

# A Guide to Administering the NHS Pension Scheme for Out of Hours Providers

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## Chapter 1: About this Guide

The purpose of this Guide is to provide pension administration guidance and instructions to Out of Hours Providers (OOHP's) who are NHS Pension Scheme Employing Authorities.

The Guide is divided into several chapters covering different aspects of NHS Pension Scheme administration, further help is available from the NHS Pensions website (<http://www.nhsbsa.nhs.uk/pensions>) and (<http://www.nhsbsa.nhs.uk/2529.aspx>). To contact NHS Pensions please click [here](#).

There is also a dedicated email address that OOHPs can use to contact NHS Pensions in respect of GPs pensions; [practitioners@nhspa.gov.uk](mailto:practitioners@nhspa.gov.uk). This contact email address should only be used for GP related enquiries.

NHS Pensions address is:

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

Telephone Number:- **0845 421 4000** member helpline and  
**0845 610 1119** employer helpline

The office is open:

08.30am to 6pm Monday to Friday

***This Guide must be made available to anyone dealing with NHS Pensions.***

## Chapter 2: The NHS Pension Scheme

The NHS Pension Scheme (England & Wales) is administered by the NHS Pensions based at Hesketh House, Fleetwood, Lancashire.

There are 2 sections to the NHSPS; the 1995 section and the 2008 section. The 2008 section is sometimes referred to as the 'new Scheme'. The NHSPS is a statutory occupational pension scheme that is 'contracted' out of the Second State Pension (formally State Earnings Related Pension Scheme). This means that Scheme members pay reduced National Insurance contributions. Pension benefits at retirement are based broadly on membership and pensionable pay during pensionable employment. Every NHS employee is a member of the NHSPS, unless they proactively opt out in writing.

The NHSPS Contracted out number (SCON) is: S2730000B  
The Employers Contracted out Number (ECON) is: E3900000M

The NHSPS offers a range of index-linked pension benefits at retirement and life assurance cover. Employer contributions are based on 14% of pensionable pay. Employee contributions are tiered and range from 5% to 8.5% and attract tax relief. More information regarding contributions can be found at <http://www.nhsbsa.nhs.uk/pensions>.

NHSPS benefits are paid for by the contributions made by members and employers and are underwritten and guaranteed by the Government, (i.e. Treasury). The NHSPS 'fund' is not invested in stocks or shares and is, therefore, not subject to the vagaries of the Stock Market, unlike most private pension schemes.

The terms of the Scheme are set out in statutory regulations, which can be viewed on NHS Pensions website.

The NHSPS offers: -

- An annual pension and tax-free lump sum at retirement.
- Life Assurance benefits including a death gratuity, nominated spouses/partner pensions, and child allowances for dependent children under 23.

Pension benefits are index linked to protect their value. Pensions awarded from age 50 do not attract cost of living increases until age 55 unless the member retires due to ill health.

The normal pension age under the 1995 section of the NHS Pension Scheme is 60; under the 2008 section it is 65.

NHSPS members may retire voluntarily before normal pension age; however, their benefits would be actuarially reduced.

## Chapter 3: NHS Pensions Responsibilities

NHS Pensions operational functions are to:

- Maintain records of Scheme members and pensioners;
- Award pension benefits;
- Ensure that Employing Authorities make timely and correct payments of employers' and employees' contributions and maintain and implement such information and other systems as may be necessary to fulfill these functions;
- Preserve benefits for early leavers;
- Provide basic estimates of benefits entitlement on request;
- Pay transfer values to members moving out of the Scheme and receive payments for people transferring into the Scheme;
- Pay refunds of contributions;
- Process applications to purchase additional benefits under the Scheme;
- Publicise the Scheme and encourage awareness among NHS staff about the Scheme and the benefits available.
- Comply with all relevant pensions legislation including The NHSPS Regulations, The Pensions Act, The Data Protection Act, and The Occupational Pension Scheme (Disclosure of Information) Regulations.

## Chapter 4: Out of Hours Providers Responsibilities

All OOHPs (that are Employing Authorities) are legally bound to administer the NHSPS locally under the Pensions Acts of 1995 and 2004, as well the NHS Pension Scheme Regulations.

Those OOHPs that are Employing Authorities are obliged to offer the Scheme to all of their eligible employed staff, including those who work part-time and on 'the bank'. The Scheme's inherent good value will ensure that most staff see membership as a real plus point aiding recruitment and retention

Broadly stated the OOHPs' responsibilities are to:

- Maintain pension records by way of Pensions Online (POL) or alternative arrangements.
- Deduct employee contributions and forward these along with employer contributions (at the correct rate) to NHS Pensions on time, i.e.: by the 19<sup>th</sup> day of the month following payment of salary. **Please note that different rules apply for GPs.**
- \*Deduct employee and employer contributions in respect of all types of GPs (except freelance GP Locums) and forward to the specific commissioning PCT/LHB at the correct rate and on time; i.e. by the 7th day of the month following payment.
- Maintain pension records.
- Inform NHS Pensions through Pensions Online (or other arrangements) when a pensionable employee joins or leaves.
- Provide form ([SD502](#)) on request only, to those employees who choose to opt out of the Scheme; GPs cannot opt out of selective OOHs posts.
- Complete benefit claim [forms](#). In the case of AW8's (Pensions application) these are to be completed through Pensions Online unless the member is retiring from the 2008 section or you do not have access to POL, in which case the paper form is to be forwarded on to NHS Pensions.
- Pay initial widows/widowers and dependants pensions.

***\*OOHPs must never send in pension forms or contributions in respect of GPs directly to NHS Pensions. A GP SOLO form must be sent to the GP's host PCT/LHB and can be found by clicking on this [link](#). The GP must tell you who their host PCT/LHB is.***

***\*A GP who sets themselves up as a unique limited company for the purposes of their OOHs work cannot pension their OOHs income.***

## Chapter 5: Pension Records and Contributions

Almost all NHS staff are eligible to join the NHSPS, they also have the freedom to opt out and to either join the Second State Pension or a personal pension instead. OOHPs have a legal duty to make their staff aware of their pension rights. If anyone requires advice they should always be referred to an independent financial advisor.

Pensionable non-GP staff employed by OOHP are afforded 'Practice Staff' NHSPS rights. That is, they are afforded the same NHS pension rights as GP Practice staff.

***GPs are always afforded 'Practitioner' NHSPS rights. The Employing Authority for an OOHPs GP is always the PCT/LHB, even if an OOHP may employ a GP.***

Most NHSPS Employing Authorities use Pensions Online (POL). The advantages are:

- Overnight updating.
- Guidance on how to complete forms etc.
- Sturdy validation checks that will lead to fewer processing errors.
- Reduces the potential loss of forms in transit to the Agency.
- The ability to produce estimates of benefits for some employees.

***POL can only be used for Practice Staff, not GPs.***

### Joining the NHSPS

NHSPS rules require all **non-GP** staff (i.e. employed staff who are not GPs) to be automatically joined by using the starter form SS10 (GP), which can be completed by accessing Pensions Online (POL). If an OOHP does not have access to POL then they must complete a manual SS10 (GP) and send it to NHS Pensions by clicking on this [link](#).

The SS10 (GP) joiner form must include:

- The member's full name and permanent address.
- Their National Insurance number.
- A verified date of birth.

***The SS10 (GP) joiner form must not be used for GPs; form SOLO should be used. A GP who sets themselves up as a unique limited company for the purposes of their OOHPs work cannot pension their OOHPs income.***

Capacity codes are used to identify employment groups. It is essential that the correct codes are provided on the form SS10 (GP).

Capacity Code	Employment example
1	Nurse, Health Visitor, Physiotherapist
4	Clerks, Managers, Directors
5	Paramedics, Drivers, Cleaners, Porters

### Opting Out

If a non-GP employee does not wish to join the NHSPS they must formally opt out on form [SD502](#). More information regarding joining the Scheme and which section of the Scheme they will join (i.e. 1995 section or 2008 section) can be found [here](#).

***GPs cannot opt out of pensioning their OOHs income if they have other GP pensionable posts.***

### Updating Records

The following instructions under this heading apply only to employed staff that are not GPs by virtue that the form SOLO is used to record a GP's OOHs pensionable income.

In respect of pensionable (non-GP) employed staff an OOHP must complete the annual SD55 update form every year covering the period 1 April to 31 March. The SD55 must include the following information.

- An annual exit code of '05' if the person remains employed.
- A record of part-time hours if the member is on a PT contract.
- A record of any changes during the period; i.e. PT to WT or vice-versa.
- A record of main (and any additional) Scheme contributions.
- Pensionable pay.

**The SD55 must be completed and sent to NHS Pensions within two months of year-end; i.e. no later than the 31<sup>st</sup> of May.**

***An SD55 must never be completed in respect of an OOHs GP; the correct form to use is the SOLO form.***

There is no minimum number of hours that can be pensionable in the NHSPS. The maximum numbers of hours that can be pensionable are the normal whole-time hours for the relevant job; i.e. the standard whole-time working week. If a part-timer works additional hours they are pensionable up to the standard whole-time equivalent working week. If a non-GP employee has 2 or more posts, that together will exceed the whole-time hours, the aggregated hours in excess of the whole-time are not pensionable.

There are variations to the SD55 form as follows.

SD55T; to be used when the member retires, leaves employment, or opts out.

SD55G; to be used for updating personal details; i.e. a change of address.

SD55E; to be used for amending data already submitted on a SD55.

AW171; to be used when pensionable pay, hours, or contributions have changed **after** pension benefits have been awarded.

More detailed information can be found at,

<http://www.nhsbsa.nhs.uk/Pensions/2494.aspx>

<http://www.nhsbsa.nhs.uk/Pensions/2518.aspx>

### Contributions and Pay

There are different rules for Practice Staff (non-GP employees) and for OOHS GPs (Practitioners) in respect of tiered employee contributions. Newsletter 3/2010 provides detailed information about 2010/11 contributions.

***OOHPs must take note of Employer Newsletters and should refer to NHS Pensions website (the 'Employers' section) on regular basis for updated guidance on tiered contributions.***

To summarize the tiered contributions rate for Practice Staff is broadly based on their (WTE) pensionable pay in the previous year. Practice Staff contributions must be sent to NHS Pensions (under the direct debit arrangement) by the 19<sup>th</sup> day of month end.

However, the tiered contribution rate for OOHS GPs (Practitioners) is based on their total GP 'in year' pensionable pay.

***OOHPS must ensure that they take account of a GP's global NHS pensionable GP income when collecting tiered employee contributions and not just the OOHs income. In most cases GPs will pay 7.5% or 8.5% even if their OOHs income is relatively low. NHSPS contributions must reach the PCT/LHB by the 7<sup>th</sup> day of month end.***

The Employing Authority for an OOHS GP is always the PCT/LHB, even if an OOHP may employ a GP.

## Chapter 6: Other Pensions Issues

### Abatement

Abatement basically means the amount a person can earn in NHS re-employment, after taking their pension, before it affects their NHS pension benefits. Abatement may apply where a member retires on ill health grounds or is a 'special class' and retires before 60 in the 1995 section or retires before 65 on ill health grounds if they are in the 2008 section.

### Added Years

Although the option to take out a new added years contract no longer exists, OOHPs must ensure that existing contracts (i.e. additional contributions) are honoured.

Added years contributions are deducted at a fixed percentage rate from the member's pensionable pay (in addition to the mainstream contributions) from a chosen birthday until the end of the added years contract which can be their 55<sup>th</sup>, 60<sup>th</sup> or 65<sup>th</sup> birthday. When the contract has ended the member will be credited with the amount of membership bought.

OOHPs should ask new staff if they have existing added years contract.

Many GPs elect to buy added years. Their added years contributions must be collected from the OOHS income, forwarded to the PCT/LHB and declared on the SOLO form.

A Scheme member may terminate their added years contract before its normal end date however only prospectively.

### Additional Pension

The additional pension was introduced in April 2008 and replaced added years. More information can be found [here](#).

You should ask new staff if they have an existing additional pension contract.

### Certificate of Pensionable Income/Profits

Since April 2004 GP Providers and non-GP Providers have been legally required to complete an annual Certificate in respect of each GMS/PMS/APMS contract they are a party to.

Many OOHS GPs are also GP Providers by virtue of having their own Practice. As they declare their OOHS income on their Certificate it is essential that the OOHP complete the SOLO forms on time.

## Death In Service

If an employee dies in service, and is a member of the NHSPS, NHS Pensions bereavement team must be contacted straightaway.

## Maternity & Paternity Pay

When an OOHP employee goes on maternity (or paternity) leave and intends to return to work they can pension the whole period of leave. Their employee contributions are based on their actual pensionable pay. If their NHS pay stops the employee contributions are based on their pay immediately before pay was suspended. The contributions should be collected during the absence or immediately upon a return to work.

If a person chooses not to pay pension contributions during unpaid maternity/paternity leave, NHSPS membership ceases on the day the person last paid contributions.

If a person changes their mind and decides not to return to work or decided to opt out of the NHSPS then the last date of pensionable membership will be the date contributions were last paid.

In all cases employers (14%) contributions are based on the person's actual pay before any reduction in pensionable pay for the time the person is on reduced pay.

## Refunds Of Employee Contributions

NHSPS members who have less than 2 years total NHSPS membership when they leave NHS employment or opt out of the Scheme within 2 years may claim a refund of Scheme employee contributions.

Only the employee contributions are refunded and they are subject to deductions for Tax (at approximately 20%) and National Insurance (to buy the member back into the Second State Pension).

There is more information on NHS Pensions website, (<http://www.nhsbsa.nhs.uk/pensions>). Click onto 'Employers Toolkit'. Then onto 'A Guide For GP Practices' and then onto 'NHS Pension Scheme: GP Practice Administration Guide'.

## Self Assessment Form – Career OOHs GPs

From April 2009 a GP who is type 2 medical Practitioners will have to complete a self-assessment form to sure that they have paid tiered employee contributions at the correct rate.

If an OOHP engages the services of a career OOHs GP or a (Practice based) Salaried GP they may be asked to assist in the completion of this form.

## Sick Pay

When a salaried employee is on full pay sick leave then NHSPS contributions are payable on all the sick pay.

If they go onto reduced or half pay sick their employee contributions are payable on the **reduced** amount. However any contributions deducted for an added years or additional pension contract should be deducted from the unreduced pay.

The employers 14% contributions are based on the members 'normal' **unreduced** pay.

When the member goes on to 'no-pay' then no contributions are payable by either the member or the OOH. However, the employer should consider if the member should be offered the opportunity to apply for the ill-health NHS pension.

## SOLO Form

The SOLO form was born out of the 2004 GP Contract and records GP NHS 'fringe/ ad hoc' work (such as OOHs) that the GP wants a personal pensions credit for.

## Transfers In Or Out Of The NHSPS

The NHSPS can accept transfers from most pension schemes, although there are different types of transfer. A transfer value is treated as a single payment and converted into membership, which reckons for pension benefits in the NHSPS.

The NHSPS cannot accept a transfer from a personal pension policy taken out under Section 226 (also referred to in Sections 619-623 of the Income and Corporation Taxes Act 1988).

A member has 12 months from first joining the NHSPS to request a transfer, providing they are not 'over age'. NHS Pensions always recommends that the member seek independent financial advice, should they be in any doubt that a transfer is the best option for them.

There is more detailed information available on NHS Pensions website (<http://www.nhsbsa.nhs.uk/pensions>). Click onto 'Employers Toolkit' then onto 'A Guide For GP Practices' and then onto 'NHS Pension Scheme: GP Practice Administration Guide'

## Unauthorised Leave

Any period of time where contributions are not paid due to unauthorised absence, such as strike days, must be recorded as disallowed days on the SD55.