

National Health Service Superannuation Scheme (Scotland)

Addressees as listed below

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Our ref: NHS/01/42

8 September 2016

Dear Colleague

Consultation on changes to the NHS Pension Scheme Scotland Regulations

I attach for your consideration and comment, two draft Scottish Statutory Instruments (SSIs).

1. The NHS (Superannuation Scheme) Injury Benefits and AVCs (Scotland) Amendment Regulations 2016

This instrument will amend the National Health Service (Scotland) Superannuation Regulations 2011 (the 1995 section), the National Health Service (Scotland) Pension regulations 2008 (the 2008 section) , the National Health Service (Scotland) (Injury Benefits) Regulations 1998 and National Health Service Superannuation Scheme (Scotland) (Additional Voluntary Contributions) Regulations 1998

2. The NHS Pension Scheme (Scotland) (Miscellaneous Amendment) Regulations 2016.

This instrument will amend the National Health Service Pension Scheme(Scotland) Regulations 2015 (the 2015 scheme) and the NHS Pension Scheme (Transitional and Consequential Provisions) Scotland Regulations (The transitional regulations).

Summary of the main Changes

Amendments to the regulations include:

1. Insertion of an updated employee contribution table at the appropriate place in the 1995 and 2008 sections and 2015 scheme regulations. The table updates the pay bands only to reflect the pay award from 1 April 2016.

2. Technical amendments as a consequence of the abolition of “contracting out”
3. Miscellaneous amendments updating references to the Pension Schemes Act 1993 and removing obsolete references to “safeguarded rights” and “safe guarded percentages”
4. Amendments to reflect shared parental leave
5. An amendment to the Injury benefit Regulations so that a person in receipt of permanent injury benefit payments under the IB regulations and who was in receipt of certain social security benefits and which were replaced by the social security benefit known as “employment support allowance”, is not detrimentally affected by that replacement where the amount of employment and support allowance is greater than the amount of replaced social security benefits he was receiving.
6. An amendment to the AVC Regulations to enable a member’s money purchase additional voluntary contribution pension pot to be taken as a lifetime allowance excess lump sum.
7. Amendments to the Transitional and Consequential Provisions Regulations inserting a new regulation to deal with the effect of recommencing pensionable service following a break in employment and it’s effect on the calculation of , where appropriate, an ill health pension or death in service benefit.
8. A number of other technical amendments.

Further information on these amendments are detailed in Appendix A to this letter.

Consultation

You can respond to this consultation online via the following link: -

https://www.surveymonkey.co.uk/r/Consultation_on_draft_Scottish_Statutory_instruments

Alternatively you may complete the Consultation Response Form provided at **Appendix B** which can be submitted electronically to Sharon.liptrott@gov.scot or by post to me at the following address:

SPPA Policy Branch
7 Tweedside Park
Tweedbank
Galashiels
TD1 3TE

A copy of the consultation documentation and online response form is also available on the Agency’s website www.sppa.gov.uk and at the following link [NHS Consultations](#).

Responses are requested no later than the closing date of Wednesday 19 October 2016.

We may publish a summary of consultation responses in due course and would like to be able to include any response you make in that summary. However, if you ask us not to publish your response to this consultation we will regard it as confidential, and we will treat it accordingly.

Respondents should also be aware that the SPPA is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and will have to respond appropriately to any relevant request made to the Agency under that Act for information concerning this consultation exercise.

Yours faithfully

Sharon Liptrott

Sharon Liptrott (Mrs)
NHS Policy Manager

Addressees

HR Directors NHS Boards
Finance Directors and Payroll managers
NHS (Scotland) Scheme Advisory Board members
NHS (Scotland) Pension Board members
SPPA Technical Working Group
NHS Trade Unions and Professional Organisations
Scottish General Practitioners Committee
Institute of Health Service Management
Scottish Practice Nurse Association
Women's National Committee
SGHD Directorate of Primary Care
SGHD Health Workforce Directorate
SGHD Finance
NHS Retirement Fellowship
Home Office, Police and Firemen's Pension Schemes
Department of Health E&W
Department of Health and Social Services, Northern Ireland
NHS BSA Pensions Division
Department for Children, Schools and Family
Cabinet Office
Department for Communities and Local Government
DWP
GAD (for information)
HM Treasury
SGLD
SPPA (Senior Managers, Policy and Technical Team)



Explanation of Amending Regulations

Changes to the pay/earnings bands

Revised Employee Contribution tables (Amendments to the 1995 Section, 2008 Section and 2015 Scheme Regulations)

1. During scheme reform discussions the employee contribution rates were agreed for the period 1 April 2015 to 31 March 2019 on the basis that the pay/earnings bands set out in each tier would increase each year in line with national NHS pay awards in Scotland. This ensures that the tiering remains in line with annual increases in individual members pay. These draft SSIs will therefore insert into regulations an amended employee contribution table at the appropriated points to reflect the pay uplift from 1 April 2016. The revised table below will be applicable from 1 April 2016 for officer members starting or changing employment within the scheme year 2016/2017, and practitioners and non GP partners whose contributions which are based on current year income. **For all other members the table will be applied from 1 April 2017.** Please note the table inserts new pay/earnings bands only and does not increase the percentage of contributions payable.

Employee Contribution rates from
1 April 2017

<i>Column 1 Pensionable earnings band (2016-17)</i>	<i>Column 2 Contribution percentage rate(2017-2018)</i>
Up to £16,528	5.2%
£16,529 to £22,217	5.8%
£22,218 to £27,634	7.3%
£27,635 to £50,971	9.5%
£50,972 to £72,770	12.7%
£72,771 to £113,625	13.7%
£113,626 and above	14.7%

2. The amended regulations are D1 and schedule 1 paragraph 14 of the NHS Superannuation Scheme (Scotland) Regulations 2011, regulations, 2.C.2 and 3.C.2 of the NHS Superannuation Scheme (Scotland) (2008) section Regulations 2013 and regulations 30 and 31 in the NHS Pension Scheme (Scotland) Regulations 2015.

3. The following table details the above changes and also other changes contained in the draft SSIs.

Table of proposed Changes to NHS Pension Scheme Regulations

The changes made	Regulations amended		
	1995 Section (SSI 2011/117)	2008 Section (SSI 2013/174)	2015 Scheme (SSI 2015/94)
An amendment to clarify administrative procedures in respect of opting out.	B4		
Inserts new employee contribution table with updated pay bands.	D1 and schedule 1 paragraph 14	2.C.2 and 3.C.2	30 and 31
Consequential amendments made in respect of the abolition of contracting out, increase in the guaranteed minimum pension and enabling the forfeiture of a spouse's or surviving civil partner's guaranteed minimum pension and where the beneficiary is convicted of murder or manslaughter.	A2, K1, K4, K5, Q1, T7	2.A.1, 2.D.21, 2.E.27, 2.J.7, 2J.8 3.A.1, 3.D.17, 3.E.27 3.J.7 and 3.J.8	109, 114, 117, 140 Schedule 3 paragraphs 6 and 12
Conversion of pension into lump sum where the sums involved are trivial.	T8	2.J.6 , 3.J.6	Schedule 3 Paragraph 6
Replacement of "paternity pay" and "paternity leave" with ""shared parental pay" and "shared paternity leave"	A2, P1	2.A.1, 2.A.5, 2.A.10, 2.E.24, 3.A.5, 3.A.8, 3.C.7, 3.E.24	21, 28,67
Covers the ban on the transfer of deferred benefits from unfunded public service pension schemes to schemes offering flexible benefits by closing an existing lacuna in the provisions of the scheme regulations.		2.F.5, 3.F.5	137
Updates references to the Pensions Schemes Act 1993.	A2, M1	2.A.1, 2.C.18, 2.F.1, 2.F.5, 3.C.16, 3.F.1 , 3.F.5	39, 40, 117, 130, 131, 133, 137 Schedule 3 paragraph 6
Removal of obsolete references to safeguarded rights.	A2	2.A.1, 2.J.7, 3.A.1, 3J.7	
Updates of the definition of "buy out policy".	A2	2.A.1, 3.A.1	140
Insertion of a cross reference to the "Public Services Pension Act Northern Ireland 2014".	R7	2.F.9, 3.F.9	
Makes an amendment to make clear that any buy-out policy purchased must satisfy the requirements of regulation 12(2) of the Occupational Pension Schemes (Transfer Values) Regulations 1996.	M1		
Amends the provisions relating to pensions for a surviving spouse or surviving civil partner.			117

Amends the provisions relating to the amount of child pension so as to exclude from its calculation any upper tier ill-health pension.			123
Amends the provisions relating to opting-out and re-joining the scheme so as to enable a person with two employments to opt out of one but continue as an active member of the scheme in respect of the other.			Schedule 4 paragraph 1
Amendment of cross references.			27, 36, 93 Schedule 7 paragraph 15
Other technical amendments not listed above to make a provision clearer or to correct minor errors.			36, 91,122,124

The changes made	Regulations amended		
	Transitional (SSI 2015/95)	Injury Benefits (SI 1998/1594)	AVC (SI 1998/1541)
Inserts a new regulation 10A to deal with the effect of recommencing pensionable service following a break in employment and its effect on the calculation of, where appropriate, an ill-health pension or a death in service benefit.	10A		
Makes a technical amendment to the lifetime allowance condition so that it mirrors the provisions of the 2008 and 2015 Regulations.	31		
Amends the table in regulation 40 to ensure that the correct proportion of a child's pension is payable in the event of the death of a transitional member within 12 months of deferment of his pension.	40		
Makes amendments to the IB Regulations to ensure that a person in receipt of permanent injury benefit under the IB Regulations who was in receipt of certain social security benefits which were replaced by the social security benefit known as "employment support allowance", is not detrimentally affected by that replacement where the amount of employment and support allowance is greater than the amount of replaced social security benefits he was receiving.		4	
Makes amendments to the AVC Regulations to enable a member's money purchase additional voluntary contribution pension pot to be taken as a lifetime allowance excess lump sum. Other minor			3, 11, 13, 15

CONSULTATION RESPONSE FORM: Consultation on draft Scottish Statutory Instruments

1. The NHS (Superannuation Scheme) Injury Benefits and AVCs (Scotland) Amendment Regulations 2016

2. The NHS Pension Scheme (Scotland) (Miscellaneous Amendment) Regulations 2016.

1. Name/Organisation

Organisation Name

Title

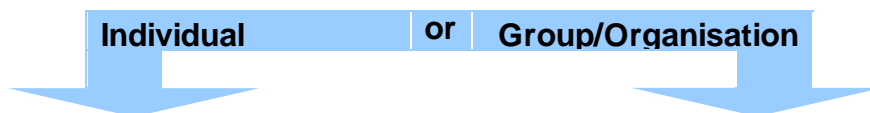
Surname

Forename

2. Postal Address

Postcode	Phone	
Email		

3. Permissions - I am responding as... (please complete either sections (a), (b) and (d) or sections (c) and (d):



(a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

Please state yes or no: __

(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

Please state yes to one of the following:

Yes, make my response, name and address all available *or*

Yes, make my response available, but not my name and address *or*

Yes, make my response and name available, but not my address *or*

(c) The name and address of your organisation **will be** made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your **response** to be made available?

Please state yes or no:

(d) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?
Please state yes or no:

ABOUT YOU

I am responding ...

- as a scheme member
- on behalf of an Employer Organisation
- on behalf of a Trade Union/Staff Association
- other (please specify)

What is your gender?

- I am female
- I am male

I am employed as...

- an administrator
- a dentist
- a doctor
- a general Practitioner
- a junior doctor
- a manager
- a nurse
- I'm retired
- other (please specify)

What is your working pattern?

- I work part-time
- I work full- time
- Not applicable

Please provide your comments in the space below:

Please post your response to:

Mrs Sharon Liptrott
NHS Pension Scheme (Scotland)
SPPA Policy
7 Tweedside Park
Tweedbank
Galashiels
TD1 3TE

The closing date for this consultation is Wednesday 19 October 2016