

NHS Pension Scheme Scotland Scheme Advisory Board

Draft Minutes

Date	12 March 2025
May	Virtual meeting via Microsoft Teams
Chair	Matt McLaughlin (Unison)
Attendees	Andrew Carter (NHS Borders) Alan Robertson (BMA) Brian Nisbet (SG) Derek Lindsay (NHS Ayrshire & Arran) Graham Pirie (RCPOD) Jane Christie-Flight (Unite) Lorraine Hunter (NHS Grampian) Lorna Low (RCM) Philip Coghill (RCN) Philip McEvoy (BDA) Robin McNaught (State Hospital) Tim Weir (GAD)
SG / SPPA Officials	Daniel MacDonald (SG) Finn Mackenzie (SPPA) Greg Walker (SPPA)
Apologies	Ruth Kelly (NHS Lothian)
Secretariat	Elle O’Kane (SPPA)

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1. Welcome and Apologies

- 1.1 Matt McLaughlin welcomed attendees, and no new conflicts of interest were declared.

2. Minutes of previous meeting and action log

Paper 2a – Draft SAB minutes of 19 November 2024

- 1.2 The minutes from the meeting were agreed.

Paper 2b – Action Log

- 2.2 Greg Walker talked through the outstanding open actions and provided the following updates:
- 2.3 **Action point 2024/06** – Relating to a request to improve the analysis of partial retirement uptake by including details on the number of Agenda for Change (AfC) staff and Medical/Dental staff. Greg Walker advised that discussions are ongoing with SPPA on how to make this possible via the system. **Action point carried forward.**
- 2.4 **Action point 2024/09** – SPPA to investigate ways of raising awareness of the absence of late retirement factors in 1995 section of the scheme. SPPA have agreed wording to be uploaded to the website. **Action point carried forward.**
- 2.5 **Action point 2024/12** – Relating to participation data for FY1 and FY2 doctors. SPPA to seek guidance from SG analysis to identify source of those errors. **Action point carried forward.**
- 2.6 **Action point 2024/13** – SAB members to share views on guidance for employers on categorising GPs and GDPs employments as 'practitioner' or 'officer' for pension scheme purposes. Greg Walker, he has not had any comments as yet. Matt McLaughlin invited the SAB to make comments on this if they wished. **Action point closed**
- 2.7 Alan Robertson commented that he spoke to Scottish GP's and they may have offer feedback via the practitioner contributions project.
- 2.8 Philip McEvoy advised he would raise awareness with colleagues who sit on the practitioner contributions project.

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- 2.9 Matt McLaughlin asked if the practitioner contributions project would report its findings to the SAB.
- 2.10 Greg Walker advised once the group has concluded its findings, communications will be produced and shared with the SAB.
- 2.11 **AP2025/01** – SPPA to provide a report to SAB on the findings of the Practitioner Contributions Project.

Paper 3 - NHSPS(S) – Consultation on proposed changes to the scheme from 1 April 2025

- 3.1 Greg walker advised the NHSPS(S) consultation, shared with the SAB on 21 February 2025, will run for 5 weeks ending on 28 March 2025. He advised a lot of the proposed changes were based on changes introduced for the scheme in England & Wales.
- 3.2 Greg Walker summarised each of the proposed regulatory amendments and asked the SAB for comments or questions.
- 3.3 The chair recognised the volume and complexity of what was discussed in the paper, and offered an opportunity to highlight each proposal individually. The SAB feedback on each proposal is noted below:

- **Revised employee contributions tables**

- 3.4 No comments.

- **Pensionability of additional hours for members who work part time.**

- 3.5 Matt McLaughlin questioned, where any members have been affected, would they be given an option to repay contributions in instalments.
- 3.6 Greg Walker advised that common practice to allow members to repay contributions over the same duration they were underpaying.

- **Calculating contributions for members on reduced pay.**

- 3.7 Philip McEvoy commented he would welcome the opportunity for members to retrospectively address unpaid leave contributions and continue building pension benefits from 1 April 2015, however

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questioned who manages this process and what resources are given to support members and employers.

3.8 Greg Walker advised this requires further discussion with employers and the Technical Working Group.

3.9 Matt McLaughlin commented that these changes do not apply to members on reduced and no-pay sick leave, and questioned considerations of this for members on long term sick leave.

3.10 Greg Walker advised this has not been considered as part of the current Equality Impact assessment (EQIA), however the consultation does ask for feedback on the EQIA and consultation so it can be captured here.

- **GP and non-GP provider annual certs of pensionable profit.**

3.11 Alan Roberston commented that the proposed changes mirror that of England & Wales and will pull together a similar consultation response.

- **Technical and miscellaneous:**

3.12 Neonatal – no comments.

3.13 Parental bereavement – no comments.

3.14 Implementation of revised costs for additional pensions - Philip McEvoy questioned if has anyone been affected by this already. Greg Walker confirmed not aware of any affected members.

3.15 Members who incorrectly accrued benefits in 2008 section after 1 April 2015 – no comments.

3.16 Forfeiture of lump sums – no comments.

3.17 Retrospective correction of reg allowing pensionable re-employment for 1995 scheme members – no comments.

3.18 Matt McLaughlin highlighted the usefulness of this style of paper to support the main consultation and asked if SPPA could consider producing a version for each future consultation.

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- 3.19 Other members agreed that this paper is useful, and suggestions were made that this supporting document could improve accessibility for stakeholders & members to engage in the consultation process.
- 3.20 Greg Walker thanked colleagues for their feedback and noted these points.
- 3.21 Matt McLaughlin asked SAB members for thoughts on responding to the consultation as a collective.
- 3.22 Alan Robertson advised he had no strong views on the proposed amendments to comment on.
- 3.23 Philip McEvoy will submit a brief response and would be happy to share with others.
- 3.24 Lorna Low commented that a general SAB response was given when a similar consultation was run in England & Wales
- 3.25 Derek Lindsay advised not common practise for SAB to respond to every consultation, particularly when its regarding technical changes, and advised there wasn't anything contentious to respond to.
- 3.26 Matt McLaughlin thanked colleagues for sharing their views and agreed the SAB does not need to make a formal response to the NHSPS(s) consultation.

Paper 4 – NHSPS (S) Gender Pension Gap Analysis

- 4.1 Tim Weir (GAD) led a presentation on gender pension gap analysis, focusing on trends both in the gender pensions gap and gender pay with within public service pension schemes.
- 4.2 The analysis, based on 2020 valuation data, showed the NHS gender pension gap is reducing over time with a gap of 62% for current pensioners and 37% for active members and there is a smaller gap among younger members and CARE scheme members compared with legacy scheme.
- 4.3 Tim highlighted that the analysis looks at overall pension gap and pay gap, and there is potential for further analysis, including the

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potential impact of occupational roles and part-time work on these gaps.

- 4.4 The presentation also compared NHS Scotland's data with other public service schemes and private sector provisions, referencing studies from the National Audit Office.
- 4.5 The aim of the analysis was to raise awareness and simulate discussion on how to address these gaps.
- 4.6 Philip McEvoy pointed out an anomaly in the report regarding the gender pensions gap for teachers (page 10), which was reported as 29% despite females having a higher average pension.
- 4.7 Tim Weir confirmed that the data was lifted from the National Audit Office (NAO) report but acknowledged a correction for the teachers' male pension amount, which should have been £15,000.
- 4.8 Matt McLaughlin inquired about the relatively better outcome for teachers, wondering why the gap was smaller compared to other professions.
- 4.9 Tim Weir speculated that roles in teaching are more homogeneous compared to the NHS, where there are larger disparities between roles such as doctors (potentially more male-dominated and higher-paid) and nurses (potentially more female-dominated and lower-paid).
- 4.10 There was a discussion around the 2024 data and when it could be available for further analysis. Phillip McEvoy suggested that it would be useful to focus on the 2015 scheme to identify if changes in recent years will have positively impacted equality.
- 4.11 Tim Weir confirmed that they are working on the 2024 valuation, which would provide more recent data on the impacts of the 2015 scheme as well as younger members. Likely to be available by 2026. The intention is to overlay the 2024 data with the 2020 analysis to observe trends over time.
- 4.12 Lorna Low highlighted concerns with many women approaching retirement who previously left the pension scheme for financial reasons, often related to childcare, and rejoined later in life. She suggested this could contribute to the gender pensions gap. Lorna also noted these issues are largely societal and outside the scope of

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the pension scheme, emphasising the need for policy changes to address them.

- 4.13 Lorraine Hunter and Matt McLaughlin emphasised that while immediate solutions for the pensions gap may not be feasible, it's important to start addressing the issue now so that future generations do not continue to face the same disparities.
- 4.14 Greg Walker advised SPPA are part of a UK wide public service pension scheme group, working to see what options are available within the scheme to address the gender pension gap.
- 4.15 **Action Point 2025/02:** SAB to hold a further session on the gender pensions gap to identify potential policy solutions which address factors that contribute to the gender pensions gap and how to implement changes for short-term and long-term improvement.
- 4.16 GAD will continue working on the 2024 valuation data, aiming for availability by 2026. This data will help in analysing trends and making more accurate comparisons.
- 4.17 Matt McLaughlin acknowledged the presentation was marked 'do not share' but questioned the potential to share this presentation more widely.
- 4.18 Tim agreed it's not a hard restriction but stressed the importance of agreeing on the appropriateness of sharing before doing so.

Paper 5 - Proposal for re-introduction NHS REC Scheme

- 5.1 Alan Robertson opened the discussion by providing context on the recycling employer contributions policy, explaining the two previous six-month offers from 2019 to 2023 and the lack of a national policy since then. The Scottish Government devolved powers to boards to create such policies.
- 5.2 Alan emphasised the main driver for the policy as retention and discussed changes in pension taxation (annual allowance) and the freeze on inflation, which may lead to more people hitting the threshold.
- 5.3 Alan mentioned the policy's similarity to those in other regions (England, Northern Ireland, Wales) and its cost-neutral nature. Noted

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that the policy could potentially increase tax revenue for the Scottish Government.

- 5.4 He highlighted feedback from Health Boards, with a preference for a national policy rather than local ones. This would simplify administration and reduce proof requirements for tax liability, which were hard to meet.
- 5.5 Alan asked for feedback on any reservations from employers and Scottish Government about the proposal, which would help address concerns moving forward.
- 5.6 Derek Lindsay shared concerns raised by employers, particularly regarding pension tax issues and how the previous offers had been a response to doctors retiring or reducing hours due to punitive tax impacts.
- 5.7 Derek highlighted that the increase in the annual allowance, along with the abolition of the lifetime allowance, addressed most tax-related concerns for staff, meaning that many boards no longer face these issues.
- 5.8 Derek expressed concern about the implications of offering cash for opting out of the pension scheme, as it might discourage staff from remaining in the scheme, which employers would prefer to avoid.
- 5.9 He also noted the administrative challenges in introducing a new policy, including assessing applications, ensuring tax liabilities, and managing appeals, which would require considerable effort.
- 5.10 Andrew Carter provided context for NHS Borders, explaining the challenges in recruiting senior medical staff due to being a smaller, rural health board. They struggle with retention, particularly among senior medical staff, and have faced issues with staff considering leaving the scheme or reducing their work commitments due to pension tax concerns.
- 5.11 Philip McEvoy supported the BMA's position, noting that despite changes in recent years, legitimate tax concerns still affect some members, especially those impacted by the freeze on the annual allowance. He agreed with Alan's point that this issue is expected to grow over time and still influences decisions around work and pension scheme membership.

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- 5.12 Philip McEvoy expressed support for the points raised and mentioned the frustration of dental practitioner members who were excluded from the REC policies a few years ago, highlighting that this issue will be raised again as the discussion progresses.
- 5.13 Matt McLaughlin clarified that Unison opposes the proposal, primarily because it seems to be designed to help a certain group avoid tax liabilities while others, who cannot afford to participate in the pension scheme, do not receive the same benefits. He emphasised that this would draw strong opposition from Agenda for Change scheme members.
- 5.14 Alan Robertson responded to Matt's point about tax avoidance, explaining that as members were leaving the scheme they would not be accruing pension and thus there was no question of avoiding tax as they would have had no increase in pension benefit upon which tax was due.
- 5.15 Greg Walker acknowledged the board's split views on the proposal and suggested involving colleagues from the Scottish Government to discuss next steps.
- 5.16 Daniel MacDonald from the Scottish Government emphasised that any decision to move forward with changes to the REC scheme requires strong evidence and justification. He indicated that, at present, there does not seem to be a clear need from employers, and therefore, the proposal may not move forward.
- 5.17 Matt McLaughlin suggested that despite the disagreement, the discussion could continue with the understanding that the issue would remain active, particularly for organisations like Alan's and Philip's. He agreed that further progress would require further evidence gathering and consensus-building.
- 5.18 Alan Robertson acknowledged the different views but expressed that this issue is crucial, as it reflects a significant disadvantage for members in Scotland compared to the rest of the UK. While he understood that this would not be resolved immediately, he emphasised the need to keep pushing for fairer treatment.
- 5.19 Philip McEvoy expressed concern over the message that would be conveyed to members, particularly those who might be turning

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down work due to the pension issue. He highlighted the need for a resolution to avoid further frustration among affected members.

- 5.20 The chair acknowledged points raised and ensured that these will be noted and minute properly to record the views of the SAB.

Paper 6a - 2015 Remedy delivery changes

- 6.1 Finn Mackenzie shared remedy delivery changes paper which reflected feedback from members following a meeting with Pension Board Members and SAB members on February 19th. The paper outlined revised delivery timelines and communication plans.
- 6.2 The chair invited members to make comment or ask questions about this paper.
- 6.3 Alan Robertson's raised concerns that the timeline set out was perhaps optimistic and noted significant stress to members, especially towards the end of the tax year.
- 6.4 Alan acknowledged that HMRC stating they would not impose penalty charges was helpful, but the situation caused unnecessary problems for members, he emphasised although it wasn't anyone's direct fault, the difficulty experienced by members needs to be recognised.
- 6.5 Alan asked to ensure the compensation scheme is set up and communicated to members. He also suggested where members incur late payment fees due to lack of provisional information, that compensation scheme should cover this.
- 6.6 Matt McLaughlin echoed these points about the stress on members and asked Finn or Greg to confirm policy around late payment interest.
- 6.7 Finn Mackenzie acknowledged Alan and Matt's points. He confirmed SPPA is seeking legal confirmation on whether this is a legitimate remedy cost.
- 6.8 Derek Lindsay commented that delivery of statements is an issue for the pension board. However, acknowledged that the presentation was communicated via joint meeting and feels it is important the SAB sighted on what's happening.

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- 6.9 Matt McLaughlin acknowledged SPPA communications sub-group has been useful in communication progress of the remedy implementation.
- 6.10 Philip McEvoy expressed agreement with previous points but emphasised that while sympathetic to the administrative work SPPA has undertaken, there is still a need to assign accountability.
- 6.11 Philip highlighted the impact of delays on tax returns and benefits statements, stressing the need to escalate the issue to Scottish ministers and parliamentary committees.
- 6.12 Alan Robertson agreed with previous points and expressed concern about perceived SPPA under-resourcing.
- 6.13 Alan Mentioned dissatisfaction with the response, to the BDA & BMA's joint letter to Scottish Ministers and the need for better resourcing for the increasing complexity of tasks. He raised two questions: the timeline for legal advice and the status of the accountancy cost claim back application form.
- 6.14 Finn Mckenzie advised clarification of the legal position is expected immediately, and a block in the payment functionality within SPPA's system is delaying the cost claim back. Updates on communications have been delayed due to the overwhelming impact of changing delivery timelines, but updates should be available soon.
- 6.15 **Action Point 2025/03:** SPPA to confirm legal position on whether members can claim back late payment interest through the NHS Cost Reimbursement Scheme, following a change in Annual Allowance charge, because the member had not been provided with a Pension Savings Statement in time.

7 Paper 6b - Review of 2015 (McCloud) Remedy and Communications subgroup

- 7.1 Finn Mackenzie shared this paper, noting the decision to wind down the current subgroup and propose a continuity group.
- 7.2 Finn explained that the group was initially set up for policy development and to help with the regulations for the remedy coming into force in October 2023.

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- 7.3 He pointed out that once the remedy was in place, the group shifted to focusing on communications, which was outside the scope of the Scheme Advisory Board's core responsibilities.
- 7.4 Finn acknowledged that the subgroup's role in communications was necessary, but now the focus needed to shift back to the Pension Board, which has a specific responsibility for member communications.
- 7.5 He proposed the creation of a joint working group between the SAB and the Pension Board, similar to what was done with the police scheme, to continue beyond just communications. **Action Point 2025/04:** SPPA to share ToR with SAB for new comms joint working group.
- 7.6 Alan Robertson supported the proposal for a new group, stating that the previous subgroup had been helpful, especially in terms of adapting communications to make them clearer for members and highlighted the importance of the group continuing, as the remedy issue was still not resolved.
- 7.7 Andrew Carter expressed strong support for the idea of a joint working group between SAB and the Pension Board. He also showed appreciation for the efforts SPPA had put into the group.
- 7.8 Matt McLaughlin acknowledged that there was general support for the proposal, agreeing with Alan's point about the unresolved remedy.

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- 8.1 No items raised. The Chair thanked everyone for their contributions and closed the meeting.