

Contact : Tel : 0845 610 1119 Fax : 01253 774412 [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions) [www.nhsbsa.nhs.uk/injury](http://www.nhsbsa.nhs.uk/injury)

## 1. Electronic AW8 for Pensions Online (POL)

Further to Employer Newsletter TN2/2009 informing employers of the phased roll out of Electronic AW8. This article is to remind employers that the roll out is now complete and all employers with access to Pensions Online should be using this facility. **Please note that NHS Pensions are currently working on extending the electronic AW8 to GP Practices in the near future.**

If you have access to Pensions Online and are unable to input AW8s electronically please e-mail [Awards@nhspa.gov.uk](mailto:Awards@nhspa.gov.uk) with the heading 'Electronic AW8 access' and confirmation of your EA codes. NHS Pensions will then ensure that you are able to use this facility.

As stated in TN2/2009 with effect from 1st May 2009 NHS Pensions will no longer accept paper AW8s from employers who have access to Pensions Online. As stated in the FAQs section of the guide, there are certain circumstances where employers must still send a paper AW8 to NHS Pensions and not process online, the link to the FAQs is below:

[www.nhsbsa.nhs.uk/2403.aspx](http://www.nhsbsa.nhs.uk/2403.aspx)

Note - Employers are reminded that when sending a paper AW8 to NHS Pensions they must mark the box to indicate that the form has not been entered on POL and write the reason clearly on the front of the AW8.

### Retaining the AW8 application form.

The AW8 application form must be retained for a minimum of 7 years by NHS employers and destroyed under confidential conditions to meet Department of Health guidelines.

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Specific retention procedures in regards to the retention of all NHS Pension forms are available within the Department of Health guidance – 'Records Management: NHS Code of Practice.' The link to this is:

[http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_4131747](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_4131747)

### Important Reminders - Disallowed days

If a member has disallowed days due to unpaid sick leave, it is very important that you ensure they are included on the SD55T when you update/close the member's record and you include them when completing the AW8. **If you do not do this then there is a risk that benefits will be paid incorrectly and with the wrong deemed date.**

For every AW8 you input online with disallowed days due to unpaid sick leave, please e-mail [PC2Employer@nhspa.gov.uk](mailto:PC2Employer@nhspa.gov.uk) and input the subject as 'Award Pending'. Page 14 of the Employer POL Guide provides more details.

#### Important Reminder – Bank/Building Society formats

Appendix A of the Guide gives full details of the correct format for the sort code, account number and roll number. It is very important that you check this appendix before inserting these details on the electronic AW8, as some changes may be necessary to the information provided by the member. For

example, the last digit of the 9 digit account number and the / are removed for accounts held at the Coventry Building Society,

**If the bank details are incorrect then this can lead to delays in payment.**

The link to the guide is: [http://www.nhsbsa.nhs.uk/Pensions/Documents/Pensions/Employer\\_AW8\\_POL\\_Guide\\_V2.pdf](http://www.nhsbsa.nhs.uk/Pensions/Documents/Pensions/Employer_AW8_POL_Guide_V2.pdf)

You may wish to save this link onto your computer's desk top by clicking on file – send – shortcut to desktop.

## 2. Amendment Regulations – April 2009

On 1st April 2009, the Pension Scheme regulations were amended in several areas as listed below:

### A) ILL-HEALTH RETIREMENTS

#### **Amendments Common to both the 1995 and 2008 Sections of the NHS Pension Scheme**

Conversion of a pensioner's tier-1 pension to a tier-2 pension, following a review, affects the amount of lump sum retiring allowance the pensioner is entitled to. An additional amount of lump sum retiring allowance is payable and is equal to the difference between (1) the lump sum that was originally paid and (2) the lump sum that would have been paid had the tier-2 pension been awarded originally.

If a pensioner's tier-1 pension is converted to a tier-2 pension, the pensioner may choose to exchange some of the difference between the two pensions for additional lump sum retiring allowance, subject to the limits prescribed by the Finance Act 2004.

The NHS Pension Scheme must pay interest on the difference between a tier-1 and tier-2 pension if the conversion of a tier-1 pension to a tier-2 pension is not effected within one month of the date the Secretary of State was in possession of all the information needed to calculate the additional amounts due.

If, during a period of re-employment, an ill-health

pensioner's tier-1 pension is converted to a tier 2 pension, the re-employed pensioner is not permitted to accrue further pensionable service in their re-employment for as long as the tier 2 pension is in payment.

If an ill-health pensioner retires from their re-employment on the grounds of ill health while in receipt of a tier-1 pension, the pensioner can receive a tier-2 pension from the pensionable service accrued in re-employment, providing the tier-2 retirement condition is satisfied. However, the pensioner's tier 1 pension from their earlier retirement cannot, under any circumstances, then be converted to a tier-2 pension.

If an ill-health pensioner retires from their re-employment on the grounds of ill health while in receipt of a tier-2 pension, the pensioner can receive only a tier-1 pension from the pensionable service accrued in re-employment, even if the tier-2 retirement condition is satisfied.

#### **Amendments Specific to the 1995 Section of the NHS Pension Scheme**

An ill-health pensioner who is re-employed and is eligible to rejoin the 1995 section of the NHS Pension Scheme accrues pensionable service during their re-employment only if all the following is true:

- They are in receipt of a tier-1 pension;
- They are under age 50 years.

If, during their period of re-employment, an ill-health pensioner's tier-2 pension is converted to a tier-1 pension, the re-employed pensioner accrues further pensionable service in their re-employment provided they are under age 50 years.

### **Amendments Specific to the 2008 Section of the NHS Pension Scheme**

An ill-health pensioner who is re-employed and is eligible to rejoin the 2008 section of the NHS Pension Scheme accrues pensionable service during their re-employment only if they are in receipt of a tier-1 pension.

If, during their re-employment, an ill-health pensioner's tier-2 pension is converted to a tier-1 pension, the re-employed pensioner accrues further pensionable service in their re-employment irrespective of their age.

## **B) PENSION-CREDIT MEMBERS**

### **Amendments Common to both the 1995 and 2008 Sections of the NHS Pension Scheme**

Pension-credit benefits can be paid from the normal minimum pension age, subject to actuarial reduction.

A pension-credit member may choose to commute their pension-credit pension into additional lump sum retiring allowance, subject to the limits prescribed by the Finance Act 2004, providing the pension-sharing order was implemented before the pension-credit member's retirement.

Pension-credit benefit may be paid early on the grounds of ill health, if all the following statements are true:

- The pension-credit member satisfies the ill-health conditions prescribed in the Finance Act 2004;
- The pension-credit member is permanently incapable of any regular employment because of ill health.

A pension-credit member who is retiring on the grounds of serious ill health may commute the maximum amount of pension-credit pension into additional lump sum retiring allowance before the remaining pension is commuted into a serious-ill-health lump sum retiring allowance.

### **Amendments Specific to the 1995 Section of the NHS Pension Scheme**

When a pension-credit member dies in retirement, the maximum amount of any lump sum that may be paid to survivors or dependants is based on the pension that was payable after any commutation of pension into additional lump sum retiring allowance at retirement.

### **Amendments Specific to the 2008 Section of the NHS Pension Scheme**

None.

## **C) DEATH BENEFITS**

### **Amendments Common to Both the 1995 and 2008 Sections of the NHS Pension Scheme**

None.

### **Amendments Specific to the 1995 Section of the NHS Pension Scheme**

None.

### **Amendments Specific to the 2008 Section of the NHS Pension Scheme**

The initial rates of adult survivor pensions and children's pensions for members (including re-employed pensioners) who die while in service but are not contributing to the NHS Pension Scheme because they have reached the scheme's service limits, are based on:

- For officers, the member's pay at their last day of pensionable service (in the period of re-employment, for re-employed pensioners);
- For practitioners, the rate of the member's monthly average of up-rated earnings at their last day of pensionable service (in the period of re-employment, for re-employed pensioners).

A minimum of 10 years' pensionable service is taken into account in calculating children's pensions for a member who dies while still in service.

For members who die within 12 months of leaving the NHS Pension Scheme, the "basic death pension" on which children's pensions are based is the greater of: (1) a pension equivalent to a tier-2 ill-health pension, or (2) a pension based on 10 years' pensionable service.

### 3. GP Locums Tiered Contributions

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NHS Pensions has updated the GP Locum forms A and B to take account of the tiered contributions rules from April 2009.

From April 2009 tiered contributions for GPs are based on their total GP (Practitioner) pensionable earnings in that year; not in a previous year. More information can be found at:

<http://www.nhsbsa.nhs.uk/Pensions/Rates0910.aspx>

The main changes are to be found in GP Locum form B enabling the GP Locum to declare their tiered contributions rate and to pay employee contributions at that rate during the pensions year.

If, at the end of the 'pensions year' (i.e. March) the wrong rate was set then adjustments will have to be made. If the tiered rate was understated the GP Locum must pay arrears of contributions to their host PCT/LHB immediately. If they have overpaid contributions then a local refund is payable from the PCT/LHB. If the GP Locum has relocated they must also liaise with their former PCT/LHB.

Forms A & B can be found at:

<http://www.nhsbsa.nhs.uk/MemberForms.aspx>

NHS Pensions has now destroyed all old stock of forms A and B. However it is likely that PCTs/LHBs may receive the old versions from GP Locums for a while. This is acceptable subject to the GP Locum paying the relevant tiered rate.

GP Locum forms C & D have been deleted because if a GP (i.e. GP Provider, Salaried GP, or GP Locum) works for an Out of Hours Provider it is regarded as regular, not locum, work under the terms and provisions of the NHS Pension Scheme Regulations. OOHs work must be recorded on form SOLO unless the GP elects to 'pool' their Out of Hours income into the Practice account.

GP Locums do not complete an end of year Certificate for year 2009/10 unless they are also a GP Provider or a Salaried GP.

GP Locums who set themselves up as a limited company cannot pension their income.

### 4. Added Years Contributions For Scheme Members Previously Subject To the Pensionable Earnings Cap

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For Scheme membership accruing from 1 April 2008 there is no longer a limit on the amount of pay that can be pensionable. Members who were subject to the earnings cap before that date are however still subject to an earnings cap for their membership up to 31 March 2008 only. The cap applied to that earlier membership is:

Year 2008/09 £117,600

Year 2009/10 £123,600

Any added years already purchased or still being purchased under an agreement starting before 1 April 2008 will be treated as membership before that date. If the member had previously been subject to the earnings cap the contributions for the added years only will therefore continue to be capped until the agreement is complete.

For example, a member who was previously subject to the cap and who earns £130,000 in year 2009/10 will pay tiered employee contributions on the full amount. However, contributions for added years will be based on the capped pay of £123,600 because the agreement started before 1 April 2008.

Contributions for any new added years agreement starting on or after 1 April 2008 are based on the full un-capped pay even if the member was previously subject to the pensionable earnings cap.

Employers are reminded that members must pay additional added years contributions in respect of all their pensionable NHS posts.

## 5. Death Benefit Claim Forms

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The forms to claim death benefits are available on the website and from our stationery distribution provider.

NHS Pensions is still receiving the old version of the claim forms and this is resulting in a delay to the payment of benefits, as the claim form is being received without the legal personal representative (LPR) section being completed. The LPR part of the form requires completion in all cases.

The LPR section is an integral part of the current application form and **NHS Pensions therefore requests that employers destroy all old stocks of death application forms and in future download the latest versions of death application forms from the website when needed.**

### Death forms available for download:-

AW9- Claim for survivor benefits

AW11- Claim for death benefit

AW158- Claim for child allowance

G60(NHS -) Payment application form

AW135 - EA form to record details of Initial Survivor pension paid

FIN 9 - Claim for re-imburement of Initial Survivor pension paid

### Useful Information

#### Legal Personal Representative (LPR)

The personal representative may be the person's executor (a person nominated in a will to wind-up a person's estate after they die) or it may be an "administrator" (the person dealing with all financial affairs). In some cases the widow, widower or civil partner is the personal representative, or executor if the deceased member left a will. Sometimes a solicitor is appointed as an executor to deal with the financial affairs. Sometimes no formal appointment will be made where the sums and assets involved are low in value.

#### Partner Nomination - Reminder

From 1st April 2008 contributing members of the Scheme have had the facility to make a multiple death benefit nomination on form DB2 and to nominate a non-legal partner to receive a partner's pension on form PN1.

It is important to note that a partner pension can only be paid to a nominated partner where a PN1 has been completed.

#### Grant of Probate

For Death Gratuities of £5000 or more that are claimed by a personal representative and not a surviving partner or nominee(s) we will need to see Grant of Probate or Letters of Administration. Once the Death Gratuity has been calculated we will write to the person claiming the Death Gratuity about this.

For more information about obtaining a Grant of Probate a link is available on our website leading to the Court Services website, which beneficiaries and Pensions Officers should find useful.

## 6. Employers Toolkit

Previously you were informed that work had commenced on introducing an Employer's Toolkit on the NHS Pensions website. The Toolkit is now operational and can be seen following the link below or by following the Quicklinks on the homepage of the website:

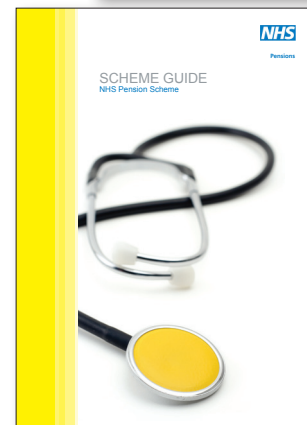
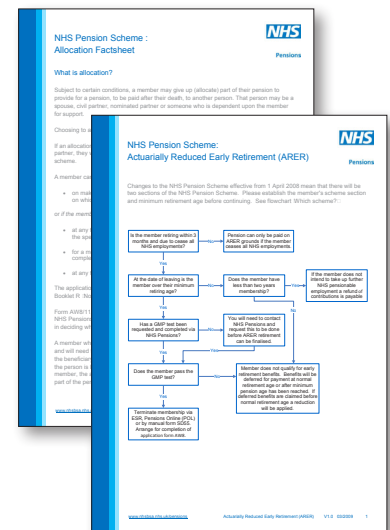
<http://www.nhsbsa.nhs.uk/2533.aspx>

The Employers Toolkit has been designed to help you find information about the scheme in a logical way using a series of factsheets, decisions trees and FAQs. The current contents include:

- Members Booklets
- Employer Newsletters and Communications
- Pension Scheme Forms
- Information for Electronic Staff Record System (ESR) Users
- Information about Joining the Scheme (e.g. Eligibility, Capacity Codes and Which Scheme).
- Information about Pensionable Pay and Contributions (e.g. tiered contributions, pensionable pay, annual leave, maternity leave and sick leave).
- Information to Manage Scheme Membership - (e.g. calculating membership, part-time, special class, MHO, age limits, stepping down, civil partnership and gender recognition).
- Information about Increasing Benefits – (e.g. added years, half cost added years, unreduced lump sum retiring allowance and money purchase additional voluntary contributions).
- Information on Family Benefits - (e.g. death in membership, death on pension, survivor's pensions, child allowance and nominations).
- Information about Refunds
- Information about Transfers
- Information about Pensions on Divorce
- Information about Retirement (e.g. GMP, pension commutation, pensions increase, flexible retirement and allocation).
- Information about the Finance Act – (e.g. annual allowance, A-day valuations, lump sums after age 75 and minimum pension age).
- Information about Practitioners, Locums and non-GP Providers (e.g. Out of Hours, GP Locums, Non-GP Providers, Salaried GPs).
- Employer Group Issues and Resolutions - This section provides employers with access to documents that respond to issues raised at various Employer Groups.
- Pension Scheme Guide - This section contains the old employer guide.

This information is designed to answer the majority of questions raised and does not attempt to provide information on every possible nuance or scenario. We welcome feedback on the usefulness of these products and will consider any extensions or suggestions for additional products as they arise. Please contact [communicationsteam@nhspa.gov.uk](mailto:communicationsteam@nhspa.gov.uk) with any feedback that you have.

There are more documents still being developed and we will keep you informed as to when they become available.



## 7. Casual / Bank Employees

We have received a query on the correct procedure for ‘bank’ nurses if they die whilst still on the EA’s books. The Scheme Compliance Unit is currently reviewing this area and we will update you with the information in a future newsletter.

## 8. Greenbury and Ill Health Statistics

Employers should be aware that the Greenbury and Ill Health Statistics exercises were both completed in time by NHS Pensions to allow Trusts/PCTs to submit their draft accounts by the deadline of 23rd April 2009.

## 9. Members Charter

NHS Pensions has launched its new Member’s Charter on the NHS Pensions website.

Located in the “About the NHS Pension Scheme” section it provides members with a list of our commitments and sets out our core service standards. This we hope will help more effectively manage the service expectations of members going forward.

As can be seen the Charter lists all of the main activities undertaken and sets out in a table:

1. What members need to do to initiate an activity;
2. What NHS Pensions will do to complete the activity; and
3. Our target times for completing the activity.

<http://www.nhsbsa.nhs.uk/1725.aspx>

Another column will be added to the right hand side of the table to reflect current performance levels. This will then be updated on a regular basis to inform members of any improvements that have been made or issues we are currently experiencing.

The Charter has been developed with the assistance of a number of employers over the past few months and our intention is to develop it further where necessary. If you have any feedback on it then please direct your comments to [communicationsteam@nhspa.gov.uk](mailto:communicationsteam@nhspa.gov.uk)

It is our intention to now begin work on compiling an Employers Charter to look at the respective roles and responsibilities of employers as local administrators, and NHS Pensions as central administrators, of the NHS Pension Scheme.

Activity	What we want you to do	What we will do	Our Target Times
General Correspondence	Please tell us what pension activity you are writing about and always provide your full name, National Insurance number and Scheme Reference number (if you have it, it begins with 302).	We will acknowledge all e-mails upon receipt and thereafter provide a full reply to all correspondence (emails or letters).	For all forms of correspondence (emails and letters), we will aim to reply within 15 working days of receipt.
<b>ADDITIONAL PENSION</b>			
Purchase Additional Pension	Please obtain application form APF from your employer or our website <a href="#">http://www.nhsbsa.nhs.uk/apform</a> . Please complete the form accurately and provide all the information that is requested.	When we receive your application form APF, we will process your application, update our records with the purchase and send you the relevant confirmation letters.	We will aim to complete your purchase within 4 weeks of receiving your application.
<b>REFUND</b>			
Refund of Contributions	If you request a refund online, you will receive a refund code. Please speak to your employer and they will arrange for it to be paid back to you. <small>NOTES: 1. You can only obtain a refund of your contributions (less tax and deductions) if you have less than 2 years membership.</small>	NHS Pensions only deals with refunds after you have been paid. When we receive your application form RP-12 (from your employer), if you have less than 2 years service, we will return your contributions to you.	We will aim to pay your refund within 15 working days of receiving form RP-12. (Against our statutory target of 1 month).

## 10. A-Day Valuations

The HMRC deadline for transitional, enhanced or primary protection passed on 5 April 2009.

NHS Pensions recently received a large amount of requests for A-Day valuations prior to this date and we wrote out to applicants to advise them to consider applying for provisional protection because we were unable to fulfil their estimate requests before the deadline.

We are now working through these applications and we expect to provide the information to the applicants by the end of June 2009. We will be writing to these members on a regular basis during this process to keep them informed of our progress.

NHS Pensions is not accepting any new applications for A-Day Valuations after the HMRC deadline. However, members who already have a transitional protection certificate may amend their protection if the information given in their original notification has now changed. If this is the case, then members can write to NHS Pensions, enclosing a copy of their existing certificate and a new A-Day Valuation will be issued. Members can then use this information to change their amount of protection with HMRC and obtain a revised certificate.

HMRC has advised that it will consider late applications for transitional, enhanced or primary protection on a case by case basis to see "if there is a reasonable excuse for it being late and whether the notification was made within a reasonable period of time after that excuse ceased to exist".

## How to contact us:

### By Telephone:

Employer helpline, general enquiries 0845 610 1119

Opening times;

8.30am to 5.00pm – Monday, Tuesday, Thursday

10.30am to 5.00pm – Wednesday

8.30am to 4.30pm - Friday

Pensions Online, technical enquiries 0870 011 7108

Member helpline 01253 774774

Opening times;

8.30am to 5.00pm – Monday to Thursday

8.30am to 4.30pm - Friday

Stationery Order line (Forms and Booklets) 0300 123 1002

### By email:

- [Datamanagement@nhspa.gov.uk](mailto:Datamanagement@nhspa.gov.uk) - For your general data queries
- [Datacleanse@nhspa.gov.uk](mailto:Datacleanse@nhspa.gov.uk) - For your data cleanse queries
- [ESR@nhspa.gov.uk](mailto:ESR@nhspa.gov.uk) - For your ESR queries
- [Employers@nhspa.gov.uk](mailto:Employers@nhspa.gov.uk) - For your general enquires

If you have any comments about the content or format of this newsletter please email them to [communicationsteam@nhspa.gov.uk](mailto:communicationsteam@nhspa.gov.uk)

### Fax:

01253 774412

### Website addresses;

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

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