



Scottish Public
Pensions Agency
Buidheann Peinnseanan
Poblach na h-Alba

**NHS Pension Scheme (Scotland):
Employer contribution rate
changes and miscellaneous
amendments**

**Scottish Government
Consultation 2023**

About This Consultation

The National Health Service Pension Scheme (Scotland) continues to be an integral part of the remuneration package, and offers significant value in retirement, to people who have chosen to dedicate part, or all, of their careers to the NHS in Scotland. As a defined benefit pension scheme, it offers the security of a guaranteed income in every year of retirement for all its members.

The Scottish Public Pensions Agency (SPPA) continuously monitors the rules of the pension scheme to ensure it continues to help the NHS in Scotland attract and retain the staff needed to deliver high quality care for patients. The changes proposed in this consultation document are split into two sections:

1) Changes to the employer contribution rate from 1 April 2024

This section outlines the changes to the employer contribution rate effective from 1 April 2024 as a result of the latest scheme valuation. The scheme valuation was carried out by the Government Actuary's Department (GAD) on behalf of the Scottish Government based on scheme data held as at March 2020.

The latest scheme valuation, the 2020 valuation, has been subject to consultation with the NHS Pension Scheme (Scotland) Advisory Board ('the SAB'). The SAB is made up of representatives of employers and members (trade unions) and provides advice to the Scottish Ministers on the desirability of changes to the design of the scheme and the implication of other policy issues.

2) Miscellaneous scheme amendments

This section outlines a number of proposed miscellaneous scheme amendments that seek to deliver on the commitment to further staff recruitment and retention in NHS Scotland. These are:

- Removal of abatement provisions for special class status (SCS) members who return to work
- changes to the pensionability of overtime for staff who work part-time
- removal of maximum service limits for members wishing to partially retire
- clarification of the use of salary sacrifice schemes to access partial retirement
- abolition of Lifetime Allowance (LTA) scheme regulation changes
- changes to the pensionability of Carer's Leave



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Duration of Consultation

This consultation will run for a period of six weeks commencing on Wednesday 20 December 2023 and ending on Thursday 1 February 2024.

How to respond

Please use the consultation response form which can be downloaded from the SPPA website and, once completed, send to sppapolicy@gov.scot before midnight on the closing date.

Alternatively, responses can be posted to:

SPPA
Tweedside Park
Tweedbank,
Galashiels
TD1 3TE

Further information

If you are unable to access an electronic version of the document, please write to the above address and a paper copy will be provided.

Data Protection Statement

The Scottish Public Pensions Agency (SPPA) is an executive Agency of the Scottish Government and forms part of the legal entity of the Scottish Ministers (Framework Document).

This framework of statutory powers and responsibilities, as agreed with the Scottish Ministers, enables SPPA to undertake the role of data controller for the processing of personal data which is provided as part of your response to the consultation. Any response you send us will be seen in full by SPPA staff dealing with the issues which this consultation is about or planning future consultations.

The process allows informed decisions to be made about how SPPA exercises its public function.

Where SPPA undertakes further analysis of consultation responses then this work may be commissioned to be carried out by an accredited third party (e.g., a research organisation or a consultancy company). Any such work will only be undertaken under contract. SPPA use Scottish Government standard terms and conditions for such contracts which set out strict requirements for the processing and safekeeping of personal data.

In order to show that the consultation was carried out properly, the SPPA intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response.

If you do not want your name or address published, please tell us this in writing when you send your response. We will then redact them before publishing.

You should also be aware of our responsibilities under Freedom of Information legislation.

If your details are published as part of the consultation response, then these published reports will be retained indefinitely. Any of your data held otherwise by SPPA will be kept for no more than three years.

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- to require us to rectify inaccuracies in that data
- to (in certain circumstances) object to or restrict processing
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- to (in certain circumstances) data portability
- to lodge a complaint with the Information Commissioner's Office (ICO) who is the independent regulator for data protection.

For further details about the information the SPPA holds and its use, or if you want to exercise your rights under the GDPR, please refer to our Privacy Policy in the first instance or contact:

Agency Data Protection Officer
Scottish Public Pensions Agency
7 Tweedside Park
Tweedbank
GALASHIELS
TD1 3TE

Tel: 01896 892 469

Website: <https://pensions.gov.scot/>

The contact details for the Information

Commissioner's Office are:

Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Tel: 01625 545 745 or
0303 123 1113

Website: <https://ico.org.>

1. New employer contribution rate following scheme valuation

Background

1.1. The Public Service Pensions Act 2013 introduced the legal framework for regular actuarial valuations of the public service pension schemes in order to effectively measure the costs of the benefits being provided. Valuations of public service pension schemes, including NHS Pension Schemes (Scotland) [NHSPS(S)] must be undertaken every four years. Each round of valuation follows updated HM Treasury directions provided for in regulations and are carried out by the Government Actuary's Department (GAD) on behalf of the Scottish Government, based on scheme data held as at March of the relevant year. These valuations determine the contribution rate to be paid into the scheme by employers.

1.2. The latest scheme valuation, the 2020 valuation, has been subject to consultation with the SAB as part of their statutory role to provide advice to Scottish Ministers on the desirability of changes to the scheme.

1.3. The 2020 valuation sets the new employer contribution rate for the period 1 April 2024 to 31 March 2027.

Changes to the employer contribute rate from 1 April 2024

1.4. The 2020 valuation confirmed that an increase in the employer contribution rate from its current rate of 20.9%, that has been in force since 1 April 2019, following the 2016 valuation, to 22.5% is required from 1 April 2024.

1.5. A scheme valuation assesses what each scheme needs now in order to meet future liabilities. The primary reason for employer contributions increasing is the UK Government's decision to reduce the SCAPE discount rate used in the valuation process. The SCAPE rate is set by HM Treasury and is the notional investment return on contribution income received. (SCAPE stands for superannuation contributions adjusted for past experience). The higher the discount rate, the quicker the notional assets grow, so the less is needed now. The lower the rate, the higher the level of needed now to meet those future liabilities and that feeds through to employer costs. Hence, a reduction in the discount rate feeds through to higher employer contributions.

1.6. HM Treasury ministers announced in March 2023 [an intention to implement on 1 April 2024 the new employer rates for public service pension schemes](#) arising from the 2020 round of valuations.

1.7. Consequently, we propose amending the 2015 regulations to replace the current employer contribution rate with the new rate of 22.5% effective from 1 April 2024.

Funding support

1.8. In the [Chief Secretary to the Treasury's statement](#) announcing the change in the discount rate, the UK Government committed to provide funding for increases in employer contribution rates resulting from the 2020 valuations as a consequence of changes to the SCAPE discount rate. For the NHS Pension Scheme (Scotland) valuation the full 1.6% increase is a consequence of these SCAPE discount rate changes.

1.9. The funding commitment is for employers whose employment costs are centrally funded through departmental expenditure. HMT has confirmed that, for devolved administrations, the Barnett formula will apply. The Scottish Ministers will make decisions on funding allocations once Barnett consequential amounts are confirmed. The funding commitment is for employers whose employment costs are centrally funded through departmental expenditure.

Q1. If you have any further comments on the proposed increase to the employer contribution rate from 1 April 2024, please outline them.

2. Miscellaneous amendments

1. Changes to abatement for pensions for Special Class Status (SCS) members who return to work

Background

2.1. The NHSPS(S) rules place certain restrictions on the earnings and working commitments of some retired and partially retired staff who return to NHS employment. These rules have been suspended since March 2020, as part of temporary amendments initially introduced by the Coronavirus Act 2020. SPPA's [consultation response](#) published on 21 October 2022, confirmed that abatement for Special Class Status (SCS) members in the 1995 Section of the scheme would remain suspended until 31 March 2025. Also, abatement for 2008 Section and 2015 Scheme for members who have taken partial retirement would be suspended until 31 March 2023.

2.2. For most staff, the NHSPS(S) does not place any limits on the amount that staff can work should they return after claiming their benefits. However, abatement has historically applied to SCS members who return to work between age 55 and 60, and who are in receipt of an unreduced pension.

2.3. The normal pension age (NPA) for members of the 1995 Section is 60. However, some members are eligible to retire earlier if they hold SCS. SCS is a preserved right awarded to certain professions in the 1995 Section, which, subject to qualifying criteria being met, allows a member to retire at 55 instead of 60 without an actuarial reduction in benefits that would normally apply when claiming benefits early. It was withdrawn for new entrants of the scheme from 1 April 1995 as part of the NHSPS(S) restructuring at that time.

2.4. In order to qualify for SCS, a member must have:

- been in pensionable employment as a nurse, physiotherapist, midwife or health visitor on or before 1 April 1995
- not had a break in pensionable employment of 5 years or more
- spent the last 5 years of their pensionable employment prior to retirement as a nurse, physiotherapist, midwife or health visitor

2.5. Historically, under normal arrangements SCS members who return to work between age 55 and 60 are subject to abatement. This means that their pension plus salary cannot exceed their pre-retirement income, and their pension is reduced if it does.

2.6. The response to the COVID-19 pandemic placed unprecedented pressure on the NHS Scotland workforce. To help boost capacity, the SCS abatement rules were suspended to encourage retired and partially retired staff to return to work or increase their working commitments. SCS abatement was therefore suspended in Scotland via section 46 of the Coronavirus Act 2020. This was an important means of generating extra workforce capacity during the pandemic response.

Proposed change

2.7. In line with our commitment to staff retention, it is our intention to amend the NHSPS(S) regulations as part of the planned statutory instrument in April 2024. This amendment will permanently remove SCS abatement from scheme regulations.

2.8. As outlined above, SCS abatement is currently suspended to 31 March 2025. By permanently removing it this will ensure a continued staff capacity boost beyond that point as members can continue to work above their abatement ceiling.

2.9. It is also important to note that SCS abatement applies only to a small and reducing cohort of members who qualify for SCS. In order to be affected by the proposal to permanently remove abatement, members must qualify for SCS and be below age 60 from 1 April 2025.

2.10. This consultation seeks views on the timing and approach in scheme regulations to achieve this outcome.

2.11. Subject to the approval of the Scottish Parliament, we intend to amend the NHS Superannuation Scheme (Scotland) Regulations 2011 to permanently remove the SCS abatement mechanism.

Q2. Do you agree or disagree that the proposal, as described above, to amend NHS Pension Scheme regulations would have the intended effect of permanently removing abatement for SCS members? If you disagree or don't know please explain your answer.

II. Changes to pensionability of overtime for staff who work part-time

2.12. Under the NHS Pension Scheme (Scotland) 2015 regulations (Schedule 13), overtime is deemed as non-pensionable and is defined as:

“Any period of time worked in excess of the lesser of –

a) The period of time for which the person has contracted to work in the ordinary course of events; or

b) Such period of time as the scheme manager determines a person engaged in similar employment would reasonably be contracted to work in the ordinary course of events.”

2.13. This means that for part-time staff, overtime is considered to be any hours worked in excess of contracted hours. This applies regardless of whether additional hours worked are paid at the standard or premium rate. For part-time staff, hours up to 37.5 hours per week are paid at standard time, and hours in excess of 37.5 hours per week are typically paid at premium rate. For staff who work full time, overtime is considered to be hours worked in excess of 37.5 hours per week.

2.14. There is therefore a historical gap in the interpretation of overtime worked up to whole time for staff who work part time. Longstanding practice in the 1995 and 2008 NHS Pension Scheme was to allow additional hours to be pensioned up to whole-time equivalent. In alignment with this precedent, the Scottish Government suggests amending the 2015 regulations to introduce this flexibility that existed in the 1995 and 2008 Sections. This adjustment would allow part-time staff to include overtime up to 37.5 hours per week as pensionable. However, any overtime exceeding 37.5 hours per week, applicable to both part-time and full-time staff, will remain non-pensionable.

2.15. From 1 October 2023, the Scottish Government introduced a new partial retirement option for members of the 1995 Section of the NHSPS(S). This facility allows members to partially retire and claim up to 100% of their 1995 Section benefits while continuing to work and accrue further pension in the 2015 Scheme. The introduction of partial retirement is intended to better support members' work-life balance around retirement. This flexibility may also help promote the retention of valued experienced NHS staff in Scotland.

2.16. Members who take partial retirement are required to reduce their pensionable pay by at least 10% for the 12 months following partial retirement. For GPs, a 10% reduction in commitment is required.

2.17. In certain instances, when both the employer and the employee mutually decide that the individual should maintain the same position without a decrease in working hours, commitments, or responsibilities, employers have the option to reassess the structure of the employee's compensation to attain the 10% reduction in pensionable pay.

2.18. For example, this could be achieved by reducing an employee's core pensionable contract and the employee working discretionary, non-pensionable overtime.

2.19. Consequently, we plan to incorporate a provision into the overtime definition that explicitly states that any extra hours worked by employees who have partially retired in the preceding 12 months will not be considered pensionable. This encompasses all additional work beyond their contracted hours. This feature is particularly valuable for members opting for partial retirement but desiring to sustain a 100% workload. They can accomplish this by decreasing their contracted hours by a minimum of 10% after electing partial retirement and subsequently engaging in additional sessions up to 100%, classified as non-pensionable overtime.

Q3. Do you agree or disagree with the proposal to amend the definition of overtime to allow staff who work part-time to pension additional income up to whole time, with limitations where members have partially retired in the previous 12 months? If you disagree or don't know please explain your answer.

III. Partial retirement – maximum service

Background

2.20. At the time the NHS Superannuation Scheme (Scotland) was designed, retirement patterns were understood to be relatively binary. Staff would typically work full-time until claiming their benefits and retiring. After this point, members were unlikely to return to NHS service, and the rules of the Scheme restricted the incentives to do so by preventing any further pension accrual. However, we understand that retirement today can often be a gradual process over a number of years. The Scottish Government recognises that some staff who are approaching retirement may prefer more flexibility around their retirement options and the ability to continue in employment after claiming their pension.

2.21. As such, SPPA's [consultation response](#) published in March 2023 committed to implementing new retirement flexibilities. From 1 April 2023, SPPA proceeded with the implementation of pensionable re-employment for all members (also known as 'retire and return'). This meant that pensioner members of the 1995 Section were able to join the 2015 Scheme for future accrual from this date. SPPA also committed to removing the maximum service limits provision in the 2015 Section of the scheme. This enabled pensioner members of the 1995 Section who had breached these limits to return to work and accrue pension benefits in the 2015 Section of the scheme.

2.22. Furthermore, from 1 October 2023, SPPA introduced a new partial retirement option for members of the 1995 Section. This facility allows members to partially retire and claim up to 100% of their 1995 Section benefits while continuing to work and accrue further pension in the 2015 Scheme.

2.23. In line with the removal of maximum service limits from 1 April 2023, which allowed for 1995 pensioner members who had previously breached these limits to re-join the scheme upon returning to work and to complete this package of retirement flexibilities, we intend to amend scheme regulations to make the existing partial retirement options also available to members of the 1995 Section who have breached the maximum service limits. However, the age limit for 2015 Scheme membership (age 75) will still apply as normal.

2.24. We are therefore proposing to amend the 1995 Section regulations to allow maximum service members to access partial retirement from 1 April 2024.

Q4. Please provide any further comments on the proposal to make the partial retirement option available to members of the 1995 Section who have breached the maximum service limits.

IV. Partial retirement – salary sacrifice

2.25. Members who take partial retirement are required to reduce their pensionable pay by at least 10% for the 12 months following partial retirement. For GPs, a 10% reduction in commitment is required. The regulations state that in order

to access partial retirement, a member must have a reduction in their pensionable pay of at least 10%, as a result of a change to their terms of employment.

2.26. The partial retirement policy aims to support members' work-life balance later in their careers, and a gradual transition towards full retirement. We therefore expect members to reduce their pensionable working commitment in return for drawing down their pension while continuing to work.

2.27. Where members enter into a salary sacrifice arrangement, under the rules of the scheme their pensionable pay reduces. However, we do not believe that salary sacrifice is an appropriate way of accessing partial retirement, as it does not require any change to a member's working commitment.

2.28. To provide clarity, we propose amending the regulations to state that entering into a salary sacrifice arrangement does not qualify as an eligible change to the terms of employment for the purpose of pursuing partial retirement. This proposed change is intended to be effective from 1 April 2024.

Q5. Do you agree or disagree with the proposal to clarify the partial retirement regulations to expressly exclude access to this option via entering into a salary sacrifice arrangement?

V. Abolition of the lifetime allowance (LTA)

Background

2.29. At the UK Spring Budget on 15 March 2023 the UK Government announced the abolition of Lifetime Allowance (LTA) pension tax rules. This announcement removed the LTA charge from the start of the new tax year on 6 April 2023 and committed to fully abolishing the LTA in a future Finance Bill.

2.30. Increasing the AA and abolishing the LTA will remove barriers to remaining in work for senior dentist and doctors that are disincentivised from working more hours or remaining in the workforce due to the risk of incurring significant pension tax charges. As well as supporting staff retention, these measures will ensure that doctors and dentists in the NHS Pension Scheme (Scotland) are not disincentivised from remaining in their roles and taking on extra hours, enabling them to treat as many patients as possible and thus help deliver essential care services.

2.31. Subsequently, the UK Government consulted on draft clauses for the Finance Bill 2023 to 2024 between 18 July and 12 September 2023.

2.32. See the proposed draft clauses below for further information:

- [The Finance Bill 2023 to 2024](#)
- [The abolition of the lifetime allowance](#)

Changes to scheme regulations

2.33. Subject to the bill becoming an act of Parliament, we intend making consequential amendments to the 1995, 2008, 2015 and Transitional scheme

regulations. These amendments will update relevant definitions or terminology and preserve existing provisions relating to the lifetime allowance to the extent that they apply prior to abolition. The intention is to ensure the smooth operation of legacy and any future lifetime allowance requirements post-abolition.

Q6. Do you agree or disagree that the proposal to amend NHS Pension Scheme (Scotland) regulations has the intended effect of removing reference to the lifetime allowance? If you disagree or don't know, please explain why.

VI. Carer's Leave

Background

2.34. The Carer's Act 2023 received Royal Assent in May 2023. Carer's leave will introduce a further degree of flexibility for working unpaid carers by giving employees the right to be absent from work to fulfil their caring responsibilities. This will go some way to relieving the stress of needing to take time out of work to care. There is currently no dedicated statutory leave entitlement for informal carers who rely other means (for example, annual leave or informal arrangements with their employer) to give them the flexibility they need to be able to balance work and caring.

2.35. The key elements of the entitlement are as follows:

- day 1 right for employees providing care for a dependant with a long-term care need
- one week of unpaid leave per employee, per year (pro-rated for those with different working patterns)
- available for the purpose of providing care or making arrangement for the provision of care
- available to take very flexibly (that is, from a half day up to a block of one week)
- no evidence requirements to demonstrate how leave is used, or who it is used to care for, minimising red tape on individuals and employers
- minimum notice requirements, in line with the existing approach to annual leave (twice the length of time being requested, plus 1 day) subject to a 3-day minimum notice period
- employers will have the ability to postpone, but not to deny a request to take carer's leave - where the employer considers the operation of their business would be unduly disrupted as a result of the leave being taken on the requested dates

2.36. The NHS Scotland workforce '[special leave policy](#)' published in November 2023 defines a carer as "someone who has responsibility for a family member, partner, friend, or another individual who relies on the employee" and notes that eligible NHS staff are generally granted Carer's leave for up to one working week of paid leave. This can be extended up to 2 weeks, either paid or unpaid.

Proposed changes

2.37. The Scottish Government proposes to make amendments to NHSPS(S) regulations to insert a deeming provision for members who take unpaid carer's leave. The deeming provision will ensure that members who take carer's leave will continue to accrue pension membership during the time that they are absent from work. During the period of carer's leave, the employer will continue to pay contributions based on the member's substantive pensionable pay (their deemed pay), and the member will pay any owed member contributions upon their return to work.

2.38. The proposed treatment of carer's leave is consistent with the existing approach to other authorised absences from work, some of which may be unpaid, such as maternity leave.

Q7. Do you agree or disagree with the proposals to make consequential amendments to NHSPS(S) regulations to provide a deemed pay figure to members who take unpaid carer's leave? If you disagree or don't know, please explain why.

3. Equality Impact Assessment

3.1. The Public Sector Equality Duty ('PSED') was created by the Equality Act 2010 and is supported by the specific duties contained in the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, as amended.

3.2. The PSED requires the Scottish Government to assess the impact of applying a proposed new, or revised, policy or practice. Scottish Ministers must have 'due regard' to the need to eliminate discrimination, advance equality of opportunity and foster good relations between people with different protected characteristics when carrying out their activities.

3.3. There are nine protected characteristics identified in the Equality Act 2010: (1) sex, (2) age, (3) disability, (4) race, (5) religion or belief, (6) gender reassignment, (7) pregnancy and maternity, (8) sexual orientation, (9) marital or civil partnership status.

3.4. The equality duty is an ongoing duty, and we will continue to consider and amend this assessment until the final regulation amendments are laid.

New employer contribution rate

3.5. The requirement to introduce a new employer contribution rate following the conclusion of the 2020 scheme valuation does not engage any protected characteristics.

Special class abatement

3.6. The proposed amendment to NHS Pension Scheme (Scotland) regulations to remove the mechanism of abatement for special class status members is a continuation of a provision initially provided by section 46 of the Coronavirus Act 2020. Therefore, SPPA's equality analysis for the permanent removal of abatement remains consistent with the initial analysis performed at the introduction of the Coronavirus Act.

[View the UK government's equality analysis for the Coronavirus Act 2020](#)

Pensionability of overtime for part-time staff

3.7. We have considered the impact of the proposed changes to the pensionability of overtime for part-time staff on members with protected characteristics. This proposal will be available to all members regardless of any protected characteristics. However, we consider that the characteristics of sex, age and disability are relevant.

3.8. Data from the NHS Pension Scheme (Scotland) on membership participation relating to sex details that 79.1% of scheme members are female and 20.9% are male. It is also the case that 79.1% of the workforce (including those who are not members of the NHS Pension Scheme) are female and 20.9% are male. Although the NHS is a female dominant workforce, male members of the NHS Pension Scheme (Scotland) typically receive higher pensions than their female counterparts. As well as receiving higher pay than female employees, generally across the public sector, male employees are less likely to work part-time and have gaps in their length of service. This is partly due to female members being proportionally more likely to have career breaks due to maternity and caring responsibilities. However, it is worth noting that not all female members will take parental leave or have caring responsibilities. Therefore, we are aware that a considerable proportion of the NHS Scotland workforce are women who work on a part-time basis. As a result, this proposal is likely to affect female scheme members more than males scheme members of the NHSPS(S).

3.9. There is also some data to suggest that disabled people are more likely to work part time. Data from the Office for National Statistics (ONS) on disability and employment across the UK shows that working disabled people were more likely to work part time than non-disabled people, with 34.1% of disabled people working part time in comparison with 23.1% of non-disabled people. Therefore, the proposed changes to pensionability of overtime for part time staff is likely to have a greater impact on people with disabilities as they are more likely to work part time.

3.10. We understand that retirement today can often be a gradual process of winding down over a number of years. As such, the Scottish Government recognises that some staff who are approaching retirement may prefer more flexibility around their retirement options and the ability to continue in employment after claiming their pension. It is therefore generally accepted that staff are more likely to work part-time

as they age. As a result, it is therefore likely that a larger proportion of scheme members who will be affected by this proposed change are in the older age cohorts of the NHSPS(S).

3.11. However, it should be noted that the proposals to change the pensionability of overtime for part-time staff seek to align the regulations with current practice and to provide further flexibility for staff who have taken partial retirement. Therefore, the proposals are likely to benefit members and not detrimentally impact on any cohort of members.

Partial retirement: maximum service

3.12. A full equality analysis was undertaken to inform the partial retirement policy as implemented on 1 October 2023.

3.13. We have considered the impact of the proposal to allow members who have previously breached the maximum service limits to access partial retirement on members with protected characteristics. This proposal will be available to all eligible members, regardless of any protected characteristics. We consider that the only characteristic that is relevant here is age.

3.14. Because members who have breached the maximum service limits in the 1995 Section are likely to be older than other members, by virtue of the fact that they have been in service for longer, the proposal to allow these members to access partial retirement is likely to have a positive impact on older members.

3.15. When partial retirement was first introduced, we considered that as it was likely to be in these members' financial interests to take full rather than partial retirement and given that they can now retire and re-join the 2015 Scheme, it was unlikely that not allowing them to access partial retirement would lead to any potential impact occurring in practice. Our view is that this remains the case, however this proposal will offer them an additional option.

3.16. It is our view that in order for staff to partially retire, some reduction in pensionable workload is required to signal a step towards full retirement in future. We recognise that entering into a salary sacrifice arrangement presents a loophole that could undermine the policy intention.

3.17. On initial assessment, we are not aware of any potential impacts on members with protected characteristics that may result from not being able to use salary sacrifice to reduce their pensionable pay rather than by reducing pensionable workload as the policy intends. Members, regardless of any protected characteristics, will remain able to enter into salary sacrifice arrangements if they wish.