

NHS Pension Scheme 2022/05

Who should read: • NHS HR & Payroll Managers, GP Practice Managers, Direction Bodies, Practitioner Services Division (PSD), Dental Payments

Action: For information and action

Subject: 2015 Remedy Prospective Changes –

- **Full Protection Members - membership from 1 April 2015**
- **Lifetime allowance Fixed and Enhanced Protection**

Date: 17 March 2022

The purpose of this circular is to:

- **inform NHS employers that all remaining members of the 1995 and 2008 sections of the National Health Service Superannuation Scheme (Scotland) (the legacy scheme) will move to the National Health Service Pension Scheme (Scotland) 2015 (the 2015 scheme) from 1 April 2022.**
- **instruct NHS employers to move these members to the 2015 scheme from 1 April 2022 and ensure this is reflected in payroll and HR records.**
- **inform NHS employers about the effect this change may have on some members who hold fixed or enhanced protection and the actions that they should take to inform members of this change and its impact.**

1. In 2015 most public service pension schemes were reformed and new Career Average Revalued Earnings (CARE) schemes were introduced (the 2015 scheme). Following negotiations with trade unions, the UK government agreed to transitional protections, to allow those within 10 years of retirement on 1 April 2012 to remain in their existing pension schemes when the reformed schemes were to be introduced.

2. However, in 2018 the courts found this to be discriminatory against younger members of the judicial and firefighters' pension schemes, with implications for all public service schemes. The action being taken to address this unlawful discrimination is known as the 2015 Remedy. Legislation will address the discrimination for the period between 1 April 2015 and 31 March 2022 - this is known as the remedy period.

3. To address this discrimination, final salary schemes will close to all scheme members from 31 March 2022. This means all future pension entitlement will be built up in the 2015 scheme, ensuring equal treatment for all members from 1 April 2022.

4. Scheme members who are currently fully transitionally protected from the 2015 scheme and who have remained in the legacy scheme will no longer hold transitional

protection after 31 March 2022. This means they will become entitled to move to the 2015 scheme on 1 April 2022.

5. NHS employers should amend payroll and HR records to reflect this change and ensure that future pension scheme returns for all members are completed in line with current guidance for the 2015 scheme.

6. There is no difference to the member contributions payable in respect of the 2015 scheme. SPPA have recently [consulted on pension contribution reform](#) but this has been delayed until October 2022. The existing contribution tiers will increase from 1 April 2022 in line with the 2021/22 pay award and are currently subject to [consultation](#).

Full Protection members who hold Lifetime Allowance Fixed or Enhanced Protection

7. When the UK Government introduced lifetime allowance (LTA), they also brought in protections through HM Revenue and Customs (HMRC), including fixed and enhanced protection, that allowed members to keep existing savings limits over the LTA threshold. HMRC rules dictate that members with fixed or enhanced protection, who move to the 2015 scheme from the 1 April 2022, will lose their protection if they accrue benefits under that scheme. Members will need to decide whether or not they want to retain their protections before 31 March 2022 and should consider taking independent financial advice to aid that decision.

8. Members who lose enhanced or fixed protection are required to notify HMRC within 90 days of the loss taking place. Members who start to contribute to the 2015 Scheme on 1 April 2022, will need to notify HMRC by 30 June 2022.

9. To avoid losing this protection scheme members may wish to opt out of the pension scheme on 1 April 2022. In doing this they will retain any fixed or enhanced protection but will not accrue any further pension entitlement. Scheme members who wish to opt out of the pension scheme for this purpose should complete the [opt out form](#), for NHS employees or the [practitioner opt out form](#) for general and dental practitioners.

10. The SPPA will write to scheme members who are known to hold fixed or enhanced protection to make them aware of this change. There will however be a number of NHS pension scheme members who we do not know about who have these protections in place. NHS employers can help to inform members by communicating this message to them using NHS channels. We have updated information on the SPPA website to aid employers and scheme members to understand this change and its potential impact.

11. Further information about protections can be found in the HMRC Pensions Tax Manual, in particular the section on [protection from the lifetime allowance charge](#).

Any questions?

Please contact sppapolicy@gov.scot if you have any enquiries about this circular.

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17 March 2022