

**NATIONAL HEALTH SERVICE SUPERANNUATION SCHEME (SCOTLAND)
2014/04**

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

ACTION: To read and inform scheme members

SUBJECT: NHS Superannuation Scheme Regulations

The purpose of this circular is to:

- inform employers of recent changes to the Regulations which govern the NHS Superannuation Scheme (Scotland)
- remind employers that they have a legal duty to ensure that scheme members are made aware of changes to their scheme

The Statutory Instrument below has been approved by parliament and came into force on 28 June 2014. A summary of the regulatory changes is detailed below. The full instrument, explanatory note and policy document can be viewed on the Government legislation web site at www.legislation.gov.uk

The National Health Service Superannuation Scheme Scotland (Miscellaneous Amendments) Regulations 2014 ([SSI 2014/154](#))

The main changes made by this instrument are:

1. References in the 1995 Section of the Superannuation Scheme, Injury Benefit Scheme and Additional Voluntary Contributions Scheme regulations are updated as a consequence of the consolidation of the 2008 section regulations (see [SSI 2013/174](#)).
2. The employee contribution bandings are revised to reflect changes as a result of the NHSScotland 2014 pay award from 1 April 2014. New pay bands will apply to Practitioners and those changing employment or receiving a promotion during the scheme year. These amendments are wholly beneficial as they increase the threshold of pensionable pay/earnings required to determine the level of member contributions payable in the second tier of contributions. SPPA [Circular 2014/02](#) has been updated to reflect the revised pay bands. There are no changes to the contribution percentage rates.
3. Changes are made to the 1995 and 2008 section regulations to allow for those opting out of the scheme within 3 months to be treated as having never joined for administrative purposes only. This was to allow for refunds of contributions to be dealt with locally within



this timescale and embeds in regulations administrative arrangements that were introduced by SPPA [Circular 2013/09](#)

4. An amendment to extend the Scottish Minister's right to determine final pay for benefits in the case of whole time employment.

5. A cap is introduced in respect of an officer member's final salary in the 1995 section (2011 Regulations) for the purposes of calculating pension where final salary is inordinately high. Where the cap is exceeded a charge may be levied against the employer. Further details on how this will work is set out in SPPA [Circular 2014/05](#).

6. A facility has been included in the main scheme regulations which gives the SPPA the right to make an administrative charge and apply interest if employers are late in paying scheme contributions to SPPA. Further information is given in SPPA Circular 2014/5.

7. Changes to reflect revised HMRC rules from 6 April 2014 in particular the reduction in the Lifetime Allowance Limit (LTA) from £1.5 m to £1.25 m and the introduction of the Individual Protection 2014 facility for individuals who would be affected by the new lower limit.

8. A number of other minor amendments are made to correct previous errors or to provide clarification.

Employers have a legal responsibility under the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 to ensure members are informed of changes to the scheme.

**Sharon Liptrott
Policy Manager
18 July 2014**

Contact information:

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