

# NHS Pension Scheme

## 2022/11

<b>Who should read:</b>	Scheme Members, NHS HR and Payroll Managers, GP Practice Managers, Direction Bodies, Practitioner Service Division (PSD), Dental Payments, Trade Unions
<b>Action:</b>	For information
<b>Subject:</b>	Temporary suspension of the pension scheme abatement rules for NHS staff
<b>Date:</b>	28 October 2022

**The purpose of this circular is to advise NHS employers and staff of the continued suspension of retire and return restrictions in the NHS Pension Scheme (Scotland) for retired staff who have returned, or plan to return, to work in the NHS.**

1. [Circular 2022/02](#), published on 4 February 2022 advised that the temporary measures suspending NHS Pension Scheme (Scotland) [NHSPS(S)] rules which placed limits on the working hours and earnings of retired staff returning to NHS employment had been extended to 31 October 2022. The rules were previously suspended by the Coronavirus Act 2020 and previously communicated in [Circular 2020/06](#). The suspended rules are as follows:

### I. **The '16-hour rule'**

- This rule prevents members who return to work after retirement from the 1995 Section of the NHS Pension Scheme from working more than 16 hours per week in the first calendar month after retirement. Where staff work more than 16 hours in the first month their pension ceases to be payable until the member leaves NHS employment or reduces to 16 hours per week.
- Suspension of this rule allows members to return immediately to work after taking a minimum 24-hour retirement and continue their existing working commitments, or increase them, whilst they remain in receipt of their full pension benefits.

### II. **Abatement for special class status holders in the 1995 Section**

- Suspension of this rule will continue to remove a barrier which stops retired special class nurses and mental health officers under the age of 60 from returning to work without having their pension reduced or suspended based on their earnings.
- **Please note:** The abatement rules also apply to people who have retired on ill health grounds or in the interests of the efficiency of the service, along with a limited class of persons who have retired on redundancy grounds. The abatement rules which apply to these groups are not suspended.

- III. **Draw-down abatement in the 2008 Section and 2015 Scheme for members who have taken partial retirement.**
- This is where a person has elected to take partial retirement and ‘draw down’ a portion of their benefits. In order to access partial retirement members must have a reduction in their actual pensionable pay of at least 10%. If the member’s pensionable pay increases in excess of 90% of the level before draw down was taken, within 12 months of its reduction, then member’s pension is abated.
  - This rule is currently suspended and members who have taken partial retirement are therefore able increase their earnings or commitment to the NHS.
2. Following the expiry of the Coronavirus Act 2020 on 25 March 2022, the temporary suspensions were further extended until 31 October 2022, via amendments made to the Scheme regulations in April 2022. The pension rules set out above are therefore due to automatically back into force on 1 November 2022.
3. On behalf of the Scottish Ministers, SPPA published a [consultation](#) on 2 September 2022, which set out our intention to continue with the temporary suspension of the restrictions on retired staff returning to work until 31 March 2023. This extension recognised the importance of the additional workforce capacity provided by retired and partially retired staff as we approach the busy winter period. The consultation also sought views from stakeholders on whether the extension of retire and return easements until 31 March 2023 was a reasonable period of time.
4. The Scottish Government has listened to the feedback from this consultation and agrees that the suspension of retire and return restrictions should be extended over a longer period. While the restrictions were originally introduced to support NHS Scotland’s response to the pandemic, it recognised that the recovery of the NHS, following the pandemic, is still putting significant demands on workforce capacity. Therefore, the suspension of most the retire and return restrictions will be extended until 31 March 2025.
5. **The SPPA therefore intends to extend the suspension of the retire and return restrictions as follows:**
- I. **The 16-hour rule will be suspended to 31 March 2025, with further proposals to remove it permanently, as part of a new package of retirement flexibilities, to be consider by the NHS Pension Scheme (Scotland) Advisory Board (SAB).**
  - II. **Abatement for special class status holders in the 1995 Section will be suspended to 31 March 2025**
  - III. **Abatement of draw-down members of the 2008 section and 2015 Scheme will be suspended to 31 March 2023**

6. We plan to extend the suspension of the rules via further amendments to the Scheme regulations. It will not be possible to introduce these regulations from 1 November 2022, therefore, the regulations will be amended at a later date but will have retrospective effect from 1 November 2022 to ensure continuation of the suspended rules.

**Any further questions?**

Please contact [sppapolicy@gov.scot](mailto:sppapolicy@gov.scot) if you have any specific enquiries about the content of this circular

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**SPPA Policy**

28 October 2022