

Superannuation (NHS) Circular No 10 /2008

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Dear Colleague

This Circular contains important information about the following:

- 1. NHS (Superannuation Scheme, Injury Benefits, Additional Voluntary Contributions and Compensation for Premature Retirement) (Scotland) Amendment Regulations 2008 SSI 2008/92**
- 2. Revised Actuarial Tables for Early Retirement Pensions and Employer Capitalisation Costs.**
- 3. The Pensions Increase Review Order**

1. NHS Amendment Regulations 2008 SSI 2008/92

1.1 The above regulations, which came into force on 31 March, make minor amendments to the National Health Service Superannuation Scheme (Scotland) Regulations 1995, The National Health Service (Scotland) (Injury Benefit) Regulations 1998, The National Health Service Superannuation Scheme (Scotland) (Additional Voluntary Contributions) regulations 1998 and the National Health Service (Compensation for Premature Retirement) (Scotland) Regulations 2003. The amendment regulations can be viewed on the website of the Office of Public Sector Information by clicking on the attached link [SSI 2008/ 92](#). These regulations do not include the changes to the scheme arising from the pension reforms effective from 1 April 2008, these changes will be included in a future instrument.

1.2 The main changes are summarised below but more detailed information is given in **Appendix A**, attached. **Appendix B**, also attached, constitutes a **Notice to Staff**, in accordance with the requirements of the Occupational Pensions Schemes (Disclosure of Information) Regulations 1996, and **should be brought to the attention of all employees**.

1.3 The main changes to the regulations are:

- to clarify when interest should be paid on late payment of benefits (excluding from payment of interest those cases where a “safe” rate of benefit has been paid and this rate is subsequently revised)
- to formalise the procedures for collection of practitioner contributions which have been applied in practice administratively following the introduction of the New GMS contract in April 2004.
- to remove all references to the Government Actuary in the Principal Regulations to allow Scottish Ministers to appoint an actuary for the scheme other than the Government Actuary
- to allow for death in service cover for those who have ceased contributing to the scheme solely because they have maximum service
- a relaxation of the 12 month transfer rule for transfers in from other NHS schemes within the UK

2. Revised Actuarial Tables for Employer Capitalisation Costs and Early Retirement Pensions.

2.1 Employers should be aware that revised actuarial tables have been issued in respect of employer capitalisation costs for members who take their pension before normal benefit age under the redundancy arrangements (see circular SPPA 1/2007). These tables should be used **with effect from 1 April 2008**. The revised actuarial tables are attached as Appendix C.

2.2 Revised actuarial tables are also attached at Appendix D in respect of the percentage reduction in pension and lump sum for members wishing to take voluntary early retirement under the 1995 superannuation regulations and the 2008 scheme.

3. The Pensions Increase Review Order 2008

3.1 The Pensions Increase Review Order (SI 2008 No. 711) provides for the payment of pensions increase and is now available on the website of the Office of Public Sector Information by clicking on the attached link [SI 2008/711](#). Please note that there is an error on page 5 (the SI Explanatory Note) as follows:

“In the table for Pensions Beginning dates, “23rd August 2006” should read “23rd August 2007.”

3.2 Increases are payable from 7th April 2008. For pensions which began before 9th April 2007 the increase is 3.9%. For pensions which began on or after 9th April 2007 the increases are as follows:-

Pensions Beginning	Percentage Increase
9th April 2007 to 22nd April 2007	3.90%
23rd April 2007 to 22nd May 2007	3.58%
23rd May 2007 to 22nd June 2007	3.25%
23rd June 2007 to 22nd July 2007	2.93%
23rd July 2007 to 22nd August 2007	2.60%
23rd August 2007 to 22nd September 2007	2.28%
23rd September 2007 to 22nd October 2007	1.95%
23rd October 2007 to 22nd November 2007	1.63%
23rd November 2007 to 22nd December 2007	1.30%
23rd December 2007 to 22nd January 2008	0.98%
23rd January 2008 to 22nd February 2008	0.65%
23rd February 2008 to 22nd March 2008	0.33%

3.3 Article 4 of the Order provides for the payment of increases on deferred lump sums which became payable before 7th April 2008 but on or after 9th April 2007. Multipliers for “preserved” pensions and lump sums can be accessed on the HM Treasury website on their Public Service Pensions / [Pensions Increases](#) page.

Yours faithfully

Sharon Liptrott (Mrs)
Policy Officer, NHSSS

Superannuation (Health Service) Circular No. 10/2008

NHS (Superannuation Scheme, Injury Benefits, Additional Voluntary Contributions and Compensation for Premature Retirement) (Scotland) Amendment Regulations 2008 (SSI 2008/92)

This appendix describes in detail the amendments made by SSI 2008/92 as below.

Regulation 1 provides for citation, commencement and effect.

Regulation 2(2) amends regulation A2 of the principal Regulations by amending the definition of “employing authority” to include those employers who are subject to a direction under section 7 of the Superannuation (Miscellaneous Provisions) Act 1967 and inserts a definition of “scheme actuary”.

Regulation 2(3) amends regulation C4(4) of the principal Regulations in relation to part-time employment, to restrict the whole notional time pensionable pay to that which would have been paid in a single comparable whole-time employment.

Regulation 2(4) amends regulation D2 of the principal Regulations by replacing “Government Actuary” with “scheme actuary” and by inserting a new paragraph (9) so that where staff transfer, NHS bodies merge or change their structure, successor employers are able to be charged.

Regulation 2(5) amends regulations E5(2) and (4) and E8(7)(b) of the principal Regulations by substituting “scheme actuary” for “Government Actuary”.

Regulations 2(6), (7) and (8) amend regulations F(1), G2(5) and H3(8) of the principal Regulations by extending death in service cover to those members whose NHS employment had ceased to be pensionable solely by virtue of having the maximum amount of reckonable service under the scheme. These amendments have retrospective effect to 1st April 1995.

Regulation 2(9) amends regulation J1 of the principal Regulations by substituting “scheme actuary” for “Government Actuary” in paragraph 3 and clarifying that any request for allocation of pension should be made at the date of claim or before the pension is put into payment.

Regulation 2(10) amends regulation M6(1) and (2) of the principal Regulations by substituting “scheme actuary” for “Government Actuary”.

Regulation 2(11) inserts a new regulation N1A to allow for the relaxation of the 12 month limit on members transferring membership in from other UK NHS pension schemes.

Regulation 2(12) amends regulations N3A(2)(c) and N4(2) and (3) by substituting “scheme actuary” for “Government Actuary”.

Regulation 2(13) amends regulation P1 of the principal Regulations to ensure that parental leave is treated in the same way as maternity, paternity and adoption leave and by inserting a new paragraph (5) with retrospective effect to 1st April 2007, to include “keep in touch” days as part of maternity leave.

Regulation 2(14) amends regulations Q1 of the principal Regulations to insert new paragraphs providing that members who are moderate earners and who have reduced service as a result of dissolution or annulment of marriage (or, after 5th December 2005, civil partnership) may re-build their service under regulation Q1 (right to buy additional service).

Regulation 2(15) amends regulation Q7(6) of the principal Regulations by substituting “scheme actuary” for “Government Actuary”.

Regulation 2(16) amends regulation R1(3) of the principal Regulations clarifying that the regulations apply to non-GP Providers with the modifications set out in paragraphs 3 to 5, 10 and 23 of Schedule 1.

Regulation 2(17) amends regulation S4 of the principal Regulations providing for a lump sum to be payable on death in pensionable re-employment under this regulation.

Regulation 2(18) substitutes a new regulation T1 of the principal Regulations so that an applicant must provide the Scottish Ministers with permission to see information relating to that person or that person’s entitlement where such information is held by a third party.

Regulation 2(19) amends regulation T7 (2) by substituting “scheme actuary” for “Government Actuary”.

Regulation 2(20) amends regulation T9(4) to change the definitions of “due date”, “base rate” and expand the definition of “qualifying payment”. This is in order to clarify when interest should be paid to scheme members and what the rate should be.

Regulation 2(21) substitutes a new regulation U2 of the principal Regulations to make clear that dispute procedures comply with those set out in the Pensions Act 1995.

Regulation 2(22) amends regulation U3 (3) and (4) by substituting “scheme actuary” for “Government Actuary”.

Regulation 2(23) amends Schedule 1 of the principal Regulations to substitute a new paragraph 10. Paragraph 10 sets out how contributions from sources of earnings for practitioners under General Medical Services contracts are to be collected.

Regulation 3(2) amends regulation 2(1) of the Injury Benefits Regulations by amending the definition of “employing authority” to include those employers who are subject to a direction under section 7 of the Superannuation (Miscellaneous Provisions) Act 1967 for the purpose of the regulations.

Regulation 3(3) amends regulation 4(4)(b) of the Injury Benefits regulations to remove the requirement for the reduction in emoluments of an employment to be permanent for the purposes of regulation 4(4) (allowance on reduction in emoluments).

Regulation 3(4) makes a correction to regulation 4(4) and clarifies regulation 4A (recovery of costs) so that it is clear that benefits paid by the Scottish Ministers pursuant to the regulations may be recharged to the transferee or successor of a person’s employing authority in the event of any NHS reorganisation.

Regulation 3(5) inserts a new regulation 18A in to the Injury Benefits Regulations providing that an applicant must provide the Scottish Ministers with permission to see information relating to that person or that person’s entitlement where such information is held by a third party.

Regulation 3(6) amends regulation 22 of the Injury Benefits Regulations to make clear that dispute procedures comply with those set out in the Pensions Act 1995.

Regulation 4(2) amends regulation 21 of the AVC Regulations to make clear that dispute procedures comply with those set out in the Pensions Act 1995.

Regulation 5(2) amends regulation 15 of the Compensation Regulations to make clear that dispute procedures comply with those set out in the Pensions Act 1995.

IMPORTANT NOTICE FOR NHS EMPLOYEES IN SCOTLAND

NHS PENSION SCHEME – REGULATION CHANGES

This notice is to inform employees of changes to the NHS Superannuation (Scotland) principal 1995 regulations, Injury Benefits, Additional Voluntary Contributions and Compensation for Premature Retirement regulations contained in SSI 2008/92 coming into force on 31 March 2008

The main changes are:

- To include in the definition of “employing authority” in the Principal Regulations and Injury Benefits Regulations those employers who are subject to a Direction under section 7 of the Superannuation (Miscellaneous Provisions) Act 1967;
- To insert a definition of “scheme actuary ” and substitute “scheme actuary” for “Government Actuary “ where this appears in the Principal Regulations;
- To amend regulation C(4)4 of the Principal Regulations to restrict the whole time pensionable pay equivalent for a part time member to that which would have been paid in a single comparable employment; in other words in the case of a member working part time his income is uprated to a full time equivalent for the purpose of working out earnings for pension purposes. If there is more than one part time employment , total uprated earnings may amount to more than what would be a full time equivalent amount for only one full time employment. The amendment clarifies that only a single comparable employment can be used as an equivalent;
- To amend regulations F(1), G2(5) and H3(8) of the Principal Regulations by extending death in service cover to those members whose NHS employment had ceased to be pensionable solely by virtue of having the maximum amount of reckonable service under the scheme. This amendment has retrospective effect to 1 April 1995;
- To amend regulation N1 of the Principal Regulations by inserting a new paragraph N1A to allow for the relaxation of the 12 month time limit on members transferring membership in to the NHS Pension Scheme for Scotland from other UK NHS pension schemes;
- To amend regulation P1 of the Principal Regulations to ensure that parental leave is treated in the same way as maternity, paternity and adoption leave; and by inserting a new paragraph P1 (5), to include “keep in touch” days as part of maternity leave. These allow a member

up to 10 paid days to be taken to keep in touch with the employer without breaking maternity leave. This amendment is as a result of the Work and Families Act 2006, the relevant provisions of which came into force on 1 April 2007. This amendment has retrospective effect to that date;

- To amend regulation Q1 of the Principal Regulations to insert a new paragraph (10) providing that members who are moderate earners and who have reduced service as a result of dissolution or annulment of marriage (or, after 5th December 2005, civil partnership) may re-build their service under regulation Q1 (right to buy additional service), following an Inland Revenue easement that allows moderate earners to rebuild their service following the grant of a Pension Sharing Order as a result of a divorce or nullity of marriage. This amendment has retrospective effect to 10 May 2000 (and 5th December 2005 in relation to a civil partnership);
- To amend regulation S4 of the Principal Regulations to provide for a lump sum to be payable on death in pensionable re-employment under this regulation;
- To clarify in Regulation T9 of the Principal Regulations the position where by interest can be paid on late payments by excluding from payment of interest those cases where a “safe” rate of benefit has been paid and this rate is subsequently revised. Regulation T9 is also amended to change the definition of the base rate to make use of the Bank of England Official Bank Rate in order to simplify any calculation of interest for late payments.
- To amend the Principal Regulations to formalise the procedures which have been applied in practice administratively for the collection of practitioner contributions following the introduction of the New GMS contract in April 2004.
- To amend the Principal Regulations and Injury Benefits Regulations so that an applicant is required to provide the Scottish Ministers with permission to see information relating to that person or that person’s entitlement where such information is held by a third party.

These regulations do not include the changes to the scheme arising from the pension reforms which are effective from 1 April 2008. These changes will be included in a future instrument of which staff will be advised in due course. The full regulations can be viewed on the Office of Public Sector Information website at www.opsi.gov.uk

Scottish Public Pensions Agency
3 April 2008