



SCOTTISH PUBLIC PENSIONS AGENCY

NHS Superannuation Scheme (Scotland)

Superannuation (Health Service) Circular No. 10/2003

NHS and other participating employers
NHS Trades Unions and Staff Associations

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Your ref:
Our ref: NHS/01/01/07

November 2003

Dear Sir or Madam

NATIONAL HEALTH SERVICE SUPERANNUATION SCHEME (SCOTLAND) – CHANGES TO THE SCHEME

1. This circular provides information about the changes to be made to the Scheme by the National Health Service Superannuation Scheme (Scotland) Amendment (No.3) Regulations 2003 (Scottish Statutory Instrument No. 2003/517), which come into force on 29 November 2003.
2. These Regulations further amend the National Health Service Superannuation Scheme (Scotland) Regulations 1995 (“the 1995 Regulations”). The main changes are summarised below but more detailed information is given in appendix A attached. Appendix B, also attached, is a Notice to Staff and, in accordance with the requirements of the Occupational Pensions Schemes (Disclosure of Information) Regulations 1996 should be brought to the attention of employees.
3. The main changes are that-
 - from the 1st April 2003, practitioners with mixed patterns of officer and practitioner service will have greater choice in the way in which their benefits under the Scheme are calculated. This includes provisions where separate benefits can be taken in respect of periods of officer and practitioner service;
 - from 6th April 2003, statutory paternity and adoption leave can count towards pensionable service within the Scheme;
 - the wording of the 1995 Regulations has been changed to make clearer to the reader the provisions in relation to a member who is not subject to the earnings cap – as they joined the Scheme before 1st June 1989 – but becomes so as a result of a break in pensionable employment; and
 - members do not have to be in pensionable employment to revoke a lump sum death benefit nomination.



4. Copies of the amendment regulations can be purchased from The Stationery Office. You should also be able to access them shortly on the HMSO website – www.hmso.gov.uk. Additional copies of this circular and its appendices can be obtained by contacting Mrs Sharon Liptrott on 01896-893228.

Yours faithfully

Ian Clapperton
Senior Policy Manager

Appendix A

Superannuation (Health Service) Circular No. 10/2003

NATIONAL HEALTH SERVICE SUPERANNUATION (SCOTLAND) – CHANGES TO THE SCHEME

This appendix describes in more detail the amendments made to the National Health Service Superannuation Scheme (Scotland) Regulations 1995 (as amended) (“the 1995 Regulations”), by the National Health Service Superannuation Scheme (Scotland) Amendment (No.3) Regulations 2003 (Scottish Statutory Instrument No. 2003/517).

1. Regulation 1 and 2 are formal
2. By replacing regulation C1(3) of the 1995 Regulations, the intention of regulation 3 is to make it clearer to the reader that any member who joined the Scheme before the 1st June 1989, is not subject to an earnings cap, unless they have a break in pensionable employment. In those circumstances, the pensionable pay in relation to the pre break period of pensionable employment will not be subject to the earnings cap, while the post break pensionable pay will be.
3. Regulation 4 amends regulation F5(payment of lump sum) so that a member, who either has a preserved pension or has a pension already in payment, can revoke a lump sum death benefit election. Prior to this change, the member would have had to have been in pensionable employment to do so.
4. Similar to 2. above, by replacing regulation L2(2) of the 1995 Regulations, the intention of regulation 5 is to make it clearer to the reader how benefits are calculated should a member with a break in pensionable employment find that it is more favourable to them to have their benefits in respect of the pre and post break period calculated separately.
5. Regulation 6 will provide, from 6th April 2003, that if the member pays the relevant contributions, statutory paternity and adoption leave can be regarded as pensionable service. This brings the 1995 Regulations into line with the provisions contained in the Statutory Paternity Pay and Statutory Adoptive Pay (General) Regulations 2002.
6. Regulation 7 will improve the choices available to practitioner members of the Scheme, where they can choose to convert pre practitioner and concurrent officer service into practitioner service, dependant upon what is more beneficial to them in maximising their benefits at retirement.
7. Regulation 8 allows a practitioner member to take separate benefits in respect of officer and practitioner service. In the case of a practitioner member who remained in, or entered into officer service after ceasing to be a practitioner, if it is more favourable to them in the calculation of their final benefits, they will be treated as having been in practitioner service up until the last day of their pensionable employment.

Scottish Public Pensions Agency
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Appendix B
Superannuation (Health Service) Circular No. 10/2003

THIS NOTICE GIVES EMPLOYEES IMPORTANT INFORMATION ABOUT CHANGES TO THE NHS SUPERANNUATION SCHEME (SCOTLAND) REGULATIONS 1995

The Regulations that set out the NHS Superannuation Scheme in Scotland have been amended by the National Health Service Superannuation Scheme (Scotland) Amendment (No.3) Regulations 2003, which come into force on 29 November 2003. This notice is designed to inform NHS employees about these changes.

Briefly, the main changes are that-

- from the 1st April 2003, there will be a greater choice available to practitioners with mixed patterns of officer and service in the ways in which they can maximise their retiral benefits under the Scheme. This includes provision where separate benefits can be taken in respect of periods of officer and practitioner service;
- from 6th April 2003, statutory paternity and adoption leave can count towards pensionable service;
- certain regulations within the Scheme have been re-worded to make the meaning clearer to the reader. The regulations in question relate to members of the Scheme who are not subject to the earnings cap, what happens if they take a break in pensionable employment and how members benefits can be calculated as a result of a break in pensionable employment; and
- a member who has elected that an individual or an organisation receive their lump sum on death benefit from the Scheme, can now revoke this election whether they are in pensionable employment or not.

1. More choice for practitioners with mixed officer and practitioner service

Historically, the level of pre practitioner officer service which converted to practitioner service for the purposes of calculating benefits was restricted under the terms of the Scheme to ten years. Similarly, the level of concurrent officer service which converted to practitioner service was restricted to one year. From 1st April 2003, the practitioner member can choose to convert to practitioner service more than ten years of their pre practitioner service and more than one year of their concurrent officer service if, in the calculation of their final benefits, it proves to be more beneficial to them. The change also allows a separate pension to be taken in respect of officer and practitioner service. If officer service continues or starts after the member ceases to be a practitioner, and if it is more beneficial to them in the calculation of final benefits, the practitioner member will be regarded as having remained in practitioner service until their last day of pensionable employment.

2. Statutory paternity and adoption leave.

In April 2003, UK wide Regulations were introduced which outlined new rights and entitlements to statutory paternity and adoption leave. In order that the Scheme is compatible with the new Regulations, from the 6th April 2003, statutory paternity or adoption leave can be regarded as pensionable service as long as the appropriate contributions are paid to the Scheme.

3. Revocation of a lump sum death benefits nomination

From December 2001, it has been possible for a member in pensionable employment to elect that their lump sum death benefit be payable to an individual or an organisation. The member also had to be in pensionable employment to revoke the notice. From the 29th November 2003, a member can revoke an election whether they are in pensionable employment or not.

For further information about the changes you should contact SPPA enquiries on 01896-893100

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