

National Health Service Superannuation Scheme (Scotland)

Addressees as listed below

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Our ref: NHS/01/41

20 October 2015

Consultation on changes to the NHS Pension Scheme Scotland Regulations

I attach for your consideration and comment, two draft Scottish Statutory Instruments (SSIs) which will amend the National Health Service (Scotland) Superannuation Regulations 2011 (the 1995 section), the National Health Service (Scotland) Pension regulations 2008 (the 2008 section) and the National Health Service Pension Scheme (Scotland) Regulations 2015 (the 2015 scheme).

Summary of the Changes

Revised Employee Contribution tables

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 will ensure that the tiering remains in line with annual increases in members pay. These draft SSIs will therefore insert into regulations an amended employee contribution table to reflect the pay uplift from 1 April 2015. The revised table below will be applicable from 1 April 2015 for officer members changing employment within the scheme year 2015/2016, new starters, 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 2016. Please note the table inserts new pay/earnings bands only and does not increase the percentage of contributions payable.

| <i>Column 1</i> <i>Pensionable Earnings band</i> | <i>Column 2</i> <i>Contribution Percentage Rate</i> |
|---|--|
| Up to £16,128 | 5.2% |
| £16,129 - £21,817 | 5.8% |
| £21,818 - £27,360 | 7.3% |
| £27,361 - £50,467 | 9.5% |
| £50,468 - £72,050 | 12.7% |
| £72,051 - £112,490 | 13.7% |
| £112,491 to any higher amount | 14.7% |



It should be noted also that the lower pay band has been adjusted to take into account the minimum pay award from 1 April 2015.

Correction of errors

The other amendments correct minor drafting errors to the National Health Service Pension Scheme (Scotland) Regulations 2015 which came into force on 1 April 2015.

Consultation

To simplify the process you can respond to this consultation online via the following link: -

http://www.sppa.gov.uk/index.php?option=com_wrapper&view=wrapper&Itemid=1500

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 <http://www.sppa.gov.uk/> and at the following link [NHS Consultations](#).

Responses are requested no later than the closing date of Friday 4 December 2015.

We intend to 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 (Mrs)
NHS Policy Manager

Addressees

HR Directors NHS Boards
Finance Directors and Payroll managers
Scheme Advisory Board members
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
SGLD 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

1. Member contribution rates in the NHS Pension Scheme are determined by reference to pensionable pay/earnings in a scheme year. Officer member contributions are generally based on the previous years earnings however if they change job in year or are new into the scheme their contribution is based on estimated whole time whole year earnings in their current employment. Practitioners and non GP providers contributions are based on their aggregated income from all sources in the current year.
2. The regulations currently consist of a one-table format for existing and new entrant officer members and a two-table format for GP and non-GP Provider members.
3. As agreed during reform negotiations the member contribution table has been adjusted to reflect the 1 April 2015 pay uplift. In order to reflect this in scheme regulations a new table is inserted in the 2015 scheme regulations in regulations 30 and 31. In regulation 30 the new table will be applied to those starting or changing jobs between 1 April 2015 and 31 March 2016 and all salaried members from 1 April 2016. In regulation 31 the new table will be used against practitioner earnings from 1 April 2015 to 31 March 2016. The 1995 section and 2008 section regulations have been similarly amended by the introduction of new tables in regulations D1 and schedule 1 paragraph 14 of the NHS Superannuation Scheme (Scotland) Regulations 2011 and in regulations 2.C.2 and 3.C.2 of the NHS Superannuation Scheme (2008) section Regulations 2013.
4. The proposed amendments to contribution regulations will come into force with retrospective effect from 1 April 2015. The amendments are wholly beneficial in that they increase the threshold of pensionable pay/earnings required to determine the level of member contributions payable. The changes will insert new pay/earnings thresholds only; there is no increase in the percentage of contributions payable and no change to the way the tables are used.

Correction of errors

5. The draft SSI “The National Health Service Pension Scheme(Scotland) Amendment regulations 2015” also includes amendments to correct a number of minor drafting errors in the National Health Service Pension Scheme (Scotland) Regulations 2015 which came into force on 1 April 2015. It also includes missing definitions which should have been included in Schedule 15 of those regulations and makes a clarification in regulation R2 of the 2011 regulations.

CONSULTATION RESPONSE FORM: Consultation on NHS Superannuation Scheme and Pension Scheme Amendment Regulations.

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):

Individual **or** **Group/Organisation**

(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

(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 Friday 4 December 2015