

**NHS PENSION SCHEMES (Scotland)
2015/07**

WHO SHOULD READ: HR and Payroll Managers
Direction Bodies
GP Practice Managers
Practitioner Services Division
Dental Payments

ACTION: To read and circulate as appropriate

SUBJECT: Loss of HMRC LTA protection

The purpose of this circular is to advise members about the potential loss of HMRCs Enhanced Protection and Fixed Protection 2012 and 2014 as a result of members moving to the new pension scheme on 1 April 2015

As part of the UK Government's Public Sector Pension reforms, the existing NHS pension scheme(s) will be closed from 31 March 2015. Those close to retirement will be able to remain in their existing scheme and will not be affected by this change. For other members, they will either move over to the new scheme on 1 April or at a date set by what is known as their Tapering protection date. SPPA will be writing to all members on 16 March 2015 confirming the date they will transfer over to the new scheme and further information about the scheme protections are on our website.

This circular is for those members who will move to the new scheme and have HMRC Enhanced Protection (EP) and Fixed Protection 2012 (FP2012) and Fixed Protection 2014 (FP2014). HMRC have confirmed that these Lifetime Allowance (LTA) protections will be lost if a member joins or moves to the 2015 scheme and starts paying pension contributions. **This does not affect those members who have LTA protections who remain in their existing scheme and are not required to move to the new scheme.**

Opting out - members being automatically moved to the new 2015 scheme

Members who will be moving to the new 2015 scheme and do not want to lose their HMRC LTA protection may consider opting out of the 2015 scheme. If they move to the 2015 scheme and immediately opt out, they will be required to pay contributions for April and will lose their HMRC LTA protection. If they do not wish to lose their LTA protection they should consider opting out but must do so by 31 March 2015. Members who have already opted out do not need do anything more.

Opting out - new joiner to the 2015 scheme

If a member joins the new 2015 scheme for the first time after 1 April 2015, or has a break in service of more than five years and has EP, FP2012 and FP2014 while in a previous pension scheme and opt out within the first pay period, they will be classed as having never



joined the new pension scheme and will not have lost any of these protections.

We have published a [factsheet](#) on our website which highlights the impact this may have on members and the action they may have to take if they do not wish to lose their protection. Please bring this to the attention of all employees.

Pam Brown

Director of Operations

19 March 2015

Contact information:

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