

NHS Pension Scheme Scotland Scheme Advisory Board

Minutes

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

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1. Welcome and Apologies

- 1.1 Derek Lindsay welcomed attendees. No new conflicts of interest were declared.
- 1.2 Paper 5 – NHSPS(S) Participation Rates Q3 and Q4 2024/25 unavailable due to outstanding data. Discussion deferred to the September meeting.

2. Minutes of previous meeting and action log

Paper 2a – Draft SAB minutes of 12 March 2025

- 2.1 The Board reviewed the minutes for accuracy, noting a number of small corrections, including typos and clarifications on specific points.

Paper 2b – Action Log

- 2.2 The chair invited Greg Walker to talk through the outstanding open actions.
- 2.3 Alan Robertson raised a new action from the previous meeting that had not been picked up in the minutes. A proposal to establish a joint working group on communications between the SAB, the Pension Board, and the SPPA. Derek Lindsay agreed that an action should be added to track its formation and receive an update on progress. (Action Point 2025/04).
- 2.4 Alan Robertson also noted that the owner 'Communications Subgroup' in action point 2024/09 no longer exists and questioned who would take ownership of ongoing communications matters. Derek Lindsay confirmed that a review of successor structures for communications and engagement work was required.
- 2.5 **Action point 2024/06** Greg Walker confirmed that the NHS retirement application form was updated on 28 April 2025 to allow the employer to indicate whether the Member is AfC or Medical and Dental. Ruth Kelly and Matt McLaughlin supported the inclusion of a distinct category for Executive/Senior Managers.
- 2.6 This action point is to be carried forward and updated. Ruth Kelly will provide suggested wording for the "managers" category, and the SPPA will add to the retirement application form.

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- 2.7 **Action point 2024/09** Greg Walker advised that the proposed changes had been submitted to the web team. Updates are expected shortly, pending a wider site review. The action will remain open until all relevant updates are confirmed live. **Action point carried forward.**
- 2.8 Derek Lindsay confirmed that the ownership of action point 2024/09 would be amended to 'SPPA' following the dissolution of the Comms Subgroup. Finn McKenzie provided an update on the proposed joint working group between SAB, the Pension Board, and SPPA. Draft terms of reference are expected by the end of the month, with the group anticipated to be established later in the summer. Membership will be drawn from the previous Communications Subgroup and opened to new volunteers. **(New Action Point 2025/04 – SPPA to share ToR for proposed joint working group.**
- 2.9 **Action point 2024/12** Greg Walker confirmed that participation data for FY1 and FY2 doctors would be addressed in an upcoming paper at the next SAB. **Action point carried forward.**
- 2.10 **Action point 2025/01** Greg Walker advised that the project is still underway, with data on over and under payments finalised. A report will be brought to a future SAB meeting. Philip McEvoy requested that the group consider whether contribution discrepancies had impacted yield figures once the final data is reviewed. **Action point carried forward**
- 2.11 **Action point 2025/02** Greg Walker noted that a session on the gender pension gap could be scheduled for later in the year. A proposal to include this topic at the September SAB meeting will be considered. **Action point carried forward**
- 2.12 **Action point 2025/03** Greg Walker confirmed that legal advice on late payment interest had been provided and that such interest is reclaimable via the cost reimbursement scheme. **Action closed.**

Paper 3 - Consultation Increasing Thresholds in the Member Contribution Structure following confirmation of 2025-26 AfC Pay Award

- 3.1 Greg Walker introduced Paper 3, which seeks SAB's views on a proposed consultation regarding adjustments to the member contribution thresholds, following the **2025/26 Agenda for Change (AfC)** pay award of **4.25%**.

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- 3.2 Greg explained that, in line with the policy agreed during the 2022/23 contribution structure review, thresholds should be uplifted annually in accordance with the average AfC pay award. This is intended to prevent members from being moved into a higher contribution tier due solely to a national pay increase.
- 3.3 Two contribution tables exist in regulations:
- Table 1 – Applies to members active on both the final day of the previous scheme year and the first day of the current year, based on prior year earnings.
 - Table 2 – Applies to new starters or those with a relevant change in circumstances during the scheme year and is based on current year earnings.
- 3.4 Greg confirmed that Table 1 had already been updated earlier in the year based on 2024/25 pay scales. Table 2 now requires updating in line with the 2025/26 AfC award. The proposed update applies a 4.25% uplift to all contribution bands, except the lowest tier, which is linked to the unchanged Scottish personal tax allowance. A draft of the revised table and accompanying regulatory amendment were included in the paper.
- 3.5 SAB Members were invited to consider two key questions:
- Whether the proposed Table 2 reflects the agreed policy to uplift thresholds in line with the 2025/26 AfC award
 - Whether the draft regulations give effect to this policy intention.
- 3.6 Philip McEvoy noted a small inconsistency between two threshold values – one band ending at £57,140 and the next beginning at £57,142 – and suggested this should be reviewed for accuracy.
- 3.7 Alan Robertson queried the annual transition between the two tables. Greg confirmed that Table 2 is updated mid-year as needed and becomes Table 1 in the next cycle, based on updated pay scales.
- 3.8 Philip Coghill highlighted a potential rounding error in the boundary between the 6.4% and 7% tiers, with a discrepancy of around £100. Greg committed to reviewing and correcting the figures, as necessary.

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- 3.9 Philip McEvoy asked whether the updated rates would be backdated. Greg and Lorraine Hunter clarified that there is generally no backdating required for AfC staff where the pay award matches the increase in the earnings threshold in the contribution table.
- 3.10 Derek Lindsay acknowledged that while the paper initially appeared straightforward, the discussion had usefully clarified some of the more detailed implications of the change. Members agreed that the proposal supports the intended policy objective and endorsed the approach set out in the paper.

Paper 4 – Normal Minimum Pension Age (NMPA) Increase from 6 April 2028

- 4.1 Greg Walker introduced the circular accompanying Paper 4, which outlines the upcoming increase in the normal minimum pension age (NMPA) from 55 to 57, effective from 6 April 2028, and invited SAB members to review the draft text and advise on its clarity and completeness.
- 4.2 Greg explained that members who joined the NHS Pension Scheme before 4 November 2021 would retain a protected minimum pension age of 55, while those joining on or after that date would see the new minimum age of 57 apply from April 2028. This change does not apply to ill-health retirement, and the underlying policy change was enacted via the Finance Act 2004, aligning minimum pension age increases with changes to the State Pension Age.
- 4.3 The circular also details how protections work for members who have transferred benefits from other schemes. Any transferred-in rights from another scheme prior to 2028 will remain payable from age 55, while new accrual in the NHS scheme post-2028 will be subject to the new minimum age of 57.
- 4.4 A draft FAQ section was included in the paper, and members were invited to suggest areas for expansion, particularly in anticipation of member queries regarding their individual circumstances.
- 4.5 Philip McEvoy suggested the addition of a schematic or flowchart to help members determine their applicable minimum pension age. Several members supported this.
- 4.6 Lorraine Hunter raised several points for clarification:

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- The grammatical structure and phrasing of Question 1 in the FAQ required review.
 - The rationale for using 4 November 2021 as the protection cut-off date should be explained.
 - It was unclear how protection applies to members who opted out or had a break in service, particularly if under five years.
 - It would be helpful to explicitly reconfirm that the change applies to the NHS Pension Scheme.
 - The FAQ section would benefit from additional detail and examples.
- 4.7 Matt McLaughlin welcomed the attempt to simplify the communication but echoed the need for more accessible guidance to avoid confusion among members approaching retirement age.
- 4.8 Derek Lindsay and Graham Pirie queried the terminology used regarding “unauthorised tax charges” and suggested clearer language to avoid misinterpretation. Greg agreed the reference was potentially unhelpful.
- 4.9 It was agreed that the circular would be updated to reflect the feedback and recirculated for further comment. Greg indicated this would be achievable within the planned timelines, ahead of the intended issue date at the end of the month.
- 4.10 Derek Lindsay also asked whether it would be helpful to clarify the distinction between normal pension age (typically 67) and minimum pension age (rising to 57), as the 10-year gap is implied but not explicitly stated.
- 4.11 Regarding early retirement, Derek Lindsay and Lorraine Hunter queried whether the increase in minimum pension age would affect actuarial reduction factors. Tim Weir (GAD) clarified that the change does not impact the early retirement factors, though factors for age 55–56 will become obsolete for those not protected.
- 4.12 It was agreed that the updated draft circular would be recirculated electronically for final virtual comments, with members given a week to respond. **New Action point 2025/06** – Greg Walker to issue updated circular to SAB for final comments.

Paper 5 – McCloud Remedy Delivery and Scheme Pays Update

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- 5.1 Derek Lindsay invited Greg Walker to present the update. Greg outlined the progress on issuing Remedy Service Statements (RSS), challenges with Scheme Pays, and proposed website wording to support members.
- 5.2 Greg reported that around 90% of Annual Benefit Statements - Remediable Service Statements (ABS-RSS) for eligible active members have been issued. The remaining 10%—due to system limitations—will aim to be included in the 2025 cycle. A pilot batch of 439 remedy statements was issued to Immediate Choice protected members in May, with further batches planned for issue in June and July. New system functionality is being tested for deferred members and those nearing retirement.
- 5.3 Alan Robertson raised concerns about inconsistencies in SPPA dashboard data, including cases where members received duplicate Remediable Pension Savings Statements (RPSS). He queried plans for 2024/25 issuance. Philip McEvoy echoed concerns about data accuracy and its impact on decision-making, particularly for Immediate Choice members.
- 5.4 Greg acknowledged that dashboard figures may not reflect real-time activity due to processing backlogs. He confirmed that the number of complex cases and statements to be produced is under review once such calculations are run to identify the number of members affected.
- 5.5 Alan raised concerns that if members are not to receive an ABS-RSS this year, then communications should be considered to enable those members to take appropriate action. He also requested that the dashboard data be revisited as the weekly update is not an accurate reflection of remedy progress.
- 5.6 Derek Lindsay asked whether Immediate Choice cases would be prioritised, given that around 35,000 statements remain outstanding. Greg confirmed this was a priority but dependent on new system functionality. He reiterated that operational oversight rests with SPPA and the Pension Board.
- 5.7 Alan acknowledged that operational issues are matters for the Pension Board; however, reduced meeting frequency has delayed feedback.
- 5.8 Derek invited Greg to update on Scheme Pays. Greg explained the difference between mandatory and voluntary options. Key deadlines

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include 31 July 2025 for mandatory elections, and 14 February 2026 for SPPA to pay HMRC on behalf of members. Following the Finance Act 2022, members receiving retrospective adjustments must act within three months of notification.

- 5.9 Greg discussed the proposed options for members at risk of missing mandatory scheme pays election deadlines due to not receiving their statements. He also confirmed that late payment of AA interest incurred can be reimbursed via the NHS cost reimbursement scheme if the delay was due to McCloud Remedy.
- 5.10 Alan welcomed the proposals, particularly the reassurance around interest reimbursement. He stressed the urgency of clear communication, especially for members without accountants or financial advisers. He suggested SPPA consider communications and provide easy-to-follow guidance. Derek asked if the BMA would support communication. Alan confirmed it would, but reminded the group that many affected members are not in the BMA, so SPPA should lead.
- 5.11 Philip supported the proposals and suggested that any member who had not received an RPSS by 30 June 2025, should have extended access to voluntary scheme pays. He also questioned whether SPPA can deliver 2024/25 PSS statements on schedule. Greg supported the 30 June suggestion.
- 5.12 Derek summarised the key points:
- Need for clarity around future statement delivery timelines
 - Improve dashboard accuracy
 - Refined member communication strategies

AOB

- 8.1 Philip McEvoy raised concerns about the clarity of ABS and RPSS documents, particularly the difficulty members face in verifying underlying data. He suggested SPPA explore tools for members to view service and earnings records and recommended a broader review of the ABS format via a communications subgroup.
- 8.2 Alan Robertson endorsed the review and he asked if the new member portal would be operational in time for the next ABS/RPSS cycle. Greg suggested that these issues should be raised through the reformed communications sub-group. Finn noted that ABS

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suggestions could still be submitted independently while the subgroup is being formed.

- 8.3 The Chair confirmed the next meeting will be held on **Wednesday, 17 September at St Andrew's House.**
- 8.4 The Chair thanked everyone for their contributions and closed the meeting.