the start of a scheme year are based on the previous year's pensionable pay for the part of the employment current as at 31st March/1st April that falls after any change of contribution tier that occurred in the previous scheme year. That is, if a tier is changed part way through the previous year, then the pensionable pay after the change is uprated to full year WTE and the previous pay ignored (i.e. the pensionable pay before the tier change is not used in the calculation).

Once a tier has been set it is applied to all of the pensionable pay. For example, a consultant earning £130k will pay 10.9% on the full £130k.

Any arrears of pay paid in 2012/2013 (i.e. in respect of earlier years) must be allocated to the year in which it was due and not regarded as 2012/2013 pay when establishing the relevant tiered rate for 2012/2013.

Part B - Practitioners and Non GP Partners

Tier	Total pensionable earnings for 2012/2013	2012/2013 contribution percentage rate
1	Up to £15,000	5%
2	£15,001 to £21,175	5%
3	£21,176 to £26,557	6.5%
4	£26,558 to £48,982	8%
5	£48,983 to £69,931	8.9%
6	£69,932 to £110,273	9.9%
7	£110,274 to any higher amount	10.9%

Pensionable earnings should be rounded down to the nearest pound.

All medical practitioners and non GP partners will have their 2012/2013 contribution tier based on their total certified NHS pensionable income in 2012/2013 using the table above.

GP Providers (Principal practitioners) are required to provide estimated total practice income to PSD at the beginning of the scheme year and to complete the annual certificate of pensionable income at the end of the year (PSD is a Division of National Services Scotland). Further information and relevant forms are available on the [PSD Website](#).

A GP's total pensionable income (e.g. Practice + GP Locum + OOHs + Bed Fund) **must** be added together in respect of allocating a tier. GPs must pension all their GP income; they cannot 'pick and mix' to avoid going into another tier band. Once a tier has been set it is applied to all GP pensionable income, for the whole reporting year. The tier may however



be revised when certified earnings are provided.

A part-time GP's actual pensionable pay **is not** converted to a whole time equivalent value for the purposes of setting a tier; their tiered rate is based on their actual pay. For a GP who starts after 1 April 2012 their aggregated pay **is not uprated to full year** for the purposes of setting a tier and the same applies for a GP who retires mid-year. Their tiered rate is based on their actual pay.

A GP who is solely a freelance GP locum (i.e. has no other GP posts) will have to reassess their tiered contribution rate at year-end. There is further guidance on [forms A and B](#) available on the practitioners pages of the SPPA website.

Where a Practitioner has other concurrent Practitioner posts it is the total Practitioner income that determines his/her tiered rate. Practitioners must pension all their Practitioner income. However **where a Practitioner has a concurrent Officer post** their Practitioner income has no bearing on their Officer tiered contribution rate which is treated separately.

GP Locums who are principal practitioners paid by the Health Board will have their tier provisionally set at **8% from 1st April 2012** for "Out of Hours" (paid as practitioner income), bed fund, and GP locum income and this will be adjusted at the end of the financial year by PSD on receipt of final certified earnings.

GP Registrars are treated as officer members of the scheme therefore the tiered contribution rules in respect of Officers apply.

If a Practitioner or non-GP Partner changes jobs in 2012/2013 it will not mean two different tiered rates because their 2012/2013 tiered contribution rate is based on their total 2012/2013 income as a Practitioner or non-GP Partner.

Salaried Partners/Shareholders tiered contributions in 2012/2013 are based on their Practice pensionable pay (i.e. their pre-agreed fixed salary) and any other 'fringe' GP income. They must complete a certificate of pensionable income at the end of every pension year.

Out Of Hours Providers (OOHPs) must ensure that they take into account a GP's global GP income when setting the tiered contribution rates. They must not base the rate solely on the OOHs income unless the GP has no other GP posts.

Career OOHs GPs are regarded as Assistant Practitioners and must complete the relevant certificate at year-end.

OOH GPs who are also principal practitioners should have their contribution set at **8% from 1st April 2012** for this work by the Health Board and this will be adjusted by PSD when the end of year certificate is received.

Non-GP Partners can only 'pension' income from one NHS post even if they are involved in several Practices.

Assistant Medical Practitioners and salaried GP practitioners: Contributions are set on



the estimated current year aggregated pensionable earnings from all employments and finalised at the end of the scheme year. Assistant Practitioners with more than one employer therefore should use the form at Annex 1. Annex 2 gives further information.

Dental Practitioners: Dental Payments will arrange for the appropriate tiered contributions to be applied to the majority of Dental Practitioners (Dental Payments is part of PSD (a Division of National Services Scotland) who deal directly with dental payments and superannuation contributions for dentists.)

Assistant Dental Practitioners should complete the form at Annex 5 with agreed salary including payments of fees and other regular payments received from their employer in respect of the provision of NHS dental services. This should not include payments made in respect of bonuses, expenses or overtime. The total amount claimed should also not exceed that allowed for as the dental assistant's remuneration for that list number.

A Dental Body Corporate cannot be superannuated. A dentist who is employed by a Dental Body Corporate will be treated as an assistant as above.

Part C - Further Guidance

Annual Pay Awards (officers)

In year annual pay rises for officer members will not affect their tier as this is based on the previous year.

Arrears of Pay

Where arrears of pay (including Agenda for Change arrears) are received in the current year but are actually in respect of previous years, then for pension purposes employers must advise SPPA which years the arrears cover and the amount to be allocated to each of those years. The employer must also ensure that the correct employee contribution is deducted for that year as failure to do this could mean that the employee is overcharged.

Changing employments

A reminder that officer tiers are not portable between employments and a new tier must be allocated for the new post based on the WTE pensionable pay uprated to full year.

Changing Tiers In Year

Where there is a need to change an Officer's tiered rate the new rate should commence from the start of the pay period in which the tier change is applied. If the change occurs 'mid month' apply the new tier from the start of the next pay period.

Disallowed Days

Where an Officer's 2011/2012 pensionable pay is reduced due to disallowed (i.e. strike) days their tiered rate is still based on their actual 2011/2012 pensionable pay.

Employer Contribution Rate

All NHS employers pay 13.5 % employer contributions.

Maternity Pay

If an Officer received maternity pay in 2011/2012 and year 2011/2012 is used to set the



2012/2013 tier, the full (unreduced) pensionable pay in 2011/2012 (i.e. the deemed pay) must be used to set the 2012/2013 tier.

New Employments/Posts

If an Officer member starts a new job (with their current employer or another employer) they are given a new tier based on the estimated future pay that will be at a full year's value; i.e. annualised. If they are part-time a whole-time equivalent annualised pensionable pay figure must be used.

New Starters

An Officer new starter in 2012/2013 has their tiered rate based on their pensionable pay uprated to a full year. If they are part-time the pay used to calculate the tier must be the WTE.

Officer Concurrent Posts

Where an Officer has other concurrent Officer pensionable posts each post is assessed individually (i.e. ring fenced) when setting the tiered rate. The WTE rate of pay must be used to set the tiered rate.

Overtime

In respect of an Officer member, overtime in excess of whole-time hours is not pensionable and therefore does not fall under tiered contributions. Any income earned by a part-timer in respect of additional hours up to whole time is pensionable.

Part-Time Officers

Tiered contributions for part-time Officers are based on their WTE rate of pay. For example a part-timer who actually earned £10k in 2011/2012 but whose WTE rate of pay was £25k will be on Tier 3 (6.5%) in 2012/2013.

Paternity Pay

If an Officer member received paternity pay in 2011/2012 and year 2011/2012 is used to set the 2012/2013 tiered rate, the full unreduced pensionable pay in 2011/2012 (i.e. the deemed pay) must be used to set the 2012/2013 tier.

Promotion

If an Officer member is promoted they are allocated a new tier based on their new pay uprated to a full year. If they are part time the tier is based on the WTE rate of pay.

Returnees

Anyone returning to NHS pensionable employment after a break in 2012/2013 should be treated in the same way as a new starter.

Salary Protection

For Officer members, if salary protection ends in 2012/2013 a new tier must be set based on the new pay uprated to WTE and full year.

Sick Pay

If an Officer member received half sick pay in 2011/12, and year 2011/12 is used to set the 2012/2013 tier the full unreduced pensionable pay (in 2011/12) must be used to set the tier.



Step Down

Where an Officer member steps down into a lower paid new job in 2012/2013 a new tier must be set for the new job based on the WTE pay uprated to full year. This does not affect part-timers whose hours may be flexible in the same job, by virtue that their WTE rate of pay will not change.

Unsocial Hours Payments (Officers/Practice Staff)

If there are short-term fluctuations in unsocial hours allowances in 2012/2013 this will not change the tier subject to the revised allowances being paid promptly; i.e. within the next two monthly payslips. However if the changes are long term (i.e. moving permanently from night shifts to days) a new tier must be set using the new WTE pay uprated to full year.

Part D – Next steps

1. Please bring the information contained in this circular to the attention of the relevant staff to ensure that the necessary arrangements are in place for the correct contributions to be deducted from members as appropriate and in line with the revised contribution rates when the regulations come into force on 1 April 2012. Please note that the employer contribution rate is unchanged.

2. In accordance with the Occupational Pension Scheme (Disclosure of Information) Regulations 1996, please ensure that all members who are affected by this change are notified individually in writing. We have provided information at Annex 3 (Officer members) and Annex 4 (Practitioner members) for your use if this is helpful.

Sharon Liptrott
Policy Manager
29 February 2012

Contact Information:

Should you have any enquiries about this circular, or require further information, please contact: Sharon.Liptrott@scotland.gsi.gov.uk

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7 Tweedside Park
Tweedbank
GALASHIELS
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Telephone: 01896 893000
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Form applicable to Assistant Practitioner & Salaried GP Practitioners

Pension Scheme Ref: SB

Member's estimated salary details for the purpose of setting level of pension scheme contribution - 2012/2013.

Assistant and Salaried GP Practitioners including Locums who are not principal GP's are required to ensure that earnings from all NHS employment are taken into account when setting the level of contributions which will be payable to the NHS Superannuation (Scotland) Scheme. This form must be given to all employers (in respect of assistant and salaried GP employments) for completion and a copy returned to the Agency by 1 May 2012. This form does not apply to GP Providers, GP Registrars, or freelance GP Locums. A copy should also be retained by the employer (including PSD for locums).

Part A (to be completed by member)

Name

National Insurance Number

Part B (to be completed by employer)

Name and address of each employer	Estimate of Annual Earnings	Commencement date of employment(see notes for completion)	Termination of employment date if applicable (see notes for completion)
1.			
2.			
3.			
4.			
Total aggregate of estimated earnings Columns 1-4			
Contribution tier applicable to total aggregated income			

N.B. Each employer will continue to pay employer contributions on the individual employment and not the aggregated earnings



Part C

Declaration

I understand that the information provided on this form is, to the best of my knowledge accurate and that the information contained is only to be used for the purpose of setting the correct contribution tier in respect of the NHS pension scheme.

Signature of member Date

Notes for Completion

Note 1. The pay declared under “estimate of actual earnings” is the actual salary paid taking account of any reduced (i.e. half) pay in respect of sick leave, maternity leave etc.

Note 2. Employers should enter date of commencement of employment if this takes place after 1 April 2012.

Note 3. Employers should enter date of termination of employment if this occurs before 31 March 2013.

Note 4. Table of contribution rates for 2012/2013

Tier	Total pensionable earnings	2012/2013 contribution percentage rate
1	Up to £15,000	5%
2	£15,001 to £21,175	5%
3	£21,176 to £26,557	6.5%
4	£26,558 to £48,982	8%
5	£48,983 to £69,931	8.9%
6	£69,932 to £110,273	9.9%
7	£110,274 to any higher amount	10.9%

Pensionable earnings should be rounded down to the nearest pound.



What pension contributions will I pay in 2012/2013?

A factsheet for all Assistant Medical Practitioner & Salaried GPs in the NHS Pension Scheme Scotland

1. All NHS Pension Scheme Practitioner Members will have their pension contribution rates reassessed for the scheme year 2012/2013. The table below shows the tiered contribution rates that will be applied to the pensionable earnings of all Practitioners in 2012/2013.

Pensionable Earnings Contribution Tier Rate

Tier	Total pensionable earnings	2012/2013 contribution percentage rate
1	Up to £15,000	5%
2	£15,001 to £21,175	5%
3	£21,176 to £26,557	6.5%
4	£26,558 to £48,982	8%
5	£48,983 to £69,931	8.9%
6	£69,932 to £110,273	9.9%
7	£110,274 to any higher amount	10.9%

Pensionable earnings should be rounded down to the nearest pound.

(The employer contribution rate will remain at 13.5% from 1 April 2012.)

2. There will be cases where the assistant practitioner/salaried GP has more than one employer and therefore the setting of the contribution tier will require the assistant practitioner/salaried GP to ensure that all his/her estimated earnings for the year are aggregated so that a correct tier can be set. To meet this requirement each assistant practitioner/salaried GP must complete a certificate with his estimated earnings from all sources at the beginning of each scheme year and present a copy of the completed form (Annex 1 attached) to each employer. This will allow each employer to be aware of the estimated aggregated earnings for the year ahead so that the correct contribution tier can be applied. A copy of this form should also be sent to SPPA by the assistant practitioner/salaried GP for the member's record.

3. If the assistant practitioner/salaried GP has a change in income part way through the year the contribution tier may be adjusted as necessary. If a tier is adjusted "in year" a new estimated income certificate must be completed by the assistant practitioner/salaried GP and presented to each employer. It will be the responsibility of the assistant practitioner/salaried GP to ensure that any underpayment at the end of the scheme year is paid to SPPA.

4. This tier may be adjusted at the end of the Scheme Year once final income is obtained by SPPA. If the assistant practitioner/salaried GP has also ticked the box on the form indicating that he undertakes locum work these earnings will also be taken into account at the end of the year. Failure to submit the correct information may mean that incorrect records are held and at retirement an incorrect pension may be paid as a result.

5. If you have any Officer income (i.e. Clinical Assistant) this will be classed as a separate pensionable employment and be allocated its own contribution tier by the relevant employing health board. In these cases the employer will remit the correct contribution to SPPA for that employment.

6. If you require any further information please contact the practitioners team at SPPA by e-mail nhspractitioner@scotland.gsi.gov.uk or by phone 01896 893000.



What pension contributions will I pay in 2012/2013?

A factsheet for Officer Members (including Practice Staff who are not practitioners) in the NHS Pension Scheme Scotland

Changes to the NHS Pension Scheme employee contribution rates from 1 April 2012.

From 1 April 2012 NHS Pension Scheme members will pay contributions as per the table below.

Tier	Full time 2011/12 salary or total pensionable earnings	2012/2013 contribution percentage rate
1	Up to £15,000	5%
2	£15,001 to £21,175	5%
3	£21,176 to £26,557	6.5%
4	£26,558 to £48,982	8%
5	£48,983 to £69,931	8.9%
6	£69,932 to £110,273	9.9%
7	£110,274 to any higher amount	10.9%

Pensionable pay should be rounded down to the nearest pound.

In general the amount you will pay will be based on your previous year's earnings (2011/2012). If you were employed part-time the amount is uprated to the whole time equivalent pay for that post. If you change jobs during the current year or have a promotion or step down then the new pay band will be applicable for setting the contribution tier going forward. There is a [calculator](#) on the SPPA website where you can see what these changes mean for you. For more detailed information please see Employers Circular 2012/03 available on the NHS Circulars page of the SPPA website. If you consider that you have been allocated to the wrong contribution tier please contact your payroll manager.

2012/2013 Contributions after tax relief (net)

Members may be interested to know that the NHS pension scheme employee contributions are deducted from gross pay before income tax. Therefore, they normally benefit from significant tax relief so the real cost to a member is less than the headline figures shown. Illustrations of the effect of tax relief is shown in the table overleaf:



Full time pay 2011/2012	2011/12	2012/13		
	Effective Contribution rate after tax relief	Effective Contribution rate after tax relief	Net rise in contribution rate %	Additional cost (£ per month)
£10,000	4.0%	4.0%	0.0	0
£15,000	4.0%	4.0%	0.0	0
£20,000	4.0%	4.0%	0.0	0
£25,000	5.2%	5.2%	0.0	0
£30,000	5.2%	6.4%	1.2	30
£40,000	5.2%	6.4%	1.2	40
£60,000	3.9%	5.34%	1.44	72
£80,000	4.5%	5.94%	1.44	96
£130,000	5.1%	6.54%	1.44	156



What pension contributions will I pay in 2012/2013?

A factsheet for Practitioner Members in the NHS Pension Scheme Scotland

Changes to the NHS pension Scheme employee contribution rates from 1 April 2012.

From 1 April 2012 NHS Pension Scheme members will pay contributions as per the table below.

Tier	Total pensionable earnings in 2012/2013	2012/2013 contribution percentage rate
1	Up to £15,000	5%
2	£15,001 to £21,175	5%
3	£21,176 to £26,557	6.5%
4	£26,558 to £48,982	8%
5	£48,983 to £69,931	8.9%
6	£69,932 to £110,273	9.9%
7	£110,274 to any higher amount	10.9%

Pensionable earnings should be rounded down to the nearest pound.

In general practitioner members pay contributions on their actual current year earnings from all sources.

There is a [calculator](#) on the SPPA website where you can see what these changes mean for you. For more detailed information please see Employers Circular 2012/03 available on the NHS Circulars page of the SPPA website. If you have any queries about which contribution rate you are paying please contact [Practitioner Services Division](#) of NHS National Services.

2012/2013 Contributions after tax relief (net)

Members may be interested to know that the NHS pension scheme employee contributions are deducted from gross pay before income tax. Therefore, they normally benefit from significant tax relief so the real cost to a member is less than the headline figures shown. Illustrations of the effect of tax relief is shown in the table overleaf:



Earnings in 2011/2012	2011/12	Earnings in 2012/13		
	Effective Contribution rate after tax relief	Effective Contribution rate after tax relief	Net rise in contribution rate %	Additional cost (£ per month)
£10,000	4.0%	4.0%	0.0	0
£15,000	4.0%	4.0%	0.0	0
£20,000	4.0%	4.0%	0.0	0
£25,000	5.2%	5.2%	0.0	0
£30,000	5.2%	6.4%	1.2	30
£40,000	5.2%	6.4%	1.2	40
£60,000	3.9%	5.34%	1.44	72
£80,000	4.5%	5.94%	1.44	96
£130,000	5.1%	6.54%	1.44	156



NATIONAL HEALTH SERVICE

**FOR USE UNDER REGULATION 3A12 AND SCHEDULE 1, PARAGRAPH 8 FOR DETERMINING
CONTRIBUTIONS PAYABLE BY, AND IN RESPECT OF, AN ASSISTANT PRACTITIONER**

**NATIONAL HEALTH SERVICE PENSION SCHEME (SCOTLAND) REGULATIONS 2008 AND
NATIONAL HEALTH SERVICE SUPERANNUATION SCHEME (SCOTLAND) REGULATIONS 2011**

Details of Assistant Practitioner

Full Name

List number

Superannuation number

National Insurance number

To enable the remuneration of the above named assistant practitioner to be determined for purposes of the National Health Service superannuation (Scotland) Regulations, it is requested that the particulars asked for below be inserted and this form returned, after signature, to:

Practitioner Services Division, Dental Payments, Gyle Square, 1 South Gyle Crescent, Edinburgh, EH12 9EB.

Annual salary of assistant

£

Annual amount of any fees and other regular payments paid to assistant

£

Annual value of any allowances and other sums in respect of Board or other advisory work

£

Total

£

The above amounts should be restricted to the proportion for providing NHS general dental services.

Note 1: The amounts shown above do not include any payments for bonuses, overtime, allowances paid to cover the cost of providing office or laboratory accommodation, clerical or other assistance, travelling (eg car, petrol) or subsistence allowances or other moneys to be spent or to cover expenses incurred by the assistants named above for purposes of his/her employment.

Note 2: The maximum amount allowed as pensionable earnings is on line 42 of the Account 7 for the assistant's list number.

Comments

Details of Principal Dentist

Full name

List number

Superannuation number

National Insurance number

Signature of Assistant

Date

Signature of Principal

Date

Practitioner Services Division may ask for additional evidence of actual payment made to Assistant practitioners for assisting in the provision of NHS general dental services to ensure the correct pension contributions are made on their behalf.