

NHS Pension Scheme:

Frequently asked questions about Protection of Pay

Member FAQ's

Q What is Protection of Pay?

A If you have at least two years qualifying service and suffer a reduction in earnings through no fault of your own, you may apply to protect your pension benefits

Examples of accepted reasons for protection of pay are:

- A change in the nature of the duties performed for example due to ill health
- A move to a lower paid post because of pending or actual redundancy.
- Being transferred to other employment with an employer.

Where pay is to 'mark-time' for a specified period an application can be made at the beginning and the end of the mark-time period.

Q Does Protection of Pay in these circumstances apply to both the 1995 and 2008 sections of the NHS Pension Scheme?

A Yes, this provision applies in both sections of the scheme.

Q What criteria must I satisfy in order to apply?

A

- The reduction in pensionable pay must have occurred through no fault of your own.
- You hold at least 2 years qualifying service in the scheme
- The application must be made within 3 months of going on to the reduced pay or marking time.

Q Can I protect my pay if I have changed my duties and my pay is reduced due to ill health?

A Yes, a reduction in pay due to a change in duties following a period of ill health is a valid reason for protection of pay.

Q Do I need to apply for protection if I am only reducing my hours and not my grade?

A No, if you reduce your hours we will still use your notional whole time equivalent pay when calculating retirement benefits.

Q Can a practitioner apply for Protection of Pay?

A Protection of pay is not required for practitioners, as pension benefits are based on their earnings throughout their career and re-valued. This is known as a Career Average Re-valued Earnings (CARE) pension.

Q If my pensionable pay has previously been protected, can I apply again if a further reduction through no fault of my own has occurred?

A Yes, unlike the Voluntary Protection of Pay provision, Protection of Pay due to a reduction of no fault of your own can occur more than once.

Q Does there have to be a minimum level of reduction to my pay?

A No

Q Do I have to have to be a certain age to apply?

A No

Q How do I apply for Protection of Pay?

A You should complete the application form SM R9 App and send this your employer. Please also read the guidance attached to Form SM R9 APP.

Q How will I benefit by protecting my higher rate of pay?

A When a member retires, or transfers benefits out to another pension scheme, if they have one period of protection, two pensions will be calculated. A pension based on the protected rate of pay* plus inflation increases for membership up to the date of protection and a second pension for membership after that date will be calculated using pay* at retirement.

If by retirement the protected pay plus inflation increases is not more beneficial, then the whole of the pension benefits will be calculated using pay* at retirement.

*1995 Section - The best of the last three years of pensionable pay

*2008 Section – The reckonable pay. The average of the best three consecutive years pensionable pay in the last ten years.