

**NHS PENSION SCHEMES
2015/09**

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

ACTION: To read and circulate for information
SUBJECT: NHS 2008 Section Choice – Option to give up Protection

The purpose of this circular is to:

- provide information about NHS 2008 section Choice Exercise – Option to give up protection
- explain which categories of members are affected
- outline plan, approach and timetable for communications to members
- provide advance notice about 1995 section Choice Exercise
- provide employers and members with Choice contact details

1. Why are members being given this option to give up protection?

As you know a new NHS 2015 pension scheme for Scotland was introduced on 1 April 2015. Some members were entitled to full or tapered protection in their current schemes based on their age and when they joined the scheme. Protection is the name for the arrangements whereby members can remain in their existing scheme/section after 31 March because they are close to their normal pension age. During scheme negotiations it was agreed that certain categories of members would be given a further choice about their pension arrangements. This circular is to advise employers about plans for NHS 2008 Section Choice Exercise, also known as 'Option to give up Protection' where members will be given the choice to give up this protection.

The new 2015 pension scheme is based on a Career Average Revalued Earnings (CARE) basis and has a higher pension build up (accrual) rate of 1/54th compared to 1/60th in the 2008 section. In addition pension built up is revalued annually by the current consumer price index (CPI) rate plus 1.5%. It is possible that some members can build up a higher pension in the 2015 scheme at retirement. However, members must bear in mind that their 2008 section benefits are payable in full at their NPA 65, whereas the NPA for the new 2015 scheme is age 65 or their individual state pension age if higher. If they give up protection and move to 2015 scheme from 1 April 2015 they are likely to have a higher normal pension age.

2. Which categories of members are included in 2008 section choice?

All current active members who were in the 2008 section of the scheme prior to 1 April 2015 and who have either full or tapered protection are eligible for NHS 2008 section Choice. Members are being given the option to give up their protection in 2008 section and move to 2015 scheme from 1 April 2015.

To be eligible for this Choice members must be born on or before 31 August 1960.

3. Proposed plan of action and timetable for communications to members

SPPA will identify all eligible members and write to them during August 2015. Members will be provided with information on the main issues they need to consider.

There will be additional information and examples on our website at www.sppa.gov.uk.

Members will be given 4 months to consider their decision and all reply forms received will be acknowledged. If a member does not reply they will retain their full or tapered protection in the 2008 section. If they decide to give up their protection they will move to 2015 scheme from 1 April 2015. SPPA will amend member's pension records and notify their current employer(s) of the change in their protection status and pension scheme membership.

4. Advance notice of 1995 Section Choice

In 2010 SPPA carried out the NHS Choice Exercise after the 2008 pension reforms were introduced. All eligible 1995 section members were given the option to move to 2008 section from 1 April 2008.

At the time members may have decided to stay in the 1995 section to retain their normal pension age of 60* (*55 for some special class members). As a result of 2015 pension reforms members who do not have full protection will move the new 2015 scheme on or after 1 April 2015. The new 2015 scheme has a higher NPA equal to age 65 or their state pension age if later. During scheme negotiations it was decided that these members should be offered a second choice to move their pre-2015 preserved benefits to the 2008 section.

SPPA intend to carry out this exercise at the end of 2015. We will identify and write to all eligible members providing them with relevant information. Members will have 4 months to reply and if they do not reply their pre-2015 pension benefits will be preserved in 1995 section. This will be known as 1995 Section Choice.

SPPA will provide more information about this exercise nearer the time.



5. Where to find out more information

SPPA has set up an email address and telephone helpline for any Choice enquiries from members/employers nhschoice@scotland.gsi.gov.uk and 01896 893000 ask for 'Choice' when prompted.

Members can also use the 'contact us' NHS Choice enquiry option on [My Pension online member services](#) to submit an online enquiry to SPPA.

NHS Choice Team

SPPA

4 August 2015

Contact information:

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

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