

# Retirement Booklet

For Members of the NHS Pension Scheme



[www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)

**Supporting the NHS, supplying the NHS, protecting the NHS**  
NHS Pensions is a service provided by the NHS Business Services Authority

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## Introduction

Welcome to the retirement booklet of the NHS Pension Scheme (NHSPS), which is designed to give all members answers to their questions regarding their retirement and receiving their pension benefits.

This booklet is issued by the NHS Business Services Authority (NHSBSA), who administer the NHS Pension Scheme on behalf of the Secretary of State for Health.

Xafinity Paymaster is the company we use to pay pensions correctly and on time. They also answer any queries you may have about payments once you have retired.

### Important information about this booklet

This booklet covers all members of the NHS Pension Scheme and uses different colours to identify the benefits available to you dependent on what Section of the Scheme you are in. Each part of this booklet has information relevant to you. Where there are different benefits of different Sections these are explained in separate coloured boxes, **orange for the 1995 Section** and **blue for the 2008 Section**.

You should read this booklet before completing the relevant retirement application form.

Keep this booklet in a safe place as it contains information that you need to know once your pension is in payment. Please also tell your dependants about this booklet as it contains important information in the event of your death. Recording your personal details below will help if you or your dependants need to contact us or Xafinity Paymaster.

Your date of birth

Your NHS Pension Scheme reference number

\_\_\_\_\_ / \_\_\_\_\_  
(SD)

Your Xafinity Paymaster pension reference number

Your National Insurance number

Your date of retirement (or the date your pension starts)

Percentage of LTA used by NHS benefits

Many words or phrases used in the booklet have special meanings. We have included a glossary of some of these terms at the end of the guide to help you understand them.

## The Small Print

This retirement booklet is intended to provide a general overview of the Scheme retirement benefits. We have taken great care to get the details right at the time of publication but it does not give a complete or legally binding statement of the law and regulations which govern the Scheme. Nothing in this booklet can override the Regulations which set out the conditions of entitlement and determine the rate at which benefits are payable. In the event of any conflicting information, the Regulations will prevail.

The most up to date version of the booklet is kept on the website: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

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# What do I need to know before applying?

This section answers the key questions you may have prior to completing your application form.

There are different benefits within the NHS Pension Scheme dependent on which Section you are a member of and the type of role that you held. A brief summary of the Scheme retirement benefits is shown in the table below. If you are unsure which Section of the NHS Pension Scheme you belong to please refer to the Scheme Guide available on the website: [www.nhsbsa.gov.uk/pensions](http://www.nhsbsa.gov.uk/pensions).

Feature or Benefit	NHS Staff, Practice and Approved Employer Staff		Practitioners	
	1995 section	2008 section	1995 section	2008 section
Member contributions	5% - 8.5% depending on rate of pensionable pay		5% - 8.5% depending on amount of pensionable earnings	
Pension	A pension worth 1/80th of final year's pensionable pay per year of membership	A pension worth 1/60th of reckonable pay per year of membership	A pension based on 1.4% of uprated earnings per year	A pension based on 1.87% of uprated earnings per year
Retirement lump sum	3 x pension. Option to exchange part of pension for more cash	Option to exchange part of pension for cash at retirement, up to 25% of capital value. Some members may have a compulsory amount of lump sum	3 x pension. Option to exchange part of pension for more cash	Option to exchange part of pension for cash at retirement, up to 25% of capital value. Some members may have a compulsory amount of lump sum
Normal pension age	60	65	60	65
Minimum pension age	55 (50 if you joined before 6 April 2006)	55	55 (50 if you joined before 6 April 2006)	55
Pensionable pay	Normal pay and certain regular allowances		Pensionable earnings from NHS work	
Uprated earnings	Not relevant		The final value of pensionable earnings after adding all year's earnings and applying revaluation factors.	

Note: You must also be under age 75 to receive a lump sum. If you are aged 75 or over in the 1995 Section you will receive a bigger pension instead of a tax-free lump sum.

1995 Section

Nurses, midwives, health visitors, physiotherapists and mental health officers in post before 6 March 1995 (collectively described as 'Special Class Status') have the right to retire from a normal pension age of 55 without a reduction to their pension, subject to certain criteria being met.

If you have special class status your normal pension age is 55.

More detailed information about these and examples of benefits calculations can be found in the Scheme Guide available on the website: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

## Can I exchange some of my pension for a lump sum payment?

If you have membership on or after 1 April 2008 you are able to take some of your benefits as a retirement lump sum. You may be able to take up to a maximum lump sum of 25% of your capital value. The criteria for lump sum payments in each section is set out below.

### 1995 Section

You will automatically receive a retirement lump sum which is normally three times your annual pension. You also have the option of receiving a larger retirement lump sum in exchange for a smaller annual pension. If you choose to do this you will receive £12 of additional lump sum for every £1 of pension.

Your capital value is determined by the HMRC rules and is calculated by multiplying your reduced pension by 20 and adding your total retirement lump sum. In the majority of cases the maximum lump sum you can take works out at approximately 5.36 times your 1995 Section pension.

### 2008 Section

There is no automatic lump sum entitlement in the 2008 Section (unless you opted to transfer your 1995 Section benefits to the 2008 Section during the Choice exercise), but you do have the option of receiving a retirement lump sum by exchanging part of your pension. If you choose to do this you will receive £12 of retirement lump sum for every £1 of pension.

Your capital value is determined by the HMRC rules and is calculated by multiplying the pension you will receive by 20 and adding your total retirement lump sum. In the majority of cases the maximum lump sum you can take works out as approximately 4.28 times your 2008 Section pension.

### Important notice

It is always advisable to receive an estimate of your benefits before you complete the relevant retirement application form. The estimate of benefits will show you an estimate of the maximum lump sum you may be able to take and how much your pension would be reduced to. You can choose the amount of lump sum you would like to receive, up to the maximum limit, as long as it is divisible by 12 and does not cause an unauthorised payment. An estimate can be requested through your current employer or through NHS Pensions if you are claiming deferred benefits.

## Will limits on tax-free pension benefits affect me?

Since 6 April 2006 HMRC has set an individual Lifetime Allowance (LTA) limit on pension savings in all registered pension schemes like the NHSPS where there is a Benefit Crystallisation Event (BCE). For most people this increases their opportunities for tax efficient savings at retirement. Only consistently high earners (e.g. those earning more than £100,000 a year) with long Scheme membership and/or substantial other pension savings are likely to be adversely affected. If you think you may be affected by the LTA you should read the factsheet on the website: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions) before completing your application form.

## What if the amount of my benefits is very small?

If you have accrued a very small amount of benefits with the NHS Scheme and any other Providers where the Capital Value from this Scheme is less than 0.35% of the standard Lifetime Allowance (LTA), then you may be able to have your pension and lump sum from us paid as a one-off payment. If this is possible we will write to you again to explain the amounts payable and confirm the details needed to be able to do this.

If you believe that the value of your NHS Scheme benefits and any other pension benefits you have accrued with any other providers is greater than 0.35% but less than 1% of the standard LTA; you may also be able to have your pension and lump sum from us paid as a one-off payment.

If your benefits are between 0.35% and 1% of the standard LTA and you would like your benefits to be paid as a one-off payment then attach a letter confirming your request to the retirement application form.

## What is the annual allowance?

The Annual Allowance is a limit set by Her Majesty's Revenue and Customs (HMRC) in regard to the amount of pensions savings you can have each year before potentially being subject to tax.

The Annual Allowance reduced substantially from £255,000 to £50,000 on 6 April 2011.

In the NHS Pension Scheme the Annual Allowance is commonly worked out by measuring the growth in your benefits in a year. The Annual Allowance limit covers all your pensions, except your State pension, so your other pension savings also need to be added. More information about Annual Allowance can be found on the website: [www.nhsbsa.nhs.uk/Pensions/3126.aspx](http://www.nhsbsa.nhs.uk/Pensions/3126.aspx)

### Further information

A factsheet giving more details about the limits on tax-free pensions is available from:

[www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)

## Can I allocate part of my pension?

Allocation is giving up a part of your pension to provide a pension for somebody else (your beneficiary) when you die, for example, a member of your family or a close friend. If you choose to do this it means your pension will be reduced at your retirement and if you die before your beneficiary they will get the part of your pension you have allocated to them for life. You can allocate to anyone you choose as long as they are at least partially dependent on you. If you allocate to your spouse, civil partner or nominated qualifying partner they will get the allocated pension as well as their survivor's pension from the Scheme. The pension that you give up does not count against the standard Lifetime Allowance.

### When can I allocate?

A separate application form to allocate must be completed and sent to NHS Pensions with your retirement application form. More information about allocating part of your pension and the application form can be found on the website: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

#### Important notice

Once your benefits have been put into payment an application to allocate cannot be accepted. You can only cancel or change an application to allocate before we accept the application. You cannot cancel it once we have accepted it. This means that even if your beneficiary dies before you, you will never be able to get back the part of your pension you have given up. We will only change or cancel an application to allocate if you or your beneficiary dies before we have accepted it.

## Will I still get a State Pension?

The NHS Pension Scheme is completely separate from the State pension arrangements and any other pension schemes you may have. Therefore, this means you will normally get a separate basic state pension as well as your NHS pension.

The State Pension Scheme has two parts.

1. A flat rate retirement pension (State retirement pension)
2. An earnings related pension (State second pension, S2P) (formerly SERPS)

Pension schemes that provide an approved alternative to S2P can “contract out” of this part of the State pension scheme. By contracting out of S2P employed members, who are under State Pension Age, pay lower National Insurance contributions. The NHS Scheme is contracted out of S2P and so provides benefits which meet the approved standard.

#### Further information

A factsheet giving more details about allocating part of your pension is available from:

[www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)

## What does Guaranteed Minimum Pension mean?

For membership up to 5 April 1997 the Scheme guarantees that at State Pension Age its benefits will be at least as much as the earnings related part of the State Scheme pension. This guaranteed amount is called the Guaranteed Minimum Pension (GMP) and is part of your NHS pension, not an extra pension. The Scheme also guarantees that if members die and leave a surviving spouse, civil partner or nominated qualifying partner, that their NHS pension for membership up to 5 April 1997 will be at least half their GMP.

All GMPs ceased from 6 April 1997 so the Scheme is no longer required to provide an individual guarantee. To remain contracted out of S2P, the Scheme was required to show the Department of Work and Pensions that NHS benefits remained unlikely to be lower than those provided by S2P.

If you have a GMP up to 5 April 1997 the Department for Work and Pensions will write to you at State Pension Age to say how much it is. This is to help Xafinity Paymaster and you to check that your NHS pension is at least as much as the GMP.

## I paid less/more National Insurance in the past. Will this affect my pension?

Only applicable to members who left the Scheme before 6 March 1995

- A. To prevent an overlap with the State retirement pension most members of the Scheme with membership before 1 April 1980 had by law to pay contributions to the Scheme at a reduced rate. If this applies to you and you left the Scheme before 6 March 1995, your basic NHS pension when you reach State Pension Age will be slightly lower to take account of this.

If you were affected the lowest reduction will be £1.70 a year for each year (or part year) of membership before 1 April 1980 and the maximum is £67.75 a year. However, if your pension includes cost of living increases at State Pension Age, the reduction will be slightly more.

- B. Between 3 April 1961 and 5 April 1975 many members also paid extra National Insurance contributions into the State Graduated Pension, so their contributions to the Scheme were further reduced. If this applies to you there will be another very small reduction in your NHS pension when you reach State Pension Age.

## Can I make voluntary deductions to the British Health Care Association (BHCA) from my pension?

You can now make voluntary deductions from your pension to the BHCA.

If you wish deductions to be made you must complete the voluntary deductions part on the retirement application form with the amount you wish to pay and the appropriate codes. These are shown below. The decision you make must remain firm as it is costly to alter arrangements at a later date.

Details of voluntary deductions currently made from your pay can be found on your latest pay slip. These deductions will normally be made up to the calendar quarter in which you retire i.e. 31 March, 30 June, 30 September, 31 December by deduction from your final salary. Xafinity Paymaster will then start taking deductions from your pension in the following quarter.

### Code numbers and names of organisations

This list shows the organisations for which voluntary deductions from your pension may be made.

Code No.	Organisation - British Health Care Association
242	BHCA - Bedford Provincial Hospital Services Association - Medicaid
243	BHCA - Birmingham Hospital Saturday Fund
244	BHCA - Bolton and District Hospital Saturday Council
245	BHCA - Bradford Sovereign Health Care
251	BHCA - Coventry and Warwickshire - Mercia Health Benefits
252	BHCA - Crewe and Cheshire Hospital Contributory Scheme
280	BHCA - Gwent (Newport)
256	BHCA - Hull - Humberside Contributory Health Scheme
281	BHCA - National Industrial Orthopaedic Society (Manor House)
257	BHCA - Leeds Hospital Fund
258	BHCA - Leicester and County Convalescent Home Society
282	BHCA - National Physiotherapy Service (formerly LAMPS)
261	BHCA - Manchester and Salford Hospital Saturday Fund
259	BHCA - Merseyside - Medicash
270	BHCA - Western Provident Health Services Ltd
265	BHCA - Anglia Health Care - Norwich

264	BHCA - Northampton and District Hospitals Guild
266	BHCA - Nottingham and District Health Fund
272	BHCA - Sheffield - Westfield Contributory Health Scheme
275	BHCA - Wakefield and District Hospitals
276	BHCA - Wakefield Mobile Physiotherapy Association
249	BHCA - Welsh Hospitals and Health Services Association - Cardiff
283	BHCA - Crewe Transport Hospital Fund
277	BHCA - Wolverhampton Patients Aid Association

## Can I make other voluntary deductions from my pension?

If you wish to make deductions from your pension to an organisation you have not previously contributed to, you must firstly join that organisation. Xafinity Paymaster cannot do this for you.

Xafinity Paymaster cannot make deductions from your pension for:

- staff associations or trade union subscriptions;
- National Insurance contributions for which you may be liable if you become self employed; or
- contributions to saving schemes (including Save As You Earn (SAYE)).

If you subscribe to SAYE you should contact their office immediately so that they can make alternative arrangements for collecting your payments.

Any enquiries about:

- benefits,
- increasing your subscriptions, or
- conditions of membership,

should be made direct to the organisation.

### **Remember:**

Xafinity Paymaster cannot accept responsibility for any lack of cover caused by a deduction not being made from your pension or by it being passed incorrectly to any organisation. You may, if you wish, make separate arrangements with the organisation instead of having deductions made from your pension.

## I am a Pension Credit Member. What will I be entitled to receive?

Note: A pension credit member is someone who received pension benefits from their former spouse or civil partner as part of a divorce or dissolution settlement.



1995 You will normally receive a pension and lump sum, unless your pension sharing order came into effect after the retirement of your former spouse or civil partner. In these cases you will only receive a pension.



2008 You will receive a pension. If your pension sharing order came into effect before the retirement of your former spouse or civil partner, you may exchange some of your pension for a retirement lump sum.



# How do I apply for my retirement benefits?

When you are retiring you need to apply for your benefits using the appropriate application form. You will need either:

- Application form AW8 if you are retiring directly from the NHS or a Direction Body employment. Your employer should have given you this form along with this booklet. Please complete the form and return it to your employer as soon as you can.
- Application form AW8P if you:
  - have already left the NHS or Direction Body employment completely, or;
  - are claiming deferred benefits from the 1995 Section that are still held by us while you continue to contribute to the 2008 Section
  - are a member who has retained pension rights in the NHS Pension Scheme following a transfer out of the Scheme. This happens when the new pension provider is unable to accept some of the transfer, leaving benefit entitlement in the NHS Pension Scheme. This entitlement may be the membership from 6 April 1988;
    - for a member who opted out of the NHS Pension Scheme and transferred to a personal pension scheme, or
    - be the contracted-out liability with the NHS Pension Scheme.

The contracted-out liability could be the Guaranteed Minimum Pension Liability, the Section 9(2b) Rights (post 5 April 1997 scheme membership), or both.

An AW8P form can be downloaded and printed from the website: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Please complete the form and return it to us at the address on the form.

- Application form AW8PC if you are an NHS Pension Credit member. An AW8PC form can be downloaded and printed from the website: [www.nhsbsa.gov.uk/pensions](http://www.nhsbsa.gov.uk/pensions). Please complete the form and return it to us at the address on the form.

Please complete and return the Census form. If you do not have a Census form you can obtain one from your employer or download one from the website: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

## **Important notice**

It is advisable to obtain an estimate of your benefits before completing an application form to claim your benefits. An estimate can be requested through your current employer or through NHS Pensions if you are claiming deferred benefits.

## When should I apply for my retirement benefits?

NHS Pensions require your application form to be submitted 3 months before your retirement date. This allows us enough time to calculate your benefits and to inform Xafinity Paymaster about the payments.

# How will my benefits be paid?

When we receive your application form we will work out your benefits and tell you how much they are. Xafinity Paymaster will pay your pension and any lump sum and will inform you when they will be paid into your account.

We may need to write to tell you that your benefits have been changed. This could happen if your former employer notifies us of amended pay or membership details for you, or because you have retired from the NHS again after a further period of membership. If your benefits change, we will ask Xafinity Paymaster to pay you the new amounts. There is no need for you to get in touch with them.

## Can I have my pension paid to me weekly?

Only applies to people living in the United Kingdom

If you were paid a weekly wage when you retired, your pension may, on exception, be paid on a weekly basis to a bank or building society.

If you must still be paid weekly in retirement, please say so in a covering letter and attach it firmly to the application form. When in payment Xafinity Paymaster will send you an advice slip every 12 weeks showing details of your next 12 weeks payments.

## What is my Xafinity Paymaster pension reference number?

Xafinity Paymaster will give you a pension reference number when they start paying your pension or allowance. It will be on all the correspondence you get from them. Please write the pension reference number in the Personal Details on page 3.

Remember that your Xafinity Paymaster pension reference number is not the same as your Scheme membership number. Take care not to confuse the two.



## Where will my benefits be paid into?

Xafinity Paymaster will only pay your benefits into a bank or building society account, as this is the safest method of payment.

It is important that the UK bank or building society account you wish to receive payment into is able to accept electronic payments by the Bankers Automated Clearing Services (BACS) method. Your bank or building society will be able to advise you on this. If the account details you provide cannot accept BACS payments, your payment will be rejected and this may lead to a delay in payment of your pension benefits.

The account can be at a bank or building society with a branch:

- in the United Kingdom (but not National Savings and Investments (NS&I)), or
- in the Channel Isles, Isle of Man or Republic of Ireland, or
- overseas provided it is capable of receiving secure electronic payment of funds. Currently such arrangements exist with banks in the following countries:

Antigua and Barbuda	Guinea Bissau	Philippines
Australia	Guyana	Poland
Austria	Hong Kong	Portugal
The Bahamas	India	Saudi Arabia
Bangladesh	Indonesia	Singapore
Barbados	Israel	South Africa
Belgium	Italy	Spain
Canada	Jamaica	Sri Lanka
Cyprus	Kenya	St Kitts and Nevis
Denmark	Luxemburg	St Lucia
Dominica	Malta	St Vincent and the Grenadines
Dominican Republic	Mauritius	Sweden
Egypt	Nepal	Switzerland
Eire	Netherlands	Thailand
Finland	New Zealand	Trinidad and Tobago
France and Monaco	Nigeria	Tunisia
Germany	Norway	Turkey
Ghana	Oman	United Arab Emirates
Greece	Pakistan	USA
Grenada	Peru	Zimbabwe

If you are planning to retire to a country that is not listed on the page opposite, you will need to make arrangements to have your NHS pension paid into a bank in one of the countries listed above. Your chosen bank will be able to assist you in arranging for the funds to be forwarded to you.

If required you will need to complete a mandate form for payment to be made to an overseas bank. You can get one by writing to NHS Pensions or you can download it from the website: [www.nhsbsa.nhs.uk/pensions/memberforms](http://www.nhsbsa.nhs.uk/pensions/memberforms). Please complete it and attach it firmly to your retirement application form.

## When will my pension/allowance be paid?

Xafinity Paymaster will normally pay the pension or allowance monthly (one twelfth of the yearly rate, to the nearest penny), on the same date each month. They will tell you what your payment date is. This may not be the last day of the month.

When the payment date falls on a weekend or on an English or a Welsh public holiday, the payment will go into your account on the last working day before the weekend or the holiday.

A “pension month” is the period between one payment date and the next. The number of days in each pension month varies, as in a calendar month, and determines the amount of any part month payment. If a pension or allowance starts during a pension month the first payment will be for the amount due for the number of days in that part pension month.

To keep down costs, Xafinity Paymaster will not send details of your pension each time a payment is made. But they will write to you when your pension begins and each time there is a change in your tax code or in the yearly rate, for example because of a cost of living increase.

## What changes should I tell Xafinity Paymaster about?

You should tell Xafinity Paymaster if:

- you change your address (please note that you should also notify NHS Pensions of any change of address);
- your bank or building society account details change;
- you marry, remarry, form a civil partnership or wish to nominate a qualifying partner for a survivor’s pension;
- a child for whom you are receiving child allowance goes to live on their own.



## What happens when I die?

When you die, your spouse, civil partner, nominated qualifying partner, nominee or personal representative must tell Xafinity Paymaster straight away, quoting your pension reference number. They will be sent an application form so that they can claim any pension that may be due to them.

## What if my benefits are overpaid?

If your pension or lump sum is overpaid for any reason the money will have to be repaid.

We may recover this overpayment by reducing your pension, however if this is the case, Xafinity Paymaster will contact you or your personal representatives.

## Will I pay Income tax on my pension?

For tax purposes pension benefits are treated as earned income. At first, Xafinity Paymaster will deduct tax under a temporary code until they get the right code from the Tax Office. The Tax Office will decide what your tax code should be.

If you want to query your tax code, please write direct to the address given below. Tell them your National Insurance Number and your Xafinity Paymaster pension reference number.

The address is:            Inland Revenue (PD2),  
                                 Ty Glas,  
                                 Cardiff, CF14 5YA.

Or telephone 0845 300 3949

If tax has been deducted from your pension, Xafinity Paymaster will send you a P60 form after the end of each tax year to show the total pension paid and the amount of tax deducted in that year.

When Xafinity Paymaster sends payments to your bank or building society it includes details of any income tax deducted, but not your tax code. Most banks will show on your statement the tax deducted from your pension payments.

If you prefer details of your tax deductions not to be included with the payment information sent to your bank, please say so in a covering letter and attach it firmly to the payment details part of the benefits application form.

# Will my pension be increased?

NHS pensions are reviewed annually and are increased, as appropriate, to keep pace with rises in the cost of living. Increases are paid in April and reflect any rise in the rate of inflation in the 12 month period up to the end of September in the previous year. The measure by which all public sector pensions are increased is determined by the Government. All pensioners will receive notification of the rate applied within the annual pensioners newsletter, distributed in April each year.

## Do all NHS pensioners qualify for increases right away?

This depends on the type of pension you are receiving. The table below details the differences:

Retirement Pension	When will the increases begin?	Notes
Age	*Normally from the April after your pension begins	
Ill Health	*Normally from the April after your pension begins	
Redundancy	At age 55. If you become permanently incapable of work on account of ill-health, provided the Scheme's medical advisor agrees, redundancy pensions can be increased before age 55.	<p>When you reach age 55 your pension will get ALL the increases made since it began.</p> <p><b>If you are a woman with a dependant child the increase will apply as follows:</b></p> <p>The part of your pension based on your membership;</p> <ul style="list-style-type: none"> <li>• before 1 January 1993 will start to increase from April after it begins.</li> <li>• from 1 January 1993 will be increased when you reach 55.</li> </ul> <p><b>If you are a man with a dependant child the increase will be as follows:</b></p> <p>The part of your pension based on your membership;</p> <ul style="list-style-type: none"> <li>• between 17 May 1990 and 31 December 1992 will start to increase from the April after it begins.</li> <li>• before and after these dates will be increased when you reach age 55.</li> </ul>

Deferred	As soon as your pension begins it will be given ALL the increases made since your last pay period ended provided you have reached your normal pension age or if you are claiming your deferred benefits early, you have reached age 55 or over.	
Re-employment	When you retire again the benefits for your later membership will be paid as a separate pension.  You will keep the Pensions Increase you already have on your existing pension and your new pension will get any increases from the April after it begins if you are age 55 or over, or at age 55.	
Dependants	Your dependant's pension, including any allocated pension will be increased as if it had begun on the same date as your own pension.	
Voluntary Early Retirement or a deferred pension which has been reduced because of early payment	At age 55. If you become permanently incapable of work on account of ill-health, provided the Scheme's medical adviser agrees, the pension can be increased before age 55.	When you reach age 55 your pension will get ALL the increases made since it began.
Pension credit - Age	The April after your pension begins, if you are claiming your pension immediately because you are over the normal pension age, or as soon as your pension begins if your pension credit was awarded before the normal pension age.	
Pension credit - Ill Health	*Normally from the April after your pension begins.	
Pension credit - Voluntary Early Retirement	At age 55. If you become permanently incapable of work on account of ill-health, provided the Scheme's medical adviser agrees, the pension can be increased before age 55.	When you reach age 55 your pension will get ALL the increases made since it began.

\*See 'Will my pension get the full increase?' on page 21.

## Will my pension always get the full increase?

Yes, but increases are normally paid from April, so in the first year the amount of increase you get will depend on when the pension started. For example, if the full increase is 5% but your pension has only been in payment for 6 months, the increase you will get will be 2.5%.

A part month of 16 days or more, from the pension payable date to the last day in the month, will count as if it was a full month, but a part month of 15 days or less will not count. A pension that begins 15 days or less before the increase date in April will not get an increase until the following year.

Increase dates in April will often fall part way through your pension month. Where this happens your pension for April will be partly at the rate before the increase and partly at the new rate. Your pension for the following month will be all at the new rate.

## Are increases applied to the whole of my pension?

Increases are applied to the amount you are getting including any previous increases, less any Guaranteed Minimum Pension (GMP).

## Who will pay the increases?

If your pension includes a GMP, the cost of paying increases on it is shared between the NHS Scheme and the Department for Work and Pensions (DWP).

For GMPs based on Scheme membership	Who pays the increases?
Up to 5 April 1988	DWP pay all of the NHS Scheme and the DWP increases
Between 6 April 1988 and 5 April 1997	Xafinity Paymaster pay the increases up to 3%, the DWP pay any increases over 3%
From 6 April 1997 (all GMPs ceased from this date)	Xafinity Paymaster pay all the increases on your NHS pension based on membership, which does not include GMP

Xafinity Paymaster will pay the Scheme's share of GMP increases with your NHS pension. DWP will pay their share of GMP increases with your State pension.



Sometimes Xafinity Paymaster may have to calculate the increase on the balance of your NHS pension before the DWP have notified them of the value of your GMP. If this happens, or a change to your GMP is notified, your pension may need to be reduced and an overpayment may be caused. Xafinity Paymaster will write to you about adjusting your pension when they know the correct amount of GMP.

## Will the DWP always pay their part of GMP increases?

Sometimes the DWP may be unable to pay their part of the increase on a GMP. This can happen if you live in certain foreign countries, or if you retire from the NHS before you qualify for the State pension. If this happens you will not be worse off. The DWP will tell Xafinity Paymaster and they will pay the full increase on the whole of your pension.

## If I receive a lump sum will it attract Pensions Increase?

Only if your benefits are based on pay for membership that ended 16 days or more before payment was due, for example, deferred benefits. The lump sum is increased by the same percentage as the pension. If you claim deferred benefits early (before age 55) you may have to wait until age 55 before you are paid the extra amount.

Her Majesty's Revenue and Customs (HMRC) has confirmed that any increase in your lump sum due to Pensions Increase is a Benefit Crystallisation Event. This means we will contact you again, either to confirm the extra percentage of Lifetime Allowance (LTA) used, or if you were a high earner or have transitional protection to confirm your current LTA position. This is to ensure that you have enough LTA remaining to allow payment of this increase without a Lifetime Allowance Charge (LTAC).

# What if I want to work after I retire?

The effects of returning to NHS work after retirement depend on which Section of the NHS Scheme you are a member of and what your last day of pensionable employment was.

If you are thinking of returning to NHS employment (including a Direction Body) you should read the 'Working After Retirement' Factsheet, available on the website at: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Your pension may be abated. That is, it may be reduced or stopped altogether while you are working, so you must tell your employer that you have a pension from the Scheme and write to Xafinity Paymaster before you go back to work in the NHS with the details.

Also if you are in receipt of a Tier 2 ill-health pension and become re-employed anywhere, including outside the NHS, you should read the Factsheet 'Ill Health Retirement – Returning to work with a Tier 2 pension', available on the website at: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). This gives further details of the effects of working after retirement.

*In all cases your pension will not be abated if you return to NHS work before age 60/65 as a result of compulsory transfer of a non-NHS post.*

## What if abatement applies to me?

If you are paid at a fixed rate of pay or are a practitioner

Xafinity Paymaster will let you know the amount that you can earn each year without affecting your pension payments. This figure is called your annual earnings margin.

When your NHS work begins Xafinity Paymaster will compare your expected pay for the year, with your earnings margin and if necessary adjust your pension payments. This is done so that overpayments of pension can be avoided wherever possible.

At the end of each financial year, Xafinity Paymaster will ask your employer how much you were paid during the year from 1 April to 31 March. They will compare your pay for the year against your annual margin and the pension you received for the year. (If you have been retired for less than a full year, Xafinity Paymaster will not include in your pay for the year any monies earned prior to retirement.)

When comparing your pay against your earnings margin, Xafinity Paymaster will check whether you were paid more or less than expected during the year. They may adjust the amount of pension that you are paid, in order to avoid an overpayment or shortfall of pension during the coming year.

If you have been paid too much pension for the year you will have to pay the overpayment

### Further information

Factsheets giving more details about Working After Retirement and Ill Health Retirement – Returning to work with a Tier 2 pension are available from:

[www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)

back. If your pension has been underpaid, arrears will be paid to you to make up the shortfall. Xafinity Paymaster will review your pension payment immediately if your expected pay for the year changes due to:

- a pay rise
- a change in your grade
- a change in the number of hours you work
- a back dated award that increases your pay from the day your NHS work started
- a change in your partnership share (medical and dental practitioners only).

### If your pay varies

Xafinity Paymaster will let you know the amount you can earn without affecting your pension payments. Because your pay varies it is difficult to forecast whether your pension will be affected, so Xafinity Paymaster will carry out a half yearly check on your pay. Xafinity Paymaster will let you know how much pay you can receive each half year before the payment of your NHS pension maybe affected. This figure is called your half yearly earnings margin.

Xafinity Paymaster will ask you or your employer how much you were paid during the half year. They will compare your pay with your half yearly earnings margin. This is done so that overpayments of pension can be avoided wherever possible.

At the end of each financial year Xafinity Paymaster will look at your pay for the whole year and compare it with your annual earnings margin (your half yearly earnings margin x 2). This has the effect of “spreading” your pay evenly across the whole year. This could mean that if you have repaid pension because you were overpaid in one half of the year but have been below your earnings margin in the other, you may receive some pension back. In some circumstances however, it could mean that there has been a further overpayment of pension which you will have to repay.

Xafinity Paymaster may also adjust the amount of pension you are paid each year, in order to avoid an overpayment or shortfall of pension during the coming year.

## What changes should I tell Xafinity Paymaster about?

The NHS pension you are entitled to while you are working may change if you have:

- an increase in your pay
- a pay rise backdated to when you started work, or carried on working, in the NHS
- a change in the conditions of your work (including promotion)
- a change in the number of hours you work
- a change in your partnership share (medical and dental practitioners only).

# Will my family benefit after I die?

The Scheme provides pension benefits to your dependants in the event of your death. The benefits payable will depend on your circumstances at the time of your death.

The table below gives you a summary of the benefits your dependants may receive after you die in retirement.

Benefit	1995 Section	2008 Section
Lump sum	The lesser of:  5 x annual pension less amount of pension already paid; or  2 x final annual pay less any retirement lump sum paid.	The lesser of:  5 x annual pension less amount of pension already paid; or  2 x reckonable pay less any retirement lump sum taken.
Widow's pensions	50% of your pension in payment*  Short term pension payable at rate of member's pension paid for the first 3 months or 6 months if there is at least one dependant child	37.5% of your pension in payment***  Short term pension payable at a rate of member's pension paid for first 3 months or 6 months if there is a least one dependant child
Widower's/Civil partner's/ Nominated partner's pension	50% of your pension in payment*, based only on membership from 6 April 1988**  Short term pension payable at rate of member's pension paid for the first 3 months or 6 months if there is at least one dependant child	37.5% of your pension in payment***  Short term pension payable at a rate of member's pension paid for first 3 months or 6 months if there is a least one dependant child
Children's pension****	25% of your pension for 1 child  50% shared equally if 2 or more	18.75% of your pension for 1 child  37.5% shared equally if 2 or more

\* These benefits may be higher if you opted to receive a higher lump sum when you retired.

\*\* These benefits may be higher if you have purchased Additional Survivor Pension cover for your dependants.

\*\*\* May not include any additional pension being paid and may be higher if you opted to take a lump sum when you retired.

\*\*\*\* Higher rates may be payable if there is no survivor's pension payable



## Will a Death Lump Sum be payable?

Whether a Death Lump Sum can be paid, and how much it may be, depends on the total amount of retirement benefits you had from the Scheme up to the date of your death.

A death lump sum is not normally included in an Inheritance Tax assessment if paid to your spouse or a registered civil partner. A death lump sum paid to a nominated person (or persons) may be included in an Inheritance Tax assessment. A death gratuity paid into a deceased person's estate will normally be included in an Inheritance Tax assessment. If you nominate a person (or persons) they should check their own tax position with HMRC. More details about Lifetime Allowance Charges for death gratuities can be found on the Factsheet 'Limits on Tax Free Pension Benefits' available on the website at: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

Any lump sum payment due will be automatically paid to your spouse, registered civil partner or qualifying partner unless you have nominated someone else on form DB2. If you do not want this to happen and your Scheme membership:

- Extended to or beyond 1 April 2008 then you can change your instruction and complete a new form DB2 at any time.
- Ended before 1 April 2008 then you can cancel an earlier nomination or request not to pay to legal spouse or civil partner on form DB1, but you cannot make a new nomination unless you rejoin the Scheme.

You can get these forms from the website at: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions) and any lump sum will be paid to your nominee(s).

If you **only** have a pension credit in the Scheme you can cancel an earlier nomination for a request not to pay your legal spouse, but you **cannot make a new nomination**.

If you are single, divorced or have terminated a civil partnership, the lump sum will automatically be paid to your estate unless you have a nominated qualifying partner or nominated someone on form DB2.

If you have nominated a person (or persons) or organisation to receive the lump sum then it will be paid automatically to this nominee, without waiting for Grant of Probate or Letters of Administration.

Any death lump sum must be claimed and paid within 2 years of your death being notified to us, otherwise it becomes subject to 40% tax. It is important that you keep your legal personal representative up to date with your circumstances.

### Further information

A factsheet giving more details about Limits on Tax-free Pensions is available from:

[www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)

## Can I nominate a qualifying partner?

A member who contributes to the Scheme on or after 1 April 2008 can nominate a qualifying partner, other than a spouse or registered civil partner, to be eligible to receive a survivor's pension provided all of the following conditions are satisfied:

- neither person has a legal partner i.e. a spouse or registered civil partner
- they are not related to each other in a way which would prevent marriage/registered civil partnership
- they are living together as if they were husband and wife or civil partners
- the relationship is intended to continue indefinitely
- one partner is financially dependent on the other or they are financially interdependent on each other.

Form PN1, available from the website: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions) or you can ask your Pensions Officer to download one for you, needs to be completed and signed by both parties and sent to NHS Pensions.

In the event of a claim from a nominated qualifying partner it will be necessary to provide evidence that, for a continuing period of at least two years, the statements in form PN1 are satisfied as at the date of the member's death.

### Important notice

It is very important that members who are in a relationship which is not legally recognised, register their relationship using form PN1. Failure to do so will mean that their partner will not be entitled to receive a dependant's pension.

## What if I marry, form a civil partnership or nominate a qualifying partner after I retire?

If you marry, form a civil partnership or nominate a qualifying partner after you have retired or left the Scheme, your spouse or partner will receive a pension, for 3 months after your death (or 6 months if you have one or more dependent children), which will be the same as your pension.

The permanent pension for:

- 1995
- your widow, will be half of your pension for membership from 6 April 1978 only.
  - your widower/civil partner/nominated qualifying partner, will be half of your pension for membership from 6 April 1988 only.

- 2008
- 37.5% of your pension for all your membership.

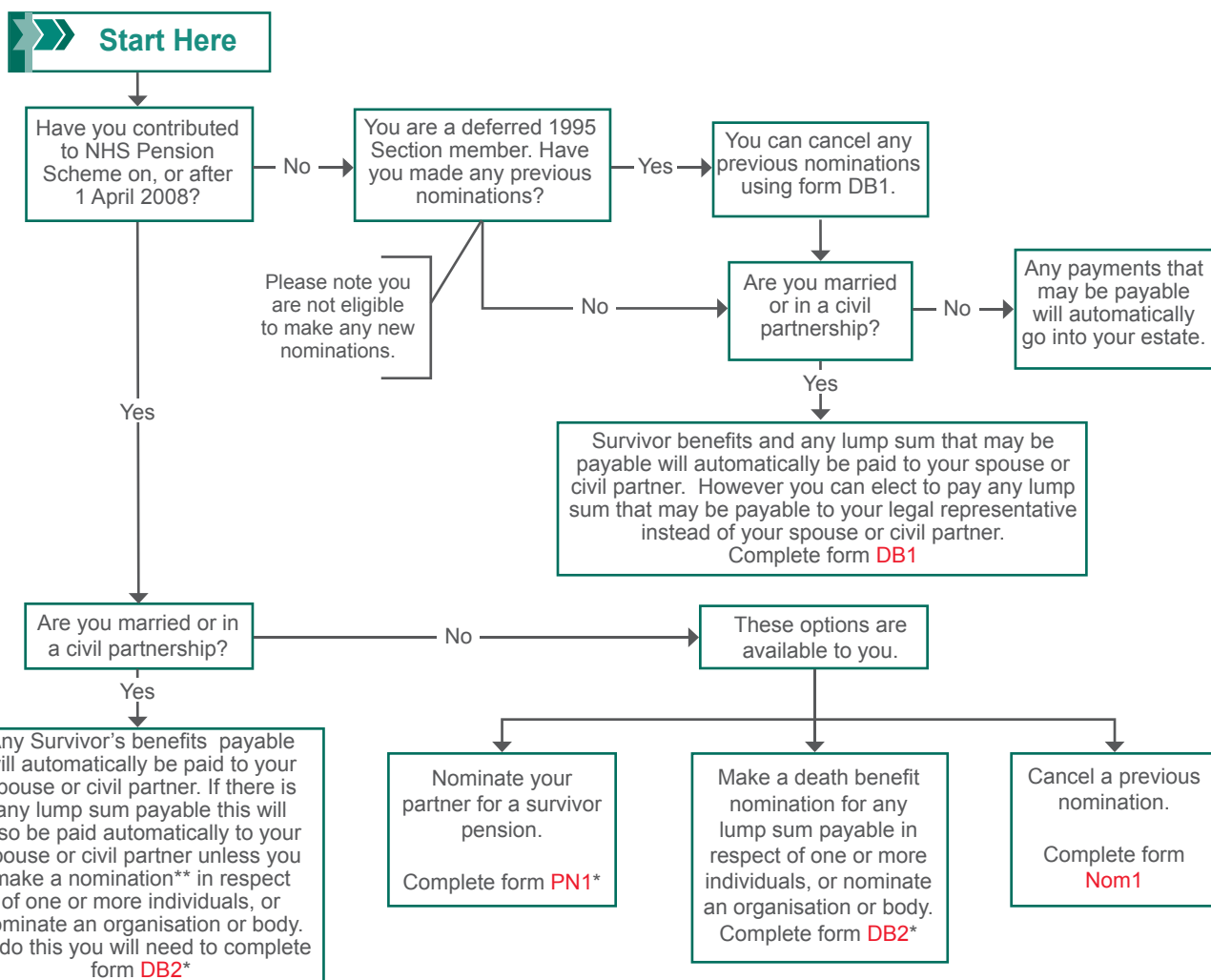
## What about the payment of a survivor's pension?

If your membership of the Scheme extended to or beyond 1 April 2008, a survivor's pension is payable for life regardless of whether the recipient remarries, forms a civil partnership or lives with someone else as a spouse or partner.

If your membership of the Scheme ended before 1 April 2008, a survivor's pension will normally end if the recipient remarries, forms a civil partnership or lives with someone else as a spouse or partner.

### Important notice

It is important that you keep your nominations up to date to ensure that your benefits are paid as swiftly as possible to who you want to receive them. Forms are available on the NHS Pensions website to nominate who you wish to receive any lump sum and also to register your partner for a pension. Use the flowchart below to see which forms you may need to keep your records up to date.



\* Please note by completing this form any previous nominations are cancelled.

\*\* If you made a Death Benefit nomination before you were married or in a civil partnership but you now want your spouse to automatically receive any lump sum payable you should complete and send us a NOM1 form. This would cancel any previous Death Benefit nominations held on your record.

## What if I have dependent children?

If you have dependent children a Child Allowance may be payable on your death. Please note that this Child Allowance can also cover a number of other possible child dependents, not just your own children.

“Child” can include:

- biological children
- children of your civil partner or nominated qualifying partner
- step children and adopted children
- a brother or sister of you, your spouse, civil partner or nominated qualifying partner
- a nephew or niece of you, your spouse, civil partner or nominated qualifying partner
- a grandchild
- a half brother, half sister, step brother, or step sister of you, your spouse, civil partner or nominated qualifying partner
- children born before you left the Scheme with deferred benefits
- children born within 12 months of the date you retired.

Therefore please ensure your dependants or their representative is aware of the allowance and the date you stopped paying pension contributions, to enable them to make an application after your death. The application form is available in the member forms section of the website.

**Where your Scheme membership extends to or beyond 1 April 2008** an allowance may be paid if the child is dependent on you, both at retirement and on death, and they are:

- under age 23, or
- aged 23 or over and incapable of earning a living due to permanent physical or mental infirmity from which he/she was suffering at the time the member died.

**Where your Scheme membership ended before 1 April 2008** an allowance may be paid if the child is dependent on you, both at retirement and on death, and they are:

- under age 17, or
- aged 17 or over but still in full-time education or training and have been so continuously since the age of 17 until they reach a maximum age of 23, or
- aged 23 or over and incapable of earning a living due to permanent physical or mental infirmity from which he/she was suffering at the time the member died.



# Help and general Information

## Contact details

You can contact us at:

NHS Pensions  
Hesketh House  
200-220 Broadway  
Fleetwood  
Lancashire FY7 8LG



Telephone: 0845 421 4000 or email us via the website at: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)  
If you live outside the United Kingdom the telephone number is 0044 191 203 5609

The switchboard is open from 8am to 6pm Monday to Friday. We are closed on Public Holidays.

You can also fax us on 01253 774412.

If you have a NHS Pension Scheme membership number (it begins with “SD”) it will help if you quote it. If you do not have a membership number please quote your National Insurance number.

Xafinity Paymaster’s address is:

Xafinity Paymaster  
Sutherland House  
Russell Way  
Crawley  
West Sussex  
RH10 1UH



Telephone: 0845 1212 522  
If you live outside the United Kingdom the telephone number is 0044 1293 591959

If you need to get in touch with Xafinity Paymaster about the payment of your pension, please write or telephone, telling them your Xafinity Paymaster pension reference number.

Below are the contact details for persons or organisations you may wish to get in touch with.

### NHS money purchase AVC providers

#### Standard Life

Group Pensions Public Sector  
Standard Life House, 30 Lothian Road, Edinburgh, EH1 0WT  
Telephone: 0800 33 33 06 or visit their website [www.standardlife.co.uk/nhs](http://www.standardlife.co.uk/nhs)

#### Prudential

NHS AVC Department, Prudential, Stirling, FK9 4UE  
Telephone: 0845 070 2456 or visit their website [www.pru.co.uk/nhs/](http://www.pru.co.uk/nhs/)

## NHS stakeholder pensions

### Standard Life

Stakeholder Pensions

Standard Life House, 30 Lothian Road, Edinburgh, EH1 0WT

Telephone: 0800 33 33 06 or visit their website [www.standardlife.co.uk/nhs](http://www.standardlife.co.uk/nhs)

### TUC/Prudential

TUC Stakeholder Customer Service Centre

Prudential, Stirling, FK9 4UE

Telephone: 0845 070 6666 or visit their website [www.pru.co.uk/nhs/](http://www.pru.co.uk/nhs/)

## The Pensions Advisory Service (TPAS)

If you wish to contact TPAS the address is:

11 Belgrave Road  
London, SW1V 1RB



Telephone: 0845 601 2923 or visit their website [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

## Pensions Ombudsman

If you wish to contact the Pensions Ombudsman the address is:

11 Belgrave Road  
London, SW1V 1RB



Telephone: 020 7630 2200 or visit their website [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

## Pensions Regulator

If you wish to contact the Pensions Regulator, the address is:

The Pensions Regulator  
Napier House, Trafalgar Place, Brighton, BN1 4DW



Telephone: 0870 606 3636 or visit their website [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

## Financial Services Authority (FSA)

If you wish to contact the FSA, the address is:

25 The North Colonnade  
Canary Wharf, London, E14 5HS



Telephone: 020 7066 1000 or visit their website [www.fsa.gov.uk](http://www.fsa.gov.uk)



## Notice about data given to NHS Pensions

We have a duty to protect the public funds we administer. To this end we may use the information provided to us for the prevention and detection of fraud and share it with other bodies administering public funds solely for these purposes.

NHS Pensions is currently participating in an anti-fraud initiative organised by the Audit Commission and being carried out under Section 6 of the Audit Commission Act 1998. Under this initiative we are providing details of occupational pensioners to the Commission so that they can compare them with information provided by other public bodies to ensure that:

- No pensions are being paid to persons who are deceased;
- Occupational pension income is being declared by housing benefit claimants; and
- Re-entry to the Scheme is disclosed

While the object of the exercise is the detection of fraud, these exercises help ensure the best use of public funds.

## Data protection

NHS Pensions is part of the NHS Business Services Authority (NHSBSA) and the Data Controller for the purposes of the Data Protection Act 1998 (DPA) is the NHSBSA.

NHS Pensions holds information provided by your employer for NHS Pension Scheme purposes and in relation to the NHS Injury Benefit Scheme and certain other statutory functions assigned by Parliament. The information we hold may be used for any of the functions of NHS Pensions. We may need to obtain additional information about you from other sources. If we do, it will only be as the law allows, for instance to:

- check accuracy of information
- prevent or detect crime
- protect public funds

We may check this information we receive about you with what is already in our records. This may include information provided by you as well as by others such as other government departments, agencies and overseas authorities. We will not give information about you to anyone outside of NHS Pensions unless the law allows us to do so, or you have given us permission to do so.

NHS Pensions has a legal duty to protect the confidentiality of information about NHS employees and pension scheme members. We take appropriate precautions to protect any information you give us, whether by our website or by other means because of legislation such as the DPA.

You have the right to ask for details of any data which NHS Pensions holds about you. If you wish to do this you can write to the Information Governance Manager at the address shown later in this section or email [data.protection@nhsbsa.nhs.uk](mailto:data.protection@nhsbsa.nhs.uk). Your letter should include:

- your name and address
- your National Insurance number
- your Pension Scheme membership (SD) number

If information held about you has been provided to NHS Pensions by another body or person, NHS Pensions may require their permission for its contents to be disclosed to you.

we take appropriate security precautions to protect any information you give us



## Freedom of information

The Freedom of Information Act 2000 (FOIA) came into force on 1 January 2005. Under the Freedom of Information Act 2000, you may request information from a public authority such as the NHSBSA, of which NHS Pensions is a part. This Act confers two statutory rights on applicants:

- To be told whether or not the public authority holds that information; and if so,
- To have that information communicated to them.

### Who can request information?

Anyone can request information under the FOIA regardless of age, nationality or location. You should make any requests to the Information Governance Manager at the address shown later in this section.

### What information will be available?

Any information held by a public authority is eligible for release. However, a number of exemptions may be applied to protect information.

### Freedom of Information Act

The FOIA requires publicly funded organisations, such as government, schools, hospitals, etc. to have a Guide to its Information, to put in place systems for effective records management, and respond to requests from the public for information. The FOIA recognises the need to maintain government confidentiality in some circumstances and hence includes exemptions.

Further details about the Act and its implementation can be found on the Information Commissioner's website. The NHSBSA's Guide to our Information is available on our website at <http://www.nhsbsa.nhs.uk/FreedomOfInformation.aspx>

### Information Governance

The address for Freedom of Information and Data Protection enquiries about NHS Pensions is:

Information Governance Manager  
NHS Business Services Authority  
Bridge House  
152 Pilgrim Street  
Newcastle Upon Tyne  
NE1 6SN

Or email: [foi.request@nhsbsa.nhs.uk](mailto:foi.request@nhsbsa.nhs.uk)



or visit their website at: [www.nhsbsa.nhs.uk](http://www.nhsbsa.nhs.uk)

## Complaints and disputes

### What to do if things go wrong

We make every effort to get things right. If we have made a mistake we will apologise and make sure you receive your correct benefits and entitlements as quickly as possible. If we cannot resolve your complaint informally, we have a formal Dispute Resolution procedure that complies with pension legislation.

### How do I complain?

Anyone who receives, or expects to receive benefits from the Scheme, or wishes to join the Scheme, or is nominated by the above to represent them can make a complaint. If you wish to complain please write to us at the address at the beginning of this section. Alternatively, please email [complaints@pensionsagency.nhs.uk](mailto:complaints@pensionsagency.nhs.uk)

If you have made a complaint that we have been unable to resolve you may ask for your case to be considered under our formal Dispute Resolution procedures which are set out below.

### What is the Dispute Resolution procedure?

The Dispute Resolution procedure is a formal two stage process, the first of which asks you to complete Stage 1 application form DRP1 that you can download from the website at:

[www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)

Your case will be reviewed by a Disputes Officer and we will let you have a response within two months. If we are unable to give you a decision within that timescale, we will write and tell you why.

If you remain dissatisfied you are entitled to have your case looked at a second time.

Your case will then be reviewed by a Disputes Manager and we will let you know the outcome within two months. If we are unable to give you a decision within that timescale we will write and tell you why.

### Where you can get further advice

You can get advice from The Pension Advisory Service (TPAS) at any time. You can also ask the Pensions Ombudsman to investigate and give a decision on any complaint or dispute. The address for both of these can be found in this section.

Please note however that the Pensions Ombudsman will normally expect any complaint to have been looked at under our Dispute Resolution procedures first.

The Pensions Regulator oversees pension scheme administration and can grant certain time limit extensions and deal with complaints about non-disclosure of information. Their address can also be found in this section.



## Some general points

### Scheme Rules

The rules of the NHS Pension Scheme are laid down in regulations agreed by Parliament. They are the National Health Service Pension Scheme Regulations 1995 and subsequent amendments, plus National Health Service Pension Scheme Regulations 2008 and subsequent amendments. You can view these on the website at: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)

The Scheme is “registered” under the Finance Act 2004.

The Scheme is contracted out of the State Second Pension Scheme (S2P) under the Pensions Act 1995.

### Scheme Administrator

The Scheme Administrator is the NHS Business Services Authority, a Special Health Authority. You can contact the Scheme Administrator via NHS Pensions using the contact details on page 30 of this guide.

### Pension Scheme Fund

The NHS Pension Scheme does not have an invested pension fund as per private sector pensions, but as a statutory scheme, benefits are fully guaranteed by the Government.

Contributions from both members and employers are paid to the Exchequer, which meets the cost of Scheme benefits.

## The NHS Retirement Fellowship

The NHS Retirement Fellowship is a registered charity, created in 1978 for the benefit of all employees of the NHS, together with their partners. Thousands of Fellowship members enjoy a range of social, leisure, educational and welfare activities through a network of branches across the UK. The branch provides a venue for healthcare staff to continue friendships formed during employment and offers the opportunity for individuals to make new friends and enjoy companionship of people from a shared NHS background. Members come from all sections of the NHS.

### More Information and How to join the Fellowship

If you would like to know more information and join the Fellowship to take advantage of the many activities and benefits it provides, simply read the factsheet and complete the membership application form available on the website, [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). You can also contact the fellowship directly by:

- telephone the Fellowship Director on 01305 361317
- e-mail to [info@nhsrf.org.uk](mailto:info@nhsrf.org.uk)
- visit their website at [www.nhsrf.org.uk](http://www.nhsrf.org.uk), or
- write to The Fellowship Director, NHS Retirement Fellowship, Forston Clinic, Charminster, Dorchester, Dorset, DT2 9TB.

### Further information

A factsheet giving more details about The NHS Retirement Fellowship is available from:

[www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)

## Glossary of common terms

**Allocation** - Giving up part of your pension now to provide an income for someone else when you die.

**Benefit Crystallisation Event** - The date accrued benefits are put into payment.

**Capital value** - This is the value placed on your NHS Scheme benefits by HMRC and is calculated by multiplying your pension by 20 and adding the value of your lump sum.

**Career Average Revalued Earnings (CARE)** - For Practitioners only. A method of calculating your pension by reference to your earnings over your entire Practitioner membership.

**Contributions** - The amount needed to be paid into the scheme to pay for the benefits. This is split between members and employers.

**Deferred benefits** - A pension (and retirement lump sum) that is due to be paid at a later date.

**Deferred members** - People who have left the Scheme but have not yet taken their pension. These members are also sometimes referred to as having preserved benefits.

**Dependant** - A spouse, civil partner, nominated qualifying partner or dependant child who qualifies to receive a pension after you die.

**Guaranteed minimum pension** - As the Scheme is contracted out of the State Second Pension, this is the minimum amount of pension you will receive from the Scheme.

**HMRC** - Her Majesty's Revenue and Customs (formally the Inland Revenue).

**Lifetime Allowance** - The limit on the value of retirement benefits that you can draw before tax penalties apply.

**Maximum lump sum** - The maximum charge free cash you can take from your pension benefits when you retire. HMRC determine this as being the lower of

- 25% of the available lifetime allowance.
- 25% of the capital value of your benefits to be paid.

**Membership** - The time you spend at work that counts towards your pension.

**Minimum pension age** - This is the earliest age you can take your pension benefits, unless you are taking ill-health retirement benefits.

**NHS Staff** - Most employees working for the NHS.



**Normal pension age** - The age at which pension benefits can be claimed without an actuarial reduction for early payment, and without an actuarial enhancement for late payment.



The normal pension age for members of the 1995 Section of the NHS Pension Scheme is 60.



Members of the 2008 Section of the NHS Pension Scheme have a normal pension age of 65.

Members of the Special Classes (which only applies to certain categories of member in the 1995 section of the NHS Pension Scheme) have a normal pension age of 55.

**Pension** - An annual amount of income paid once you have retired from the Scheme.

**Pensionable pay** - The amount of your salary that is used to calculate the amount of contributions you pay.

**Pensionable earnings** - The amount of your income that represents your earnings for NHS work and is used to calculate the contributions you pay and how much your pension will be. Some members may have been restricted by a maximum amount set by HMRC (the earnings cap) for membership between 1 June 1989 and 31 March 2008 when the limit was removed. Dentists may have previously been affected by a restriction called the Maximum Allowable Remuneration but this was removed from 31 March 2008. Affected members will receive pensions based on capped earnings before the change and uncapped earnings after the 31 March 2008.

**Practice and Approved Employer Staff** - Staff who work for a General Practice or for other employers connected to the NHS for whom agreement has been reached that they can participate or continue in the NHS pension arrangements.

**Practitioners** - NHS medical, dental and ophthalmic practitioners, including assistants and some locums.

**Reckonable pay - 2008 Section only** - The annual average of the best three years' consecutive pensionable pay in the 10 years before leaving or retirement, re-valued by increases in inflation. Some members may have been restricted by a maximum amount set by HMRC (the earnings cap) for membership between 1 June 1989 and 31 March 2008 when the limit was removed. Additionally dentists may have been affected by a restriction called the Maximum Allowable Remuneration but this also has been removed from 31 March 2008. Affected members will receive pensions based on capped earnings before the change and uncapped earnings after the 31 March 2008.

**Re-employment** - Returning to NHS work after taking pension benefits from NHS Pension Scheme

**Retirement lump sum -**

- **1995 Section** - A cash payment made at the time of retirement. Normally this is three times your pension amount but you can choose to take a bigger lump sum and have a smaller annual pension if you want to. There are some members whose lump sum may be less than 3 x pension if they started membership before 25 March 1972 or if they have elected to buy benefits for a spouse or partner by having a deduction taken from their retirement lump sum.
- **2008 Section** - There is no basic lump sum entitlement.

**Revaluation factor - Practitioners only** - A way of increasing the recorded value of each year's pensionable earnings to maintain their buying power by reference to current earnings values. Historically these have been linked to the relevant earnings of each group. These have also been called Indexation Factors and Dynamising Factors.

**Regulations** - The legal framework that sets out the rules of the Scheme.

**Scheme** - In this booklet, the Scheme refers to the NHS Pension Scheme.

**Special Class Member** - Nurses, midwives, health visitors, physiotherapists and mental health officers in post before 6 March 1995.

**State pension** - A pension paid by the Government when you reach State Pension Age based on your National Insurance payments or credits.

**State Second Pension (S2P)** - A separate part of the State pension based on the amount of your earnings since 6 April 1978 on which you have paid National Insurance contributions. Before April 2002, the Second State Pension was known as the State Earnings Related Pension Scheme (SERPS). The Scheme is contracted out of the State Second Pension.

**Voluntary protection of pay** - Choosing to work in a lower paid job as you start to reach retirement.

**Up-rated earnings** - The final value of pensionable earnings after adding all year's earnings and applying revaluation factors.



