

GUIDANCE ON PROTECTION OF PENSIONABLE PAY

The scheme provides for a member to elect to protect their Pensionable Pay following a reduction in earnings for the following reasons;

1. Protection of pay through no fault of the member (both sections of the Scheme.)
2. Voluntary Protection of Pay (1995 section only.)

Protection of Pay (through no fault of the member)

If you have at least two years qualifying service and your earnings are reduced through no fault of your own, you may apply to protect your pension benefits at the level before the reduction took place. Any request for protection should be made within three months of going on to reduced pay.

Examples of reasons for protection of pay which can be accepted are:

- the nature of the duties you perform has changed, e.g. due to ill health
- you have moved to a lower paid post because of pending or actual redundancy
- an employer has transferred you to other employment

It can also be considered where pay is to “mark time” for a specified period, pensions can be protected at the beginning and the end of the mark time period.

Voluntary Protection of Pay (VPP)

If you are over the minimum pension age and you choose to step down to a role where your new or remaining duties are less demanding and carry less responsibility than your previous role, you may be able to apply for Voluntary Pay Protection.

The provision was introduced from 1 April 2008 to provide more flexibility for members of the 1995 section of the Scheme. It recognises that a member may prefer, if possible, to remain in NHS employment, perhaps in a lesser capacity, whilst protecting their pension benefits in the run up to retirement.

It also allows an employer the opportunity to retain the knowledge and skills of a member of staff who may otherwise have left the NHS. Any “step down must be agreed between the employer and the member, with confirmation provided to SPPA from the employer. The provision is intended for lasting, rather than trivial or short-term reductions in pay, and not for situations where a member leaves one employer and merely joins another on a reduced rate of pay. Any requests should be made after 12 months, but must be within 15 months of the pensionable pay being reduced.

The following criteria must be met:

- you are a member of 1995 Section of the Scheme
- you have attained your normal Minimum Pension Age
- you have attained at least two years qualifying membership within the NHS Pension Scheme at the time you step down
- you have stepped down to role which is less demanding and of lesser responsibility than your previous duties. To be confirmed by your employer(s)
- your pensionable pay has reduced by at least 10% for a period of at least one year, beginning with the first pay day on which the reduced pensionable pay was paid, to be verified by your employer(s)
- your pensionable pay has not been subject to any other reductions in the 12 month period before you stepped down, to be verified by your employer(s)
- you have not previously protected your pensionable pay under the Voluntarily Protected Pay provision.

Applying for Protection of Pay or Voluntary Protection of Pay?

- You should complete the attached form NHS VPP and send it to your employer. Your employer will forward all relevant information to SPPA. If you have stepped down between employers, please send the form to the earlier employer. We will need to contact your current employer in order to verify that pay protection applied.

If my application is accepted how will my pension be calculated?

On retirement SPPA will calculate whether it is more beneficial to you to pay a pension based on your protected rate of pay plus inflation increases for membership up to date of protection and a second pension for membership after that date, or a combined benefit covering all membership, calculated on your pay at retirement.

PROTECTION OF PENSIONABLE PAY

ELECTION FORM

PART 1

SECTION 1 – PERSONAL DETAILS

Superannuation Number

Surname

Former Surname (if applicable)

Forenames (in full)

Title
 Dr Mr Mrs Miss Ms

Other (please specify)

Date of Birth (e.g. 15/04/1943)
 / /

National Insurance Number

Contact Address

Post Code

Home Telephone Number (incl STD code)

Mobile Telephone Number

Email address

PART 2 – TYPE OF PROTECTION (Only answer one of the following two questions)

I wish to apply for protection of my pensionable pay, as I have suffered a reduction through no fault of my own within the last three months due to following reason:

(Please state reasons here – e.g. reorganisation. Continue on separate sheet if required)

I wish to apply for voluntary pay protection as I have “stepped down” to a less demanding role with less responsibility within the last 15 months and I confirm that I have not previously been accepted for protection of pensionable pay.

(Please provide further information about the “step down”. Continue on separate sheet if required)

Members signature

Date

PART 3 – WHOLE TIME OFFICER (only)

TO BE COMPLETED BY THE EMPLOYING AUTHORITY

- This form must be sent, together with the appropriate Part 1 and 2 of this form, to SPPA no later than 3 months for Protection of Pensionable pay, or 15 months post the date of reduction of pensionable pay.
- PLEASE PROVIDE FINAL FIGURES ONLY
- Any amendments arising after the submission of this form must be notified immediately.

Inclusive date to which earnings will be paid at the higher rate pre protected pay date or step down date (please include any period of untaken annual leave)

		/			/				
--	--	---	--	--	---	--	--	--	--

WHOLE TIME OFFICER Particulars of service and pensionable pay for the best year of the last 3 years prior to the Reduction of Pay or Step down. (including Domiciliary Fees paid.)					
Period to which pensionable pay relates (365 days) with dates if rates change	No of Days		Pay (pensionable pay) (i.e. that on which Employer's contributions are based)		Dates of Unpaid leave during the annual period in Column 1
	Contributing	Non Contributing	Pay Exclude Other Superannuable Payments (OSP's)	OSP's	
(1)	(2)	(3)	(4)	(5)	(6)

Total pensionable pay (4) + (5) for Annual Period £

Annual rate of salary at date of protected pay or step down.
 (Domiciliary Consultation fees paid to an officer over the last 3 years or less if appropriate) £

These details should be for the same period as column 1 above
FINAL FIGURES £

Annual/Weekly rate of pensionable pay at the pay protection date £

PART 4 – PART TIME OFFICER (only)

TO BE COMPLETED BY THE EMPLOYING AUTHORITY

- This form must be sent, together with the appropriate Part 1 and 2 of this form, to SPPA no later than 3 months for Protection of Pensionable pay, or 15 months post the date of reduction of pensionable pay.
- PLEASE PROVIDE FINAL FIGURES ONLY
- Any amendments arising after the submission of this form must be notified immediately.

Inclusive date to which earnings will be paid at the higher rate pre protected pay date or step down date (please include any period of untaken annual leave)

		/			/				
--	--	---	--	--	---	--	--	--	--

PART TIME OFFICER Part time fraction for contracted hours i.e. 20/37.5

PART TIME OFFICER Details of service and pensionable pay for the best of the last three years (excluding Domiciliary Consultation Fees)								
Period to which Part time earnings (pensionable pay) rates (365 days), with dates of rates change	No of Days Contributing		Basic Part time pensionable pay (i.e. that on which Employers contributions are based)			No of hours (estimated/ actual hours) worked during period in Column 1	Standard Whole time hours for period in Column 1	Annual Whole time equivalent pensionable pay for Col 4 with dates of change similar to Col 1 Dates of unpaid leave during the period in Col 1
	Contributing	Non Contributing	Actual pay Exclude OSP's	OSP's Not uprated	OSP's uprated			
(1)	(2)	(3)	(4)	(5a)	(5b)	(6)	(7)	(8)

Total pensionable pay (4) + (5a) + (5b) for Annual Period

£

Domiciliary Consultation fees paid to a part time officer over the best of the last 3 years (or less if appropriate)
 These details should be for the same period as column 1 above

£

Annual pro rata P/T salary at the pay protection date

£

EMPLOYER DECLARATION

I confirm that:

- The information provided by the member in PART 2 is accurate.
- The information provided in Parts 3 and 4 are correct.
- The members Pensionable pay reduced from / /

Signature

NAME: (BLOCK LETTERS)

Official Designation

Date

 / /

Employing Authority (Name and Address)

Email

Telephone Number

 Ext: