

Superannuation (NHS) Circular No. 11/2008

NHS Employers
NHS Trade Unions and Professional Bodies
GP Practices
Direction Bodies

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2 July 2008

Dear Colleague

This Circular contains important information about the following:

1. New and updated NHS Pension Regulations:

- **The National Health Service Superannuation Scheme (Scotland) Amendment Regulations 2008** [SSI 2008/226](#)
- **The National Health Service (Scotland) Pension Scheme Regulations 2008** [SSI 2008/224](#)
- **The National Health Service Superannuation Scheme (Additional Voluntary Contributions, Injury Benefits and Compensation for Premature Retirement) (Scotland) Amendment Regulations 2008** [SSI 2008/225](#)

2. Opportunity to purchase an increased survivor's pension for membership prior to 6 April 1988

3. Pensionable breaks (Update to [SPPA Circular 2006/9](#))

1.1 The Regulations listed above, put on a formal footing the pension changes previously detailed in SPPA circulars [2007/08](#), [2008/04.4A,5](#) and [6](#) and which were also detailed in the information leaflet issued to staff in November 2007.

1.2 The major changes introduced by these regulations with effect from 1 April 2008 are:

- scaled contribution rates for employees as detailed in SPPA circulars [2008/04,4A and 5](#) ; and
- new two tiered ill health arrangements as detailed in SPPA circular [2008/6](#).

1.3 The other main changes for members of the scheme who are governed by the 1995 Regulations as amended ([SSI 2008/226](#)) (i.e. members of the scheme as at 1st April 2008 or those who return within 5 years of leaving) are:

- An option for members to “top up” their tax free lump sum to up to 25% of their total pension fund.
- Partner pensions for eligible unmarried partners.
- Opportunity for paying into the pension scheme for a total of 45 years regardless of age.
- Facility to buy up to £5,000 annual additional pension, which replaces the “added years” facility
- Multiple nominations for death benefits.
- More flexibility in the run up to retirement.
- Earnings cap removed for service from 1 April 2008.
- Survivor pensions payable for life (based on service from 6 April 1988 with a limited opportunity to purchase previous service - see paragraph 2)

1.4 The “National Health Service (Scotland) Pension Scheme Regulations 2008 [SSI 2008/224](#)” introduces new rules which apply to those members who join the NHS pension scheme for the first time from 1 April 2008. The main features of the scheme for new joiners are:

- Normal Benefit Age of 65
- Pension benefits based on final salary (annual average of best three consecutive years in the 10 years in the run up to retirement). (Career average scheme for practitioners)
- Accrual rate of pension of 1/60th final salary (1.87% for practitioners)
- Partner pensions based on full service
- No automatic lump sum but member able to choose to commute up to 25% of pension fund as a tax free lump sum payment
- Ability to take part pension and continue working whilst accruing further pension
- Facility to buy up to £5,000 annual additional pension

1.5 [SSI 2008/225](#) amends the Additional Voluntary Contributions, Injury Benefits and Compensation for Premature Retirement) (Scotland) Regulations with minor changes required as a consequence of the changes to the main scheme.

1.6 More detail on all the above changes can be found in Appendices A, B and C to this circular.

2. Opportunity to purchase an increased survivor’s pension for membership prior to 6 April 1988

New Regulation G.16 introduced by [SSI 2008/226](#) introduces a time limited opportunity for current members of the NHS pension scheme who joined the scheme before 5 April 1988, to buy an increased survivor pension for a nominated non-legal partner, civil partner or widower. The window of opportunity runs for 15 months from 28th June 2008 to 27th September 2009. Application should be made to SPPA Operations Branch on form [SB1A](#) (available from the SPPA website)

3. Pensionable breaks (Update to [SPPA Circular 2006/9](#))

The length of “approved absence” (e.g. career breaks) which can be pensioned is reduced to 6 months from 1 April 2008. For this 6 month period the employee and employer are both liable to pay contributions. Further regulations to be introduced with effect from 1 October 2008 will allow an opportunity for a further 18 months approved absence to be pensionable in the NHS scheme on condition that the member is willing to pay both his/her own contributions and the employer contributions.

4. Further Information

Any enquiries about the above regulations should be addressed to me at the above mail or e-mail address. Hard copies of the regulations can be purchased from the TSO bookshop at 71 Lothian Road, Edinburgh EH3 9AZ or downloaded from the Office of Public Information website by clicking on the links within the text of this circular.

5. Action for Employers

Appendix D 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.

Yours faithfully

Sharon Liptrott (Mrs)
Policy Manager, NHSSS

The National Health Service Superannuation Scheme (Scotland) Amendment Regulations 2008 [SSI 2008/226](#)

This Instrument further amends the National Health Service Pension Scheme Regulations 1995 (S.I.1995/365) (“the 1995 Regulations”).

Regulation 3 amends Part A of the 1995 Regulations by inserting new definitions including a definition of “scheme year”.

Regulations 4 and 5 amend Part B of the 1995 Regulations. Regulation 4 provides for new restrictions for those covered by the 1995 Regulations and, in particular, provides that a person over the age of 75 or a person over the age of 70 on or before 31st March 2008 cannot be a member of the Scheme. Regulation 5 makes consequential amendments.

Regulations 6, 7 and 8 amend Part C of the 1995 Regulations. Regulation 6 provides for the calculation of pensionable pay and makes provision for the calculation of pay of a member credited with pensionable service under another public sector pension scheme. Regulation 7 provides that benefits are to be calculated by a maximum period of pensionable service (45 years in most cases) and provides that pensionable service in excess of the maxima will be ignored. Regulation 8 amends regulation C4 to take account of the new two tier ill health pension.

Regulations 9 and 10 amend Part D of the 1995 Regulations. Regulation 9 introduces new contribution rates linked to bands of pensionable pay. Those rates run from 5 per cent to 8.5 per cent (depending on the pay band). This regulation also provides for how contribution tiers should be allocated for 2008/09 Regulation 10 makes consequential amendments to regulation D2 in respect of contributions payable by employing authorities.

Regulations 11 to 18 amend Part E of the 1995. Regulation 11 amends regulation E1 so as to provide that the Scottish Ministers can discharge their liability for a pension by the payment of a lump sum and in doing so has to have regard to the life expectancy of a member. Regulation 12 amends regulation E2 so as to limit its application to a member who retires from pensionable employment on or after 1 April 2008 but submitted an application for the benefit prior to that date.

Regulation 13 inserts new regulations E2A to E2C which introduce a new two tier ill health pensions on early retirement, reassessment of an ill health pension awarded on early retirement and the effect of further employment on such a benefit. Regulation 14 makes a consequential amendment to regulation E3, regulation 15 omits regulation E4. Regulation 16 amends regulation E6 to provide when a pension and lump sum will be payable in respect of those who have a preserved pension and to determine when a member with a preserved pension shall be treated as being incapable of any regular employment. Regulation 17 amends regulation E9 in consequence of the amendments made to Part K (contracting-out) of the 1995 Regulations. Regulation 18 inserts a new regulation (E11) which enables a member to opt to exchange part of a pension for a lump sum payment.

Regulations 19 to 21 amend Part F of the 1995 Regulations. Regulation 19 amends regulation F1 so as to provide when a lump sum on death is payable, regulation 20 amends regulation F2 to take account of the new two tier ill health pension and regulation 21 substitutes regulation F5 to provide for an order of priority in respect of the payment of a lump sum death benefit.

Regulations 22 to 32 amend Part G of the 1995 Regulations. In particular, they make provision for the period over which a widow's pension is paid and the rate at which is payable.

Regulation 25 amends regulation G3 to take account of the new two tier ill health pension. Regulation 26 amends regulation G4 to provide that where a member dies with a preserved pension, the rate of the dependant's allowance will be determined by reference to an ill health pension he would have received had he retired through ill health on the day he left pensionable employment. Regulation 27 amends regulation G7 to provide that the whole of the member's pensionable service will be taken into account when calculating a widower's pension. Regulation 28 amends regulation G9 to provide for the payment of a pension to a surviving partner of a female member. Regulation 29 amends regulation G10 to take account of the two tier ill health pension. Regulation 30 amends regulation G11 to take account of the two tier ill health pension. Regulation 31 amends regulation G13 to provide for the devolution of a surviving civil partner's pension in cases where the member dies without leaving a civil partner but leaving a surviving widower or nominated partner.

Regulation 32 inserts new regulations G14 to G17 to make provision for a surviving nominated partner's pension on the same basis as a surviving civil partner's or surviving spouse's pension.

Regulation 33 to 37 amends Part H of the 1995 Regulations. Regulation 33 amends regulation H1 so as to take account of nominated partner's pensions and to define a dependant child. Regulation 34 amends regulation H3 to provide for the destination of a pension payable in respect of dependents where the member dies in pensionable employment. Regulation 35 amends regulation H4 to provide for the calculation of a pension in circumstances where a member dies after the pension becomes payable. Regulation 36 amends regulation H5 to make similar provision where a member dies with a preserved pension and regulation 37 amends regulation H7 to take account of nominated partner pensions.

Regulation 38 amends regulation J1 of the 1995 Regulations to take account of the 45 year pensionable service limit in the scheme.

Regulations 39 and 40 amend Part K of the 1995 Regulations. Regulation 39 substitutes regulation K1 so as to provide that the scheme will be administered in conformity with the contracting-out conditions applicable to occupational pension schemes and regulation 40 amends regulation K2 so as to carry that principle forward in relation to both guaranteed minimum pensions and rights under section 9(2B) of the Pensions Act 1995.

Regulation 41 amends regulation L1 to take account of the two tier ill health pension.

Regulation 42 substitutes the whole of Part M of the 1995 Regulations. Substituted regulation M1 deals with the member's right to a transfer or buy-out, M2 with exercising the right to transfer or buy-out, M3 with the amount of the member's cash equivalent on such a transfer or buy-out, M4 on the mechanism for applying for a transfer value

payment, M5 with the time limits involved in making such an application and M6 with bulk transfers.

Regulations 43 and 44 amend Part N of the 1995 Regulations. The amendments are consequential and in the case of regulation 44 omit regulation N5 (waiver of transfer payments).

Regulation 45 amends regulation P3 of the 1995 Regulations to provide that a period of absence continues to count as pensionable service but it does not exceed 6 months and the member continues to contribute to the scheme.

Regulations 46 to 52 amend Part Q of the 1995 Regulations. Regulation 46 amends regulation Q1 to provide when a member can increase his rights to benefit by purchasing additional service. Regulation 48 amends regulation Q3 to provide new time limits for the purchasing of additional service and the cost of doing so. Regulation 49 amends regulation Q4 to impose time limits for the making of an election to pay for an unreduced lump sum by a single payment and regulation 50 amends regulation Q5 to provide for the limits on the amount of pensionable pay which may be used to purchase additional service or unreduced retirement lump sum by regular contribution payments. Regulation 52 inserts new regulations Q8 to Q17 which provide for the facility to purchase additional pension. New regulation Q8 deals with an option to purchase additional pension, Q9 with the effect of being absent or leaving and rejoining the scheme during the option period referred to in Q8, Q10 deals with the facility to purchase additional pension by the payment of a lump sum (as does Q11 in respect of employing authorities), Q12 with the procedure for and effect of making an option under regulations Q8, Q10 and Q11, Q13 with the cancellation and cessation of an option, Q14 with the effect of the payment of additional contributions, Q15 with the effect of death or early payment of a pension after an option has been exercised, Q16 with the effect of part payment of periodical contributions and Q17 with the revaluation of increases bought under options.

Regulations 53 to 55 amend Part R of the 1995 Regulations. Regulation 53 amends regulation R3 to take account of the new two tier ill health pension. Regulation 54 amends regulation R4 to allow for a pension to come into payment at age 75. Regulation 55 amends regulation R8 to provide for the protection of pension rights if a member approaching retirement takes up less demanding duties.

Regulations 56 to 61 amend Part S of the 1995 Regulations. Regulation 56 amends regulation S1 to provide that a pension which has been suspended on return to NHS employment may again become payable in certain specified circumstances. Regulation 57 amends regulation S2 to set out the circumstances when certain pensions payable under other parts of the 1995 Regulations will be reduced upon return to NHS employment and the amount by which they will be so reduced. Regulation 58 inserts a new regulation S3A to deal with the effect of a return to service on a lower tier or upper tier ill health pension. Regulation 59 makes consequential amendments to S4. This amends regulation S4 detailing the amount of and length of a payment made to a surviving spouse or civil partner or nominated partner. Regulation 60 inserts a new regulation S4A to deal with benefits on death in pensionable employment after a pension under regulation E2A becomes payable.

Regulation 61 amends regulation T2A of the 1995 Regulations to provide that present or future benefits of a member are to be reduced by an amount which fully reflects the amount of tax paid by the scheme administrator.

Regulation 62 inserts a new regulation U4 to provide for cost sharing of scheme expenses between members of the scheme and employing authorities.

Regulation 63 amends Schedule 1 to the 1995 Act which modifies the application of the 1995 Regulations in respect of practitioners. In particular, the amendments to Schedule 2 introduce a new contribution rate for practitioners based on pensionable earnings. Those rates run from 5 per cent to 8.5 per cent. The amendments also give effect to nominated partner's pensions, increase in surviving partner pensions and increases in the amounts of child allowance payable where a practitioner dies whilst in pensionable employment. It also provides for how contribution tiers should be allocated for 2008-09.

Regulation 64 amends Schedule 2A to the 1995 Regulations which deals with pension sharing on divorce.

The National Health Service (Scotland) Pension Scheme Regulations 2008

[SSI 2008/224](#)

These Regulations establish new pension arrangements for people employed in the National Health Service in Scotland on or after 1st April 2008 wishing to join the National Health Service Superannuation Scheme for Scotland (“the scheme”) or in such employment immediately before that date, but not already members of that scheme under the pension arrangements contained in the National Health Service Superannuation Scheme (Scotland) Regulations 1995 (S.I. 1995/365).

These Regulations are divided into four parts, each with chapters dealing with different aspects of the pension scheme arrangements.

Part 1 contains introductory material, and sets out the circumstances in which Parts 2 to 4 apply. It also sets out the provisions relating to scheme reports, accounts and cost sharing.

Part 2 sets out the provisions applying to people working in the National Health Service in Scotland as officers and non GP providers. (e. g. officer members who are partners in a GP practice)

Chapter 2.A covers general interpretive matters in Part 2. Regulation 2.A.1 contains general definitions. The remainder of Chapter 2.A contains definitions relating to entitlement to and calculation of benefits. Regulations 2.A.2 to 2.A.7 deal with the meaning of “pensionable service” and “qualifying service” and how service is calculated. Regulations 2.A.8 to 2.A.14 deal with “pensionable pay” and “reckonable pay” and regulation 2.A.15 deals with “Out of Hours” providers who are not otherwise NHS employing authorities.

Chapter 2.B sets out the conditions that must be met for a person to be eligible to belong to the scheme under the new pension scheme arrangements, and also deals with leaving and rejoining it. Most people will become members of the scheme automatically on entering their employment unless they wish not to belong to it.

Chapter 2.C deals with contributions to the scheme. Regulations 2.C.1 to 2.C.4 deal with members’ compulsory contributions. Regulations 2.C.5 to 2.C.7 relate to employers’ contributions and the circumstances in which they can be required to give guarantees and indemnities etc. to cover their contributions. Regulations 2.C.8 to 2.C.18 are about the members’ rights to purchase additional pension by paying extra contributions either by instalments over a period of up to 20 years or by lump sum. Regulation 2.C.11 enables such pension to be bought for a member by the member’s employer.

Chapter 2.D deals with the pension to which members become entitled on retirement. Regulations 2.D.1 to 2.D.13 set out different entitlements for those who retire on reaching 65, those who leave earlier, those who retire later with an actuarial increase, those who want earlier payment with actuarial reduction, those who wish to retire partially with only part of their pension in payment, those who retire early due to ill-health or on the termination of their employment on the grounds of efficiency or

redundancy, and pension credit members (those who have a right to benefits in scheme as a result of a pension sharing order). These Regulations also enable members whose pay is reduced to have higher paid earlier service treated separately. Regulations 2.D.14 and 2.D.15 enable members to exchange pension for lump sums. Regulations 2.D.16 and 2.D.17 deal with the effect of pension sharing on divorce or nullity of marriage and dissolution of civil partnership Regulations 2.D.18 to 2.D.20 enable members to allocate part of their pension to others. Regulation 2.D.21 deals with dual capacity membership and 2.D.22 deals with Guaranteed minimum pensions under section 14 of the 1993 Act.

Chapter 2.E sets out the benefits that are payable on the death of a member. It provides for pensions to be payable to surviving spouses, civil partners and other adult dependants and eligible children. It also provides for lump sums to be paid to nominees, adults to whom a pension is payable or personal representatives.

Chapter 2.F deals with members' rights under the scheme to have a transfer payment paid by the scheme into another scheme, and the right of a member to have a transfer payment from another scheme accepted by the scheme so that the member is entitled to count further pensionable service in the scheme (the rights to transfers out supplement the members' rights under the Pension schemes Act 1993 (c.48).) There are special arrangements for those going to or from other public sector schemes, those who transfer in or out with a number of other similar employees, and transfers with EU and other overseas transfers.

Chapter 2.G deals with members who have more than one period of service that counts for the scheme because they are re-employed. As a general rule the rights relating to such separate periods of service are dealt with separately, but this does not apply if aggregation of the periods would give rise to more favourable benefits. There are also special rules provide for ill-health pensioners and those transferred out of the scheme on a transfer of an undertaking.

Chapter 2.H deals with the abatement of pensions in certain circumstances where pensioners are re-employed in the National Health Service in Scotland.

Chapter 2.J contains miscellaneous and supplementary provisions. Regulation 2. J.1 deals with the appointment of the scheme administrator, 2.J.2 details the procedure for claims, 2.J.3 allows the Scottish Ministers to extend the time limit in any particular case, 2. J. 4 deals with beneficiaries who are incapable of looking after their affairs and 2.J.5 deals with commutation of small pensions. The forfeiture of benefits in certain circumstances is covered by regulations 2.J.6 and 2.J.7, the deduction of tax and the provision of information relevant for tax purposes is covered by regulation 2.J.8 and the payment of interest where the payment of benefits or refunds of contributions are late by 2.J.9[

Part 3 sets out the provisions applying to people working in the National Health Service in Scotland as practitioners or who work for Out-of-Hours Providers who are not NHS employers but who have been contracted by a health board to provide out of hours primary medical services

Chapter 3.A contains definitional matters. Regulation 3.A.1 contains general definitions. The remainder of Chapter 3.A contains definitions that are relevant for entitlement to and calculation of benefits under the scheme. Regulations 3.A.3 to 3.A.6 deal with the meaning of "pensionable service" and "qualifying service" and how service is calculated.

Regulations 3.A.7 to 3.A.14 deal with “pensionable earnings” and 3.A.15 covers out-of-hours providers.

Chapter 3.B sets out the conditions that must be met for a person to be eligible to belong to the scheme, and also deals with leaving and rejoining it. Most people will become members of the scheme automatically on entering their employment unless they wish not to belong to it.

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Chapter 3.D deals with the pensions to which members become entitled on retirement. Regulations 3.D.1 to 3.D.9 set out different entitlements for those who retire on reaching 65, those who leave earlier, those who retire later with an actuarial increase, those who want earlier payment with actuarial reduction, those who wish partially to retire with only part of their pension in payment, those who retire early with ill-health. and pension credit members. Regulations 3.D.10 and 3.D.11 enable members to exchange pension for lump sums. Regulations 3.D.12 and 3.D.13 deal with the effect of pension sharing on divorce or nullity of marriage and dissolution of civil partnership. Regulations 3.D.14 to 3.D.16 enable members to allocate part of their pension to others. 3.D.17 deals with dual capacity membership and 3.D.18 deals with guaranteed minimum pensions.

Chapter 3.E sets out the benefits that are payable on the death of a member. It provides for pensions to be payable to surviving spouses, civil partners and other adult dependants and eligible children. It also provides for lump sums to be paid to nominees, adults to whom a pension is payable or personal representatives.

Chapter 3.F deals with members’ rights under the scheme to have a transfer payment paid by the scheme into another scheme, and the right of a member to have a transfer payment from another scheme accepted by the scheme so that the member is entitled to count further pensionable service in the scheme (the rights to transfers out supplement the members’ rights under the Pension schemes Act 1993 (c.48).) There are special arrangements for those going to or from other public sector schemes, those who transfer in or out with a number of other similar employees, and transfers with EU and other overseas transfers.

Chapter 3.G deals with members who have more than one period of service that counts for the scheme because they are re-employed. As a general rule the rights relating to such separate periods of service are dealt with separately, but this does not apply if aggregation of the periods would give rise to more favourable benefits. There are also special rules to provide for ill-health pensioners e.g. Regulation 3.G.4 covers re-employment in respect of upper tier pensioners returning to work and the effect on their pension depending on whether they return to NHS employment or other employment and whether the lower earnings limit (for National Insurance purposes) has been reached. Regulation 3.G.5 deals with lower tier ill-health pensioners returning to work

and how their later service will be treated if they again become entitled to a further ill health pension.

Chapter 3.H deals with the abatement of pensions in certain circumstances where pensioners are re-employed in the National Health Service in Scotland.

Chapter 3.J contains miscellaneous and supplementary provisions. . Regulation 3. J.1 deals with the appointment of the scheme administrator, 3.J.2 details the procedure for claims, 3.J.3 allows the Scottish Ministers to extend the time limit in any particular case, 3. J.4 deals with beneficiaries who are incapable of looking after their affairs and 3.J.5 deals with commutation of small pensions. The forfeiture of benefits in certain circumstances is covered by regulations 3.J.6 and 3.J.7, the deduction of tax and the provision of information relevant for tax purposes is covered by regulation 3.J.8 and the payment of interest where the payment of benefits or refunds of contributions are late by 3.J 9[

Part 4 sets out the provisions applying to people who have worked in the National Health Service in Scotland as both officers and practitioners. Chapter 4.A deals with the application of Part 4 and contains definitional matters. Chapter 4.B compares benefit entitlement under Part 2 and 3 of these Regulations. Chapter 4.C provides for the modification of members' retirement benefits and death benefits under Parts 2 and 3 of these Regulations.

The National Health Service Superannuation Scheme (Additional Voluntary Contributions, Injury Benefits and Compensation for Premature Retirement) (Scotland) Amendment Regulations 2008 [SSI 2008/225](#)

These Regulations further amend the National Health Superannuation Scheme (Scotland)(Additional Voluntary Contributions) Regulations 1998(S.I. 1998/1451) (“the AVC Regulations”), the National Health Service (Scotland) (Injury Benefits) Regulations 1998 (S.I.1998/1594) (“the Injury Benefits Regulations”) and the National Health Service (Compensation for Premature Retirement) (Scotland) Regulations 2003 (S.S.I. 2003/344) (“the Compensation Regulations”).

Regulation 2 amends the AVC Regulations by inserting new definitions in consequence of changes to the National Health Superannuation Scheme (Scotland) Regulations 1995 (“The 1995 Regulations”) and the scheme rules set out in the National Health Service Pension Scheme (Scotland) Regulations 2008 (“The 2008 Regulations”). The amendments to the AVC Regulations indicate which of the Regulations (1995 or 2008) apply in any given case.

In addition to the above, the Scottish Ministers are designated as the administrator of the AVC Scheme for the purposes of the Finance Act 2004 (see regulation 2(14) (b)).

Regulation 3 amends the Injury Benefits Regulations in the same way and for the same purpose as regulation 2 amends the AVC Regulations.

Regulation 4 amends the Compensation Regulations so as to specify the amount of compensation payable by way of an annual allowance under the 1995 Regulations or 2008 Regulations, whichever applies.

IMPORTANT NOTICE FOR NHS EMPLOYEES IN SCOTLAND

CHANGES TO THE NHS PENSION SCHEME

1. REGULATION CHANGES
2. OPPORTUNITY TO PURCHASE AN INCREASED SURVIVOR'S PENSION FOR MEMBERSHIP PRIOR TO 6 APRIL 1988
3. PENSIONABLE BREAKS (UPDATE TO [SPPA CIRCULAR 2006/9](#))

Regulation Changes

1. This notice informs employees of changes to the NHS Superannuation (Scotland) principal 1995 regulations, Injury Benefits, Additional Voluntary Contributions and Compensation for Premature Retirement regulations and the introduction of new pension regulations for new joiners from 1 April 2008. The full changes can be found in Scottish Statutory Instruments nos. [SSI 2008/224](#), [SSI 2008/225](#) and [SSI 2008/226](#) which are available to view on the "Office of Public Information" website at www.opsi.gov.uk

1.1 The Regulations listed above put on a formal footing the pension changes previously detailed in SPPA circulars [2007/08](#), [2008/04.4A.5](#) and [6](#) and which were also detailed in the information leaflet issued to staff in November 2007.

1.2 The major changes introduced by these regulations with effect from 1 April 2008 are:

- scaled contribution rates for employees as detailed in SPPA circulars [2008/04.4A and 5](#) ; and
- new two tiered ill health arrangements as detailed in SPPA circular [2008/6](#).

1.3 The other main changes for members of the scheme who are governed by 1995 Regulations as amended ([SSI 2008/226](#)) (i.e. members of the scheme as at 1st April 2008 or those who return within 5 years of leaving from 1 October 2008) are:

- An option for members to “top up” their tax free lump sum to up to 25% of their total pension fund (see calculator on the SPPA website at http://www.sppa.gov.uk/nhs/index_link.htm)
- Partner pensions for eligible unmarried partners.(nomination form SB39 can be downloaded from the SPPA website at <http://www.sppa.gov.uk/nhs/forms.htm#forms9>)
- Opportunity for paying into the pension scheme for a total of 45 years regardless of age.
- Facility to buy up to £5,000 annual additional pension, which replaces the “added years” facility (calculator available on SPPA website at http://www.sppa.gov.uk/nhs/index_link.htm)
- Multiple nominations for death benefits.
- More flexibility in the run up to retirement.
- Earnings cap removed for service from 1 April 2008.
- Survivor pensions payable for life (based on service from 6 April 1988 with a time limited opportunity to purchase previous service - see paragraph 2)

1.4 The “National Health Service (Scotland) Pension Scheme Regulations 2008 [SSI 2008/224](#)” introduces new rules which apply to those members who join the NHS pension scheme for the first time from 1 April 2008. The main features of the scheme for new joiners are:

- Normal Benefit Age of 65
- Pension benefits based on final salary (annual average of best three consecutive years in the 10 years in the run up to retirement. (Career average scheme for practitioners)
- Accrual rate of pension of 1/60th final salary (1.87% for practitioners)
- Partner pensions based on full service
- No automatic lump sum but member able to choose to commute up to 25% of pension fund as a tax free lump sum payment
- Ability to take part pension and continue working whilst accruing further pension
- Facility to buy up to £5,000 annual additional pension (calculator available on SPPA website at http://www.sppa.gov.uk/nhs/index_link.htm)

1.5 [SSI 2008/225](#) amends the Additional Voluntary Contributions, Injury Benefits and Compensation for Premature Retirement) (Scotland) Regulations with minor changes required as a consequence of the changes to the main scheme.

1.6 [Updated member guides](#) to both sections of the NHS Pension Scheme for Scotland can be downloaded from the SPPA website

2. Opportunity to purchase an increased survivor's pension for membership prior to 6 April 1988

New Regulation G.16 inserted by Regulation 32 of [SSI 2008/226](#) introduces a time limited opportunity for current members of the NHS pension scheme who joined the scheme before 5 April 1988, to buy an increased survivor pension for a nominated non-legal partner, civil partner or widower. The window of opportunity runs for 15 months from 28th June 2008 until 27th September 2009. Application should be made to SPPA Operations Branch on form [SB1A](#) (available to download from the SPPA Website). Increased survivor pension can be paid for by either agreeing to give up some of your lump sum, paying contributions by a single lump sum or paying additional contributions from your next birthday until the age you intend to retire. Further information and estimates can be obtained from the Operations Branch at SPPA by contacting the team that normally deals with your pension or by telephoning 01896 893100

3. Pensionable breaks (Update to [SPPA Circular 2006/9](#))

The length of “approved absence” (e.g. approved career breaks) which can be pensioned is reduced to 6 months from 1 April 2008. For this 6 month period the employee and employer are both liable to pay contributions. Further regulations to be introduced with effect **from 1 October 2008 will allow an opportunity for a further 18 months approved absence** to be pensionable in the NHS scheme on condition that the member is willing to pay both his/her own contributions and the employer contributions.

SPPA
1 July 2008

