

STRICTLY PRIVATE & CONFIDENTIAL

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SD Number [[SDNumber]] EA Code [[EACode]]

# Which NHS Pension path will you take?

## Your NHS Pension Choice Decision Form

You are invited to complete and return the NHS Pension Choice Decision Form on page 7.

**This form contains important information about your NHS Pension.**

You should read the information carefully as you need to make an important choice about your future.

Your NHS Pension Choice decision is required by [[deadline date]].

If you leave the NHS Pension Scheme before the deadline and before returning your NHS Pension Choice Decision Form you will remain in the 1995 Section. You may be offered a choice if you re-join the NHS Pension Scheme.



### What's inside?

- Important issues you should consider
- Your NHS Pension Choice Decision Form

# What is included in this form?

## Benefit comparison

Your NHS Pension Choice is an important decision. You need to decide whether to remain in the 1995 Section or transfer to the 2008 Section. If you choose to transfer to the 2008 Section you will join that section from 1 April 2008 and the membership you have built up in the 1995 Section up to that date will transfer to the 2008 Section as well. You cannot choose to transfer to the 2008 Section without moving your 1995 Section membership.

To help you make your choice we have enclosed a NHS Pension Choice Example Benefit Comparison which provides you with a comparison of the benefits a member could receive at different ages if they were to remain in the 1995 Section compared with those they would receive instead if they decided to transfer to the 2008 Section.

## Important issues you should consider

On page 4, we have provided a brief review of some key issues which you need to consider in relation to the benefit comparison, to help you work out whether you should choose to remain in the 1995 Section or whether you should transfer to the 2008 Section.

## Your NHS Pension Choice Decision Form

You should read this information carefully and consider your options. You will need to complete the form on page 7 once you have made your choice.

You should use the other information provided to help you make your choice:

- The NHS Pension Choice Example Benefit Comparison enclosed.
- Your NHS Pension Choice Guide enclosed.
- Your NHS Pension Choice DVD enclosed.
- Any relevant NHS Pension Choice factsheets and FAQs available on the website.

Your situation is unique, so before you read the guide and watch the DVD, read the information on pages 3 and 6.

## When do I need to complete my Pension Choice Form?

Your deadline for returning your form can be found on page 1 of this form.

## What happens if I miss the deadline?

If you do not return your form by the deadline you will remain in the 1995 Section and you will not have another opportunity to transfer to the 2008 Section.

## Can I change my mind after I've made my choice?

**No.** You only have one choice – once you have made your choice it cannot be reversed.



# Comparing benefits in the 1995 Section and 2008 Section

As a part of the Choice exercise we have endeavoured to try and provide all members with a statement of their benefits in the Scheme and a comparison of how they would be affected by Choice. This has been achieved for over 90% of Scheme members.

Unfortunately it has not been possible to provide you with a personal statement at this time. We apologise for this. Please be assured that there is no reason why this will prevent us from paying you the correct benefits when you come to retire. We are planning to provide all members with access to annual personal statements in the next few years. As part of that process we will continue to work with employers to update our member records.

The most common reason for our being unable to provide a personal statement is due to incomplete member records, which may be from a former employer. If you can provide accurate details for your periods of Scheme membership it may help us update your records sooner. However, Choice has to be completed by the early part of 2012 and even with your help we may not be able to provide you with a personalised NHS Pension Choice Statement.

## Using the enclosed NHS Pension Choice Example Benefit Comparison

In the absence of a personal statement we are providing you with a NHS Pension Choice Example Benefit Comparison. This shows how the benefits of an average member would be affected by changing to the 2008 Section. Your personal benefits will be different but the example gives an indication as to how those benefits might be affected, in relative terms, by changing between the sections.

The information contained in this form and the NHS Pension Choice Example Benefit Comparison is designed to help you make an informed choice.

## How membership transfers from the 1995 Section to the 2008 Section

If you choose to transfer to the 2008 Section your choice is effective from 1 April 2008. Your membership up to 31 March 2008 plus any added years you have bought up to the date of your choice will transfer to the 2008 Section, as outlined on page 17 of *Your NHS Pension Choice Guide*. The membership you have after 31 March 2008 will be treated as 2008 Section membership.

### Survivor pension

In both sections there is a provision for benefits to be paid to your surviving spouse, civil partner or partner you have nominated to receive a survivor pension. The amounts paid are based on your relationship status and are calculated by using your length of membership and pensionable pay. See page 14 of *Your NHS Pension Choice Guide* to find out how this is calculated and how survivor pensions will be affected by NHS Pension Choice.

### Lump sum payable on death

If you die whilst still a member of the NHS Pension Scheme a lump sum payment of twice your actual pensionable pay is normally payable. You can nominate who you would like to receive this.

### Guidance for mental health officers and members with special class status

Our records show that you have mental health officer or special class status. If you are a mental health officer or a member with special class status, you have unique entitlements. Please read the relevant factsheet on our website:

- Special class status factsheet.
- Mental health officers factsheet.



# Important issues for you to consider

## [IF MemberOver60 = N]

Deciding whether to transfer from the 1995 Section to the 2008 Section is a significant financial decision. As each person's position will be different, it is important you consider all the issues.

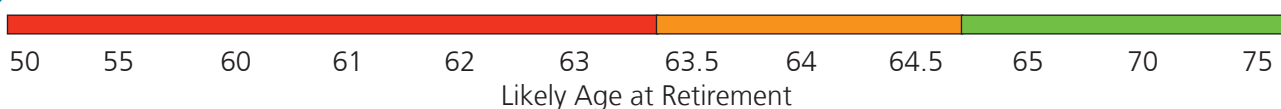
The two most important issues to consider are **the age at which you are going to retire and whether you are likely to leave the NHS Pension Scheme before retirement**. There are also a number of other issues which you should consider.

### 1. The age at which you are going to retire

Your benefits in the 1995 Section are paid unreduced from age 60 (age 55 for members with special class status). This applies both to the benefits you have already built up and those you build up in the future. If you transfer benefits to the 2008 Section and still retire at 60 (age 55 for members with special class status), and take the same lump sum as in the 1995 Section, your pension could be almost a quarter lower. So those retiring at age 60 or 55 may not benefit from transferring. It is most likely that members retiring up to age 63 could receive lower benefits on retirement if they transfer to the 2008 Section.

Conversely, most members retiring at 64 or above may receive higher benefits if they did transfer to the 2008 Section. Members retiring at 65, who again take the same lump sum as they would receive in the 1995 Section, could get a pension which is around 8% higher. The benefits from transferring to the 2008 Section may be higher if you work beyond 65 because a late retirement increase is applied in the 2008 Section.

The diagram below shows when you may be likely to benefit if you are looking at your benefits on retirement – the green areas broadly indicate ages when transferring to the 2008 Section might benefit you, the red areas indicate ages when transferring may be unattractive. Amber areas show where the benefits at retirement are likely to be very similar from both sections and you may then want to consider the other points mentioned below.



### 2. Will you leave NHS employment before retirement?

If you leave NHS employment before retirement and do not return, your retirement benefits will be lower if you transfer to the 2008 Section because benefits in the 1995 Section are available from 60 but benefits from 2008 Section are not paid until age 65 except with a reduction. So if you do not expect to remain in NHS employment until retirement, you will probably not benefit from transferring to the 2008 Section.

### 3. Other issues

There are other aspects of the 2008 Section which are advantageous to members. These are:

- it offers more flexibility in your choice between tax free cash and pension
- it gives more flexibility in allowing you to take some benefits whilst still working and building up pension
- it will deliver higher benefits if you were to retire on the grounds of ill-health
- it offers higher partner pensions to members who joined before 1988 and have a long term partner other than a wife
- it offers more protection of your pension if your earnings as a non-general, medical, dental or ophthalmic practitioner drop significantly in the ten (rather than three) years before retirement

All these issues are covered fully in *Your NHS Pension Choice Guide*. For more details, you should read the relevant section of the guide and watch the DVD.

# What to do next

## Making Your Pension Choice

### IMPORTANT

If you wish to move to the 2008 Section you must complete the form on page 7 and return it using the enclosed reply envelope by the deadline date shown on page 1.

If you do not return Your NHS Pension Choice Form you will remain in the 1995 Section.

If you return Your NHS Pension Choice Form indicating your choice you will be sent an acknowledgement when the form is processed.

### What if I want to stay in the 1995 Section?

If you wish to stay in the 1995 Section you do not need to do anything. However if you wish to register your choice to stay in the 1995 Section you may complete and return Your NHS Pension Choice Form. **If you do not send in Your NHS Pension Choice Form you will stay in the 1995 Section.**



## Disclaimer

- The enclosed *NHS Pension Choice Guide* and DVD refer to a personalised NHS Pension Choice Statement and this is not relevant to you and the enclosed NHS Pension Choice Example Benefit Comparison. However, the other related information still applies and provides valuable information to help you make your choice. The examples shown on pages 2 and 3 of the enclosed Choice Example are not based on your own details, so the information on page 1 of the example has been designed to help you understand what is shown. This replaces the information on pages 18 to 21 of the enclosed *NHS Pension Choice Guide*.
- Subject to the approval of Parliament, benefits provided under the National Health Service Regulations may change.
- At the Government's request Lord Hutton has carried out an independent review into public service pensions (including the NHS Pension Scheme).

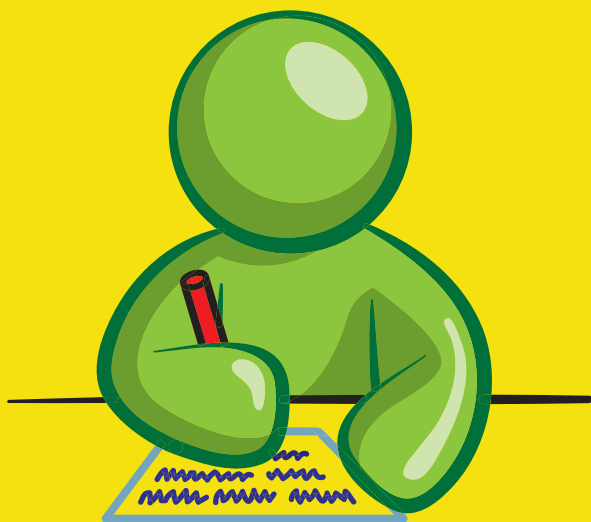
In his final report Lord Hutton has made a number of recommendations, which the Government has accepted as a basis for consultation with public service workers, trades unions and others.

NHS Pensions will provide a further update on the Government's response when this is available, on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)

In the meantime, we have enclosed a factsheet explaining how the recommendations made by Lord Hutton might possibly affect you. You may also wish to review the full report before making a decision.

For more information go to [www.hm-treasury.gov.uk/indreview\\_johnhutton\\_pensions.htm](http://www.hm-treasury.gov.uk/indreview_johnhutton_pensions.htm)

- For the most up to date information visit the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)



# Your NHS Pension Choice Form

I understand that I am making a choice about my pension benefits in the NHS Pension Scheme.

My choice is indicated below. After receiving the information in the NHS Pension Choice Decision Form, NHS Pension Choice Example Benefit Comparison and *Your NHS Pension Choice Guide* and considering the points and information provided I have made my choice. I understand that if I choose to be treated as a member of the 2008 Section all of my membership will be treated using the Regulations that apply to the 2008 Section.

I understand that I am not able to change my choice once it is recorded by NHS Pensions.

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 [[HomeAddLine4]]  
 [[HomeAddLine5]]

**You must return this form before [[Deadline date]].**

**If any of the above details are incorrect, please use the space below to enter the correct details. You must also advise your employer of any corrections you have made to ensure that any future correspondence is delivered to the correct address.**

**You should only enter the correct details for any information that is incorrect or missing. Please enter all the changes in black ink, using capital letters.**

Title (e.g. Mr/Mrs/Miss)

First Name

Last Name

House Name

House Number and Street Name

Additional Address Line

Town / City

County

Post Code

My NHS Pension Choice is (tick, sign and date one of the options below)

**Part one**

**Yes I want to move to the 2008 Section**

**Signed:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Part two**

**No I wish to remain in the 1995 Section**

Remember. If you do not return Your Pension Choice Form you will stay in the 1995 Section.

**Signed:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**When you have completed this form and made your choice, please return it using the reply envelope enclosed.**

[[Membername]]  
 SD number [[SDNumber]] [[EACode]] / [[SEQ]]

