

Welcome to the New NHS Pension Scheme

If you join the NHS Pension Scheme for the first time on or after 1 April 2008, you will be a member of the **New NHS Pension Scheme** and the information in this Guide applies to you.

If you were a member of the NHS Pension Scheme prior to 1 April 2008 and:

- ◆ have contributed to the Scheme in the previous 12 months and not taken a refund of those contributions; or
- ◆ have a deferred NHS pension or transferred your NHS benefits to another pension arrangement and return to NHS employment before 1 October 2008; or
- ◆ have a deferred NHS pension or transferred your NHS benefits to another pension arrangement and return to NHS employment on or after 1 October 2008 after a break in pensionable employment of less than 5 years,

then you will be rejoining the NHS Pension Scheme (Amended 1 April 2008) and you will need to ask your employer for a copy of a different booklet called '*A Guide to the NHS Pension Scheme*'.

This booklet aims to answer most of the questions you will probably want to ask about the New NHS Pension Scheme. Some Sections do not apply to staff employed by a GP Practice, Out of Hours (OOH) Provider, Alternative Providers of Medical Services (APMS) or Specialist Personal Medical Services (SPMS). Where this applies it is clearly stated at the beginning of the section.

Additional information for general practitioners is at Section 20.

Most informed opinion recognises that people will usually be better off if they belong to their employer's occupational pension scheme.

Pensions are important to everyone, no matter how far off retirement you may be. Even if you are now in your teens or twenties, proper pension arrangements will help you protect your financial future at a fairly low cost.

Over the years, membership of the Scheme will become one of your most valuable assets. As a member you get an excellent package of pension benefits, which are **guaranteed** by law to be there when you become entitled to them.

This booklet is intended as a general guide to the Scheme. It is not a full statement of the law, which governs the Scheme.

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1. Joining the New NHS Pension Scheme

Who can be a member of the Scheme?

The Scheme is open to:

- ◆ Any NHS employee aged between 16 and 75. This includes non-GP partners but does not include General Dental Practice staff.
- ◆ NHS general practitioners, including trainees, some locums and assistants. If you are a general practitioner please read Section 20.
- ◆ General Medical Practice staff and those working for an Out of Hours (OOH) provider, which has registered as an NHS Pensions employing authority.
- ◆ Some Scheme members who leave the NHS to work for approved organisations outside the NHS, for example hospices. These organisations are known as *Direction Employers*. There are time limits for joining in these

circumstances. You should get in touch with us for details. See Section 19 for our address.

Membership of the Scheme is voluntary. When you start work in the NHS you automatically become a member, except freelance locum medical practitioners, see Section 20. But you can opt not to join and you can leave the Scheme at any time by completing a form SD502 available on request from your employer.

If you choose to leave the Scheme you can usually rejoin at any time provided that you are not absent from duty for any reason.

What does the Scheme provide?

- ◆ A retirement pension based on 1/60th of your *reckonable pay* for each year and proportionally for any part year of Scheme membership.
- ◆ An option to take a lump sum that is normally tax-free

up to a limit by giving up some of your pension.

- ◆ Life assurance of 2 years' reckonable pay while you are working.
- ◆ If you die, pensions for your spouse or partner. Allowances are also payable for dependent children.
- ◆ Benefits if you have to leave work because of permanent ill health after 2 years membership.
- ◆ Options to increase your benefits by paying additional contributions.

Pensions and allowances are guaranteed and fully index linked to protect their value.

From age 55 you can choose when to retire.

Pension benefits can be transferred into and out of the Scheme, but if you change jobs in the NHS your membership will normally continue.

What does it cost?

Member contributions are tiered based on your full-time equivalent pensionable pay including pensionable allowances and range from 5 to 8.5%.

But the real cost is normally between 3.5 and 5% of net pay because:

- ◆ you get tax relief on your contributions; and
- ◆ you pay a lower rate of National Insurance contributions because you are contracted out of the State Second Pension Scheme (S2P).

The benefits of the Scheme are valuable. **Actuaries have assessed them as being worth around 20% of overall pay.**

Your employer pays the extra required to meet the total cost of the benefits. You do not pay administrative costs.

What alternative pension arrangements exist?

You can choose to take out a **Personal Pension** through an insurance company, bank, building society, unit trust or friendly society. The money you pay is invested to build up a cash fund at retirement, which is then used to buy a pension.

Up to 25% of the fund can be taken as a tax-free lump sum at retirement, subject to HM Revenue and Customs (HMRC) lifetime allowance. You do not need to transfer your pension arrangement if you move to new employment outside the NHS. But you should remember that a Personal Pension will:

- ◆ depend on investment performance and the Stock Market level at the time you retire - neither can be guaranteed;
- ◆ be significantly reduced if you want family benefits or index linking.

Commission and administration charges may reduce the amount actually invested to provide your pension. These costs vary but can be considerable.

More information about Personal Pensions is given in the booklet PM4 "Personal Pensions - Your Guide" which you can get from the Financial Services Authority www.fsa.gov.uk or telephone 0845 606 1234.

The Financial Services Authority (FSA) has stated that employees will nearly always be better off if they belong to their employers Pension Scheme.

You can also choose a bigger **State Pension** in place of the NHS Scheme. This has 2 parts:

A Basic State Pension

This is paid to everybody at State Pension age, currently 60 for women and 65 for men. State Pension age will change between April 2010 and 2020 to 65 for everybody.

The basic pension you get depends on your National Insurance contribution record. The maximum weekly rates for 2008/2009 are £90.70 for a single person and £144.35 for a married couple (where a married woman is not entitled to a full single pension in her own right).

An Additional Earnings Related Pension

This is known as the State Second Pension Scheme (S2P). The amount you get depends on your earnings since April 1978 on which you have paid NI contributions. State pensions are, like NHS pensions, fully index linked.

Remember that:

- ◆ all NHS staff get a basic state pension based on their contribution record;
- ◆ by opting out of the NHS Scheme you will add **only** the S2P;
- ◆ this offers benefits, which are likely to be far lower than those of the NHS Pension Scheme;

- ◆ you will pay the full rate of NI contributions. The effective cost to you is 1.6% of your pay.
- ◆ and you will not get any tax relief on this higher rate of NI contributions.

Relying on the State for your pension is only a little cheaper than joining the NHS Pension Scheme, but the benefits are far less.

You will find more information about the State Pension Scheme in booklet NP46 - "A Guide to State Pensions". You can get a copy from your local office of the Department for Work and Pensions or from www.thepensionsservice.gov.uk.

2. Limits on tax-free pension benefits

Since 6 April 2006 (A-Day) HM Revenue and Customs (HMRC) has set an individual lifetime allowance (LTA) limit on tax-free pension savings in all registered pension schemes like the NHS Pension Scheme.

The limits mainly affect high earners. For most people they result in more tax relief being available for saving to increase their retirement benefits.

The benefits provided by the NHS Pension Scheme, as described in this booklet, are all subject to the member's LTA.

HMRC has announced the standard LTA as follows:

Tax Year	LTA
2008-2009	£1.65m
2009-2010	£1.75m
2010-2011	£1.8m

The standard LTA values for subsequent years will be set by HMRC on an on-going basis.

How retirement benefits are tested against the LTA

When you claim benefits the Scheme must test their capital value against the LTA limit. This limit applies to **all** pension rights you have built up including the NHS Pension, money purchase AVC funds, personal pensions and other occupational pensions. Your state pension benefits **are not** included within this limit.

The capital value of retirement benefits you are claiming from the NHS Pension Scheme is calculated by the following formula:

$$(\text{Annual pension paid} \times 20) + \text{Lump Sum (if taken)} = \text{Capital Value}$$

The capital value is then converted to a percentage of the standard LTA at the date of your retirement by the following formula:

$$\frac{\text{Capital value} \times 100}{\text{Standard LTA}} = \% \text{ of LTA used}$$

If you have taken retirement benefits from any other pension provider then the capital value of those benefits must be included when testing against the LTA. The capital value of pension benefits paid before A-Day is calculated by the following formula:

Annual pension x 25 = Capital Value

For any benefits that have been paid on or after A-Day then your pension provider will have supplied you with a percentage of the standard LTA used.

If the total capital value is more than your personal LTA, then a LTA charge will be applied. In assessing the value of actuarially reduced benefits the calculation is based on the reduced benefits payable.

Lifetime Allowance Charge (LTAC)

When you claim your benefits we will check that the capital value of the benefits is within your available LTA. If it is, your benefits will be payable without any LTAC.

If it is not, but all or some of your LTA is available the Scheme must pay the LTAC on any amount over your available LTA direct to HMRC and recover the charge by a permanent reduction to your benefits. The charge is 25% of those benefits over your available LTA taken as a pension and 55% of benefits over your available LTA taken as a lump sum. As long as the value of any lump sum taken is less than 25% of your available LTA, the Scheme will recover the charge from your annual pension rather than the lump sum.

Where all of your LTA has already been used up the charge will be recovered at 55% of the lump sum and 25% of the annual pension.

Very small pension funds

If you accrue a very small amount of benefits with the NHS Scheme and any other providers where the total capital value is less than 1% of the standard LTA, then you may be able to have your

benefits paid as a one-off payment.

Where the capital value is below 0.35% of the LTA (equivalent to an annual pension of about £290) you will be invited to choose a one-off payment.

Where the capital value is between 0.35% and 1% of the LTA and you want your benefits paid as a one-off payment, you must request this in writing at the time you claim your benefits.

The Annual Allowance (AA)

The AA is the maximum tax-free increase in the capital value of your pension benefits, allowable in any one tax year. If the growth in the capital value of the benefits is greater than the AA you will be liable for an additional tax bill. The AA is set as follows:

Tax year	AA
2008-2009	£235,000
2009-2010	£245,000
2010-2011	£255,000

The AA values for subsequent years will be set by HMRC on an ongoing basis.

If you exceed the AA you will be liable for an additional tax bill and will have to complete a self assessment tax return. An AA is not applied in the financial year that you take your benefits.

Further information

You can find out more about the A-Day Tax Changes at www.pensions.nhsbsa.nhs.uk under "Member", or from HMRC's website at www.hmrc.gov.uk

3. Retirement benefits

What benefits will I get when I retire?

When you retire you will get a pension and the option to give up some of that pension in exchange for a lump sum, that is normally tax-free.

Under HMRC rules you must be under age 75 to receive a tax-free lump sum. If you are age 75 or over you will not have the option of taking a tax-free lump sum.

How are benefits worked out?

Your annual pension will be 1/60th of your reckonable pay for each year of Scheme membership. Part years of membership will also count towards your pension on a proportional basis.

For example, if your reckonable pay were to be £30,000 and you had 40 years' Scheme membership at retirement, you would be entitled to an annual pension of:

$$\frac{£30,000 \times 40 \text{ years}}{60} = £20,000 \text{ pension}$$

If you are a general practitioner your benefits are calculated on a different basis, see Section 20.

Can I convert some of my pension to a lump sum?

All members have the option to give up some of their annual pension in exchange for a lump sum that is normally tax-free. This is known as 'pension commutation'. The maximum permitted lump sum allowed by HMRC rules is calculated by the formula:

$$\frac{\text{annual pension (before commutation)} \times 30}{7}$$

Using the same example as above, if your annual pension were to be £20,000 then the maximum lump sum you could claim would be:

$$\frac{£20,000 \times 30}{7} = £85,704 \text{ lump sum}$$

(rounded down to the value wholly divisible by 12)

For every £12 of lump sum taken you will need to give up £1 per year of pension.

You don't have to take a lump sum but if you do, any amount can be taken in multiples of £12 up to the maximum permitted. In all cases your survivor's pension is not affected if you take a lump sum.

Again using the same example as above, if you wanted to take the maximum lump sum of £85,704 you would need to give up £7,142 of pension. Your pension would then be £12,858 per year.

How much membership can count?

You can count up to 45 years membership. You cannot be a member after age 75.

What is pensionable pay?

Pensionable pay is your normal pay and certain regular allowances. Payments for overtime above the weekly standard hours and travelling expenses are not included.

Your pensionable pay

determines the tier and amount of contributions that are payable.

There is no limit on the maximum amount of pay that can be pensionable.

What is reckonable pay?

Reckonable pay is the figure used in the calculation of benefits. It is the average of the best three consecutive years' pensionable pay in the last 10 prior to benefits being taken. Where less than one years pay is available, the pay will be increased pro-rata to a full year. Where more than one year of pay is available, but less than three years, the averaging will be over the actual period of pay available.

Before deciding the best three years' pay, each year in the 10 year period will first be revalued in line with the retail price index (RPI).

Pension calculator

You can find a calculator tool to help you model your Scheme benefits on our website at:

www.pensions.nhsbsa.nhs.uk

Payment of pensions

Pensions will usually be paid monthly in arrears into a UK bank account for the rest of your life.

If you are living abroad we can usually arrange to pay your benefits into a bank account there, providing it can accept secure electronic payments.

What if I work part time?

If you work part time your membership will be changed to the full time equivalent amount. This is then used to work out your pension.

For example, if you worked 6 years full time then 6 years half time, this is the equivalent of 9 years full time membership. If you worked part time during any year in the

10 year period to decide your reckonable pay figure, your part time earnings would first be increased to the full time equivalent figures.

What if my pensionable pay goes down?

Basing reckonable pay on the average of the best consecutive three years pay in the last 10 before retirement, smoothes out small year-to-year changes in pensionable pay. However, if your employer certifies that your pensionable pay is significantly reduced for any reason that is not your fault, for example because of reorganisation, ill-health or injury, your period of membership at the higher rate of pay will be protected provided you have been a Scheme member for at least 2 years.

Index linking

Your NHS Pension will be fully index-linked to protect it against inflation. This means that we will increase it each year in line with the cost of living, for as long as it is paid. The increases are paid from April. In the first year of your retirement the amount of increase you get will depend on the date you retire.

The benefits you will get from the NHS Pension Scheme will usually be higher than those from the S2P. The NHS Pension Scheme is contracted out of S2P under the 1995 Pensions Act.

To remain contracted-out of S2P the Scheme must pass a test of scheme quality as set out in the Pensions Act 1995.

Will I get a State pension as well?

Yes, if you have paid enough National Insurance contributions. The State Pension Scheme has 2 parts:

1. A basic state retirement pension.
2. The State Second Pension Scheme (S2P)

As a member of the NHS Pension Scheme you do not pay anything to the S2P. This means that you will only get the basic State pension from State Pension Age, unless you have contributed to the S2P in another employment.

4. Partial retirement ("draw down")

On reaching age 55 you become eligible to take some of your pension if you reduce your pay by switching to a lower paid job or reducing your hours of work. This facility is known as "draw down" of pension benefits. You do not need to take a break in employment to be able to draw down some of your pension.

What are the rules for draw down?

You must satisfy all of the following to be eligible to draw down part of your pension prior to retirement:

- ◆ be age 55 or older;
- ◆ reduce your actual pensionable pay by at least 10% **or** if you are a general practitioner reduce your commitment by at least 10%;
- ◆ the previous level of pensionable pay lasted for at least 12 months;
- ◆ the new level of pensionable pay is expected to last at least 12 months;
- ◆ not already drawn down twice.

How much can I draw down?

Subject to overall limits, you can draw down a minimum of 20% and up to a maximum of 80% of your own pension entitlement earned to date, whilst continuing to build up further membership. Benefits drawn down prior to age 65 are subject to an actuarial reduction because they are being paid early. See Section 5 for more information.

What effect will draw down have on my life assurance?

Benefits that have been drawn down will be taken into account when calculating the life assurance lump sum as described in Section 6.

5. Retirement age

When can I retire?

The normal retirement age is 65. But you can choose to retire before or after normal retirement age.

Retirement benefits are paid because you are retiring not simply taking a break in employment. You therefore need to have a break of at least 24 hours in order to qualify for all your retirement benefits.

You need to apply for your retirement benefits. Your Pension Officer will give you the form.

What if I want to retire early?

You can choose to take voluntary early retirement at any time from age 55.

We will work out your benefits in the normal way but they will be reduced to cover the extra cost of being in payment longer.

You can use the ready reckoner on our website to work out the value of the benefits you will get on the retirement date you have chosen.

Your dependants will still get any pension they are entitled to in full.

What if I have more than one job?

If you are working in more than one NHS job, you would have to leave them all before you could claim your retirement benefits. Your benefits would be based on **all** your membership up to your date of retirement.

What if I want to retire later than age 65?

If you retire later than your 65th birthday your pension benefits will be increased by the application of *late retirement factors*. More information about late retirement factors will be published on our website.

You cannot be a Scheme member from your 75th birthday and will be entitled to receive your retirement pension from that date without a break in employment. You should remember however, that under HMRC rules you cannot convert some of your pension to a tax-free lump sum once you have reached age 75.

6. Life assurance and family benefits

You are automatically covered by the Scheme's life assurance benefits from the day you join.

Pensions for surviving partners can be paid to:

- ◆ a legal spouse; or
- ◆ a registered civil partner; or
- ◆ a nominated partner with whom you have an exclusive long-term committed relationship of at least two years at the time of your death and are either financially dependent or inter-dependent.

A form PN1 to nominate a non-legal partner can be downloaded from our website: www.pensions.nhsbsa.nhs.uk in the "Member" section of the Library.

The benefits payable will depend on your circumstances when you die.

Lump sums

These are not normally included in an Inheritance Tax assessment if you are married or have a registered civil partner. However if the payment of the death lump sum partly or wholly causes you to exceed HMRCs lifetime allowance (LTA), then the excess payment above the LTA will be subject to a lifetime allowance charge (LTAC).

In addition to the possibility of a LTAC, if you are single a lump sum paid to a nominated person or persons may be subject to Inheritance Tax assessment. A lump sum paid into a deceased person's estate will normally be included in any Inheritance Tax assessment.

If you nominate a person or persons they should check their own tax position with HMRC.

Whenever a death lump sum is payable we will inform your legal personal representative (LPR) of the amount and percentage of the standard

LTA represented by the death lump sum. Your LPR is responsible for notifying this figure to HMRC if there is a LTAC. The beneficiary of the death lump sum is legally responsible for paying any LTAC that may become due.

If you are legally married (including separated), or have formed a civil partnership, or have nominated a qualifying partner, your surviving spouse, or partner will automatically get the lump sum unless you have nominated anyone else on form DB2. You can get this form from our website at: **www.pensions.nhsbsa.nhs.uk** or your Pension Officer can download a copy for you. The lump sum will then be paid to your nominee.

If you are single without a partner, divorced or have terminated a civil partnership the lump sum will be paid automatically to your estate unless you have nominated anyone on form DB2.

You can nominate (name) multiple persons including children, or one organisation, including a bank, trustee or firm of solicitors. The lump sum will be paid to your nominees automatically, without waiting for Grant of Probate or Letters of Administration.

You can change your instruction on form DB2 at anytime by making a new nomination on form DB2.

Pensions for surviving partners

A survivor's pension for your legal spouse, civil partner or nominated qualifying partner is payable for life, even if your spouse or partner remarries or begins living with someone as their spouse, civil partner or partner.

The survivor's pension will be 37.5% of your own pension. If you are a GP the survivor's pension will be 70/187^{ths} of your own pension.

Allowances for dependent children

The amount of the child allowance depends on the number of dependent children, and whether there is a surviving parent or partner who will get a Scheme survivor's pension.

The pension for distribution as child allowance is 75%, or for general practitioners 140/187^{ths}, of the pension before commutation that you would have been entitled to had you been awarded a tier 2 ill-health pension on the day of your death - see Section 8.

If there is entitlement to a survivor's pension from the Scheme the allowance is:

- ◆ for 1 child - one quarter of the child allowance;
- ◆ for 2 or more children - one half of the child allowance.

If there is no entitlement to a survivor's pension from the Scheme, the allowance is:

- ◆ for 1 child - one third of the child allowance;
- ◆ for 2 or more children - two thirds of the child allowance divided between them.

What if I die in pensionable employment?

If you die in pensionable employment we will pay a lump sum equal to 2 years' reckonable pay provided you have not drawn down any of your pension, see Section 4.

If you are a general practitioner the lump sum will be twice the annual average of the uprated pensionable pay earned throughout your career.

How much would the survivor's pension be?

If you have **less than 2 years membership** when you die, your spouse or partner will get a short term pension for 6 months. The pension will be at the same rate as your pensionable pay at the time of your death. If you are a general practitioner the pension will be based on your average pensionable earnings during the last complete quarter.

If you have **2 or more years' membership** when you die, your spouse or partner will get the short term pension for 6 months. Thereafter a survivor's pension will be payable for life. The survivor's pension will be

37.5% of the tier 2 ill-health pension you would have received on the day of your death.

If you are a general practitioner the survivor's pension will be 70/187^{ths} of the tier 2 ill-health pension you would have received on the day of your death.

Section 8 gives more information about how ill-health pensions are worked out.

Allocation

If you are in good health for your age you can give any dependant a pension when you die, by applying to allocate (give up) part of your own pension. You can also do this to give a husband, wife, civil partner, nominated qualifying partner or child a bigger pension. But you cannot change your mind afterwards, even if the chosen person dies before you. There are time limits on when you can apply. So if you are thinking about this you should contact NHS Pensions **before you retire**.

What if I die after pension draw down?

If you die in pensionable employment following a pension draw down there will be two elements to be considered in calculating the lump sum as follows:

- ◆ the lump sum in respect of the benefits that have not been claimed; and
- ◆ where death occurs within 5 years of a pension draw down, the lump sum in respect of the drawn down benefits .

How will each element of the lump sum be calculated?

The lump sum in respect of the benefits that have not been drawn down will be twice reckonable pay adjusted by the proportion of those benefits to the total value of all your Scheme benefits.

The lump sum in respect of the drawn down benefits will be the lesser of either:

- ◆ 5 times the post-commuted pension less the amount of pension actually paid; or

- ◆ twice the actual reckonable pay used in the calculation of the most recent drawn down benefits, adjusted by the proportion of drawn down benefits to the total value of all your Scheme benefits less the amount of lump sum taken.

How will the survivor's pension be calculated?

The initial pension will be calculated as two elements, reflecting the rules relating to both death before and after retirement. After the short term pension has ended your spouse or partner will get a survivor's pension payable for life.

What if I die after I retire?

Your spouse or partner will get a short term pension for 3 months, 6 months if there is at least one dependent child, at the same rate you were getting when you died. They will then get a survivor's pension.

A lump sum is not normally paid when a Scheme pensioner dies, but if death occurs within 5 years of retirement the lump sum will be the lesser of either:

- ◆ 5 times the pension less the amount of pension already paid, or
- ◆ twice the member's reckonable pay less any retirement lump sum paid.

Pensions for surviving partners

After the short term pension has ended your spouse or partner will get a survivor's pension payable for life.

What if I die during re-employment?

If you die in pensionable re-employment following retirement there will be two elements to be considered in calculating the lump sum as follows:

- ◆ the lump sum in respect of the benefits that you have earned in re-employment; and
- ◆ where death occurs within 5 years of retirement, the lump sum in respect of your retirement pension.

How is each element of the lump sum calculated?

The lump sum in respect of your re-employment will be twice reckonable pay adjusted by the proportion of your benefits for the period of re-employment to the total value of all your Scheme benefits.

The lump sum in respect of any retirement benefits that have been in payment for less than 5 years will be the lesser of either:

- ◆ 5 times the post-commuted pension less the amount of pension actually paid; or
- ◆ twice the reckonable pay used in the retirement benefits calculation, adjusted by the proportion of retirement benefits to the total value of all your Scheme benefits, less the amount of lump sum already taken.

How will the survivor's pension be calculated?

The initial pension will be calculated as two elements, reflecting the rules relating to both death before and after retirement. After the short term pension has ended your spouse or partner will get a survivor's pension payable for life.

What if I have left the Scheme but not retired?

The Scheme will normally pay a lump sum when any former member dies:

- ◆ within 12 months of leaving pensionable employment; or
- ◆ with deferred benefits.

The lump sum will be two and a quarter times the annual pension the member would have got if they had retired on the day they died.

No further benefits are payable if you had a refund of contributions or transferred your pension rights to another pension arrangement.

Pensions for surviving partners

The amount of pension depends on when you left the Scheme.

If you die within 12 months of leaving the Scheme no short term pension will be paid, but your spouse or partner will get a survivor's pension payable for life from the date of death. The survivor's pension will be 37.5% of the tier 2 ill-health pension you would have received on the day of your death.

If you are a general practitioner the survivor's pension will be 70/187^{ths} of the tier 2 ill-health pension you would have received on the day of your death.

Section 8 gives more information about how ill-health pensions are worked out.

For members who die with deferred benefits no short term pension will be paid, but the spouse or partner will get a survivor's pension payable for life from the date of death.

The survivor's pension will be 37.5% of your own pension.

If you are a general practitioner the survivor's pension will be 70/187^{ths} of your own pension.

7. Redundancy

This section does not apply to general practitioners - but see Section 20, or to members employed by GP Practices, OOH Providers, Alternative Providers of Medical Services (APMS) or Specialist Personal Medical Services (SPMS).

Members working for Direction Employers are also not normally covered by these arrangements.

If your employer decides you are redundant (for example following a reorganisation) and

- ◆ you have reached age 55; and
- ◆ you have at least 2 years' membership,

we can pay you a pension for life, with the option to commute some of it to a lump sum that is normally tax-free as an **alternative** to you receiving a severance payment from your employer.

How much will I get?

These benefits are worked out in the same way as

normal retirement benefits but will not be reduced to take account of early payment.

What if I have more than one NHS job?

You have 2 choices. You can either:

1. take redundancy benefits for Scheme membership in the redundant job only, or
2. take redundancy benefits for Scheme membership in all your jobs. You would have to leave the jobs for at least one day before you could claim your redundancy benefits in this way.

Can I return to NHS work?

You can return to NHS work and rejoin the Scheme after redundancy, however your pension may be affected. You can get more information about working in the NHS after retirement in Booklet R - "Notes for pensioners and their dependants" available from your Pension Officer or our website at:

www.pensions.nhsbsa.nhs.uk

8. Ill-health retirement

If you are a current member, and have at least 2 years membership, and become permanently incapable of doing your present NHS job because of ill-health we may be able to pay you a pension. The pension will be worked out in the same way as a normal retirement pension but will not be reduced to take account of early payment. This is referred to as a Tier 1 pension.

If your illness makes you permanently incapable of **any** regular work of like duration to your NHS job, the pension will be calculated after first increasing your actual membership by two-thirds of the membership you could have got had you continued as a member to age 65. This is referred to as a Tier 2 pension.

You will also have the option to give up some of your pension in exchange for a lump sum that is normally tax-free.

If you think ill-health retirement applies to you, contact your employer for a form AW33E. But remember that you must be leaving work because of permanent ill-health. If your employer dismisses you for any other reason you cannot qualify for an ill-health pension.

We will ask our medical advisers, in every case, to assess the medical evidence and confirm that you are **permanently** incapable of either carrying out your present NHS duties or doing any regular work. If they confirm this and we are satisfied that you meet the rules for ill-health retirement, we can pay you the appropriate level of pension.

More about ill-health retirement can be found in Booklet SDER in our website library at:
www.pensions.nhsbsa.nhs.uk

Serious Ill-Health

If you are seriously ill you may be able to have all future pension entitlement paid as a one-off lump sum instead of an ill-health pension.

You can apply for a one-off lump sum if:

- ◆ you are a member of the Scheme; and
- ◆ you are so ill that you do not expect to live longer than one year.

Your dependants will still get any pension they are entitled to in full.

9. Working after retirement

If, after a 24-hour break in employment, you return to NHS employment and you are under age 75, you can build up further membership in the Scheme up to the maximum limit of 45 years and qualify for a second pension.

Further NHS employment will not affect your existing pension unless you are under age 65 when you return to work and you are receiving either an ill-health pension, or retire early on grounds of "interests of efficiency".

If this applies to you, you should read Booklet R "Notes for pensioners and their dependants" available in our website library at:
www.pensions.nhsbsa.nhs.uk

10. Cost

How much will all this cost me?

Contribution rates are tiered depending on your level of whole-time equivalent earnings, as follows:

- ◆ up to and including £19,682 = 5%
- ◆ £19,683 to £65,002 = 6.5%
- ◆ £65,003 to £102,499 = 7.5%
- ◆ £102,500 and over = 8.5%

The contribution tiers will be adjusted each year in line with Agenda for Change pay awards.

Do I really pay that much?

No. You will get full tax relief on the contributions you pay. You also pay a lower rate of National Insurance contribution. **This means the actual cost is between 3.5 to 5% of pay.**

Your employer contributes an amount equal to 14% of your pensionable pay.

Your contributions are payable on your pensionable pay. This includes your normal pay and certain regular allowances. Payments like overtime above the full time standard hours and travelling expenses are not included.

Maternity, Paternity and Adoption Leave

Whilst on maternity, paternity, adoption and parental leave your contributions will be based on the pensionable pay you will receive during the period of paid leave. If you take unpaid leave, your contributions will continue to be charged on the pensionable pay you received immediately prior to the period of unpaid leave.

11. Increasing benefits

Can I increase my benefits?

There are two ways in which you can increase your benefits, both of which attract tax relief on your contributions. These are:

- ◆ buying Additional Pension (AP) in fixed units to increase either your own pension or your own and any dependants pension
- ◆ contributions to a Money Purchase arrangement.

How do these arrangements work?

Additional Pension (AP)

This can be bought in units of £250 annual pension, up to a permitted maximum of, currently, £5,000 annual pension. The amount purchased will be index linked to protect it against inflation. An unlimited number of purchases can be made throughout Scheme membership, but cannot add up to more than the maximum permitted. The additional

pension can either be single cover, increasing your own pension only or with dependant's cover, increasing your survivor and dependant pensions as well.

Money Purchase benefits

Contributions are invested on your behalf to build up a supplementary retirement fund. Subject to HMRCs lifetime allowance you can take up to 25% of the fund as a tax-free lump sum and the rest is used to buy you an annuity (an additional pension for yourself or yourself and your spouse) when you retire, or later. If you wish you can also make money purchase contributions to increase the Scheme's life assurance lump sum.

There are two money purchase providers who offer special NHS terms. You can find their contact details in Section 19. Alternatively, you can if you wish, pay money purchase contributions to a 'Free Standing' provider.

Stakeholder pensions

Stakeholder pensions are an alternative for topping up your main Scheme benefits. Unlike other top-up arrangements you can always transfer a Stakeholder pension to a different provider without penalty.

How much extra can I pay?

You can contribute up to a maximum of 100% of your NHS earnings, including your basic Scheme contributions.

Where do I find out more?

More information can be found on our website at: **www.pensions.nhsbsa.nhs.uk** or from your employer.

12. Transferring benefits

What if I have been a member of another pension scheme?

If you have previously been a member of another registered pension scheme you may be able to transfer the value of those benefits to buy extra membership in the NHS Pension Scheme.

If you have pension benefits in a pension scheme outside the UK you may be able to transfer the value of those benefits into the NHS Pension Scheme.

You will not be able to transfer in any benefits from a Registered Pension Scheme which was a retirement annuity approved under Section 620 (formerly Section 226) of the Income and Corporation Taxes Act 1988 before 6 April 2006.

If you want to find out more about this ask your Pension Officer for a transfer booklet.

Applications to transfer benefits into the Scheme must be made WITHIN 12 MONTHS of becoming eligible to join the Scheme

AND before age 65.

You do **not** need to apply for a transfer if you have been a member of the NHS Pension Scheme in England and Wales in your last NHS employment and move to another NHS employment in England or Wales.

You **do** need to apply if you were a member of other NHS pension schemes in the UK, eg Scotland, Northern Ireland or the Isle of Man.

Can I transfer my benefits out of the NHS Pension Scheme?

If you leave the NHS or the Scheme, you may be able to transfer your benefits to another Registered Pension Scheme.

You may also be able to transfer your benefits outside the UK, if the receiving scheme is either a Registered Pension Scheme or a Qualifying Recognised Overseas Pension Scheme (QROPS).

You must be under age 65 when you apply.

How is a transfer payment worked out?

A transfer payment is worked out by converting the value of your pension rights to a current cash equivalent using factors supplied by the Scheme Actuary in relation to your age at the date of calculation. The transfer calculation also takes account of the current stock market level.

Can I transfer my NHS Money Purchase fund?

Yes and you can choose to transfer it independently of your main Scheme benefits.

13. Leaving

If you change your job or employer but stay in the NHS in England or Wales you can stay in the Scheme and your benefits will continue to build up.

What if I decide to leave the Scheme?

If you are considering leaving the Scheme but staying in the NHS, please make sure that you fully understand what you are giving up. Before making your final decision speak to your Pension Officer. If you are **sure** you wish to opt out you will need to ask your Pension Officer for leaflet SD502.

If you are not sure you should seek independent financial advice. Section 18 gives some information about this.

What are my options if I leave the NHS or decide to leave the Scheme?

1. If you have been in the Scheme for 2 or more years you can leave your benefits with the Scheme. These are called deferred benefits and their value is fully index linked. You need to apply for these

benefits which are normally paid to you at age 65. Your benefits may be payable before age 65 if you become incapable of **any** regular work because of ill-health.

2. You may be able to transfer the benefits you have earned in the NHS Scheme including any NHS Money Purchase fund to another pension provider even if you have less than 2 years' membership.

You must be under age 65 when you apply. If you have less than 2 years membership then you must also:

- ◆ join your new scheme within 12 months of leaving the NHS Scheme; and
- ◆ apply to us for a transfer within 12 months of joining your new scheme.

3. If you have been in the Scheme for less than 2 years you can have a refund of the contributions you have paid. Tax and National Insurance contributions to buy you back into the S2P will be deducted from the refund before it is paid to you. Refunds are not

available to members leaving the Scheme on or after age 65, or where there has been a completed transfer from a Personal Pension Scheme. A retirement benefit will be paid, or benefits will be deferred, in these cases.

How do I apply for a transfer quotation?

You can:

- ◆ ask your new registered pension scheme to apply on your behalf. They will need your written permission to do this, or
- ◆ write to us yourself.

Our contact details can be found in Section 19.

14. Injury benefits

This section does not apply to locum general practitioners - see Section 20, or to members employed by GP Practices, OOH Providers, Alternative Providers of Medical Services or Specialist Personal Medical Services.

Those working for Direction Employers are not normally covered by the NHS Injury Benefits Scheme.

The Injury Benefits Scheme is not part of the NHS Pension Scheme. It is governed by different rules, and it covers all NHS employees, except those listed above whether they are Scheme members or not.

What if I am injured at work?

If you are temporarily off work without pay or on reduced pay because of an injury or a disease caused by your NHS employment, you may be entitled to a Temporary Injury Allowance (TIA).

How much you get will depend on how much your

income is (ie pay, relevant pension including the State Second Pension and Department for Work and Pension benefits) while you are off work. If your income is at least 85% of your average pay you will not receive a TIA. If your income is less than 85%, a temporary injury allowance can be paid. The amount you get will bring your income up to 85% of your pay.

When you return to work the TIA will stop. You may, however, qualify for permanent benefits if your earning ability has been permanently reduced by 11% or more as a result of the injury or disease.

Your Pension, Payroll or Human Resources Officer can tell you more about TIA. More detailed information on Permanent Injury Benefit (PIB) is available in booklet SDIB. You can get a copy from your employer. An informed guide to the NHS Injury Benefits Scheme can also be found on our website at www.injurybenefit.nhsbsa.nhs.uk

15. Complaints & Disputes

What to do if things go wrong

We make every effort to get things right. If we have made a mistake please tell us and we will apologise and put things right as quickly as possible. If you are not satisfied, we have a formal Complaints and Disputes (IDR) procedure that complies with pension legislation.

Who can 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.

How to complain?

This is a two stage process, the first of which asks you to complete a Stage 1 application form DRP1 available to download from the "Member" section of our website library at:
www.pensions.nhsbsa.nhs.uk.

Your case will be reviewed by a Disputes Officer and we will let you have a response within 2 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 under Stage 2 of the IDR procedure. If you want to do this you will need to complete a Stage 2 application form DRP4 available to download from the "Member" section of our website library at:
www.pensions.nhsbsa.nhs.uk.

Your case will then be reviewed by a Scheme manager and we will let you know the outcome within 2 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 ask The Pension Advisory Service (TPAS) for advice at any stage. 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 Section 19.

But the Pensions Ombudsman will normally expect any complaint or dispute to have been looked at under our IDR procedure first.

The Pensions Regulator is responsible for overseeing pension scheme administration, for granting certain time limit extensions and for complaints about non-disclosure of information. Their address can be found at Section 19.

16. Data Protection

NHS Pensions is a Data Processor under the Data Protection Act 1998. The Data Controller, for the purposes of the Act, is the NHS Business Services Authority.

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 get 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 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 NHS Pensions unless

the law allows us to do so.

NHS Pensions has a legal duty to protect the confidentiality of information about NHS employees. 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 Data Protection Act 1998. Any data which we use here is protected in accordance with Government standards.

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 in Section 18. 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 by a separate authority, NHS Pensions may require their permission for its contents to be disclosed.

17. Freedom of Information

The Freedom of Information Act came into force on 1 January 2005.

Under the Freedom of Information Act 2000, anybody may request information from a public authority which has functions in England, Wales and / or Northern Ireland. The 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 Act regardless of age, nationality or location. You should make any requests to the Information Governance Manager at the address in Section 18.

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 required to be kept confidential.

Freedom of Information Act

This Act requires publicly funded organisations, such as government, schools, hospitals, etc. to disseminate a 'publication scheme', put in place systems for effective records management, and respond to requests from the public for information. The Act 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 Office of the Information Commissioner's website. NHS Pension's approved publication scheme is available on our website at www.pensions.nhsbsa.nhs.uk

18. Some general points

Scheme Rules

The rules of the New NHS Pension Scheme are laid down in regulations agreed by Parliament. They are the New National Health Service Pension Scheme Regulations 2008. You can view these on our website at: www.pensions.nhsbsa.nhs.uk.

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 c/o NHS Pensions at the address and telephone number in Section 19.

Pension Scheme Fund

The NHS Pension Scheme does not have a real pension fund, but as a statutory scheme, benefits are fully guaranteed by the Government.

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

Independent Financial Advice

If you are in any doubt which arrangement will be the best one for you, you should seek independent financial advice.

Under the Financial Services Act of 1986 all financial advisers have to decide whether to be "independent" or "tied".

A financial adviser who is "independent" can offer a range of financial services and products, whereas a financial adviser who is "tied" can only offer the products of one company.

Before you ask for advice, make sure you know which type of adviser you are dealing with. Most financial advisers will charge for their advice.

The charge may be in the form of a fee payable by you or commission payable by any

company that you decide to invest in. If the adviser you choose charges on a commission basis, you should ask how your investments will be affected by the charges.

Your Pension Officer may be able to help you find a source of independent financial advice or you can contact the address below for a list of local companies.

IFA Promotions Limited
17-19 Emery Road
Brislington
Bristol
BS4 5PF

Telephone: 0800 085 3250
or visit their website at:
www.unbiased.co.uk

It is advisable to check that the company you have chosen is authorised with the

Financial Services Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

Telephone: 0845 606 1234
or visit their website at:
www.fsa.gov.uk

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 visit their website at:
www.nhsbsa.nhs.uk

19. Useful Contacts

You can write to us at:

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

or e-mail us via our website at:
www.pensions.nhsbsa.nhs.uk

Ring us on 01253 774774

The switchboard is open from 8.30am to 5.00pm Monday to Thursday and to 4.30pm on Fridays (closed Public Holidays).

Fax us on 01253 774412 or on the fax number on our forms and letters.

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.

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

NHS Money Purchase providers

Standard Life

Group Pensions Public Sector
Standard Life House
30 Lothian Road
Edinburgh EH1 0WT
www.standardlife.co.uk/nhs
Helpline: 0800 33 33 06

Prudential

FREEPOST RG2384
PO Box 2711
Reading RG1 3UL
www.pru.co.uk/retire/nhs
Helpline: 0845 070 2456

NHS Stakeholders

Standard Life

Stakeholder Pensions
Standard Life House
30 Lothian Road
Edinburgh EH1 0WT
www.standardlife.co.uk/nhs
Helpline: 0800 33 33 06

TUC / Prudential

TUC Stakeholder Customer Service Centre
Prudential
Stirling FK9 4UE
www.pru.co.uk/retire/nhs
Helpline: 0845 070 6666

The Pensions Advisory Service (TPAS)

If you wish to contact TPAS their address is:

11 Belgrave Road
London SW1V 1RB

Helpline: 0845 601 2923
Website:
www.pensionsadvisoryservice.org.uk

Pensions Ombudsman

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

11 Belgrave Road
London SW1V 1RB

Telephone: 0207 834 9144
Website: www.pensions-ombudsman.org.uk

Pension Scheme Registrar

Information about the Scheme has been given to the Pension Schemes Registry under the management of the Pensions Regulator. The address for the Pension Schemes Registry is:

Registrar of Pension Schemes
PO Box 1NN
Newcastle upon Tyne
NE99 1NN

Pensions Regulator

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

The Pensions Regulator
Napier House
Trafalgar Place
Brighton BN1 4DW

Helpline: 0870 606 3636
Website:
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

Helpline: 0845 606 1234
Website: www.fsa.gov.uk

20. Additional information for general practitioners

Joining

Membership of the NHS Pension Scheme is open to NHS General Medical Practitioners, NHS General Dental Practitioners and NHS Ophthalmic Practitioners (referred to in this booklet as "general practitioners") who are:

- ◆ on the performers list of a Primary Care Trust (PCT), or Local Health Board (LHB), and
- ◆ provide, and/or perform General Medical Services (GMS), Personal Medical Services (PMS), General Dental Services (GDS), Personal Dental Services (PDS), Alternative Provider of Medical Services (APMS), Specialist Personal Medical Services (SPMS) or NHS Ophthalmic Services.

General Practitioners can join the Scheme up to age 75. There are 3 types of general practitioner:

'Type 1 Practitioner' means a Single Handed GP, a GP Partner, a GP shareholder in a company limited by shares (that is a GMS Practice, a PMS Practice or a APMS/SPMS Contractor), a General Dental Practitioner (GDP) in GDS or PDS who is a Single Hander, Partner, Shareholder, or Associate or a NHS Ophthalmic Practitioner contracted directly with a PCT or LHB.

'Type 2 Practitioner' includes GMS, PMS and APMS/SPMS salaried GPs (including GP Retainers and Flexible Career Scheme GPs), vocational trainees directly employed by a GDS or PDS Practice, and GDPs employed by a PCT or LHB to perform GDS, PDS, EDS, or OOHs.

'Locum Practitioner' means a self employed NHS GP Locum who is on the Medical Performers List and who deputises for a NHS GP or temporarily assists in the provision of GMS, PMS, SPMS, APMS or OOHs NHS work.

GP registrars can join the Scheme but these posts are treated as hospital (officer) membership.

Unless you are a freelance NHS locum medical practitioner, your PCT/LHB or the Dental Services Division (DSD) will automatically enter you in the Scheme. You do not need to do anything unless you decide **not** to join.

If you are a freelance NHS locum medical practitioner and want to join the Scheme, you must apply to your host PCT/LHB by completing the relevant pension forms. You will normally be able to join the NHS Scheme for NHS freelance locum work if you:

- ◆ are on a PCT/LHB 'Performers List', and
- ◆ are paid directly by a Scheme Employing Authority and not through an Agency or private company.

If you are working on a regular basis, to record freelance GP locum membership in the Scheme you simply work out your contributions at the end of each month on forms GP Locum A, B, C and D. Then send them with a cheque to arrive at your host PCT/LHB by the 7th calendar day of the following month.

However, if you do not work on a regular basis, it is important that you note the following:

There is a time limit for recording GP locum membership. If you want a period of locum work to count as membership, your contributions and forms for any period of locum work must arrive at your host PCT/LHB no later than 10 weeks after the date it ends.

You can get more information about joining the Scheme as a NHS freelance locum and obtain application forms on our website at:

www.pensions.nhsbsa.nhs.uk

Pensionable pay

General medical practitioners

NHS pensionable pay is based upon GMS, PMS, SPMS or APMS income and any other fee based earnings under a contract for primary medical NHS services with a Scheme Employing Authority. NHS expenses are determined by each individual GP Provider and are not pensionable.

The contract for primary medical services must be between a GP Partner, GP Shareholder, Single Handed GP, salaried GP, a GMS or PMS practice, an SPMS / APMS contractor, or an Out of Hours Provider (OOHP), and any of the following that are registered as a Scheme Employing Authority:

a PCT; a LHB; a NHS Trust;
a NHS Foundation Trust;
a Special Health Authority;
a NHS body (ie a GP Co-op)

Income that is pensionable (in addition to GMS and PMS income) under a fee based

contract for services arrangement with a Scheme Employing Authority is income from:

- ◆ NHS board and advisory work
- ◆ the delivery of an OOHs service
- ◆ work carried out as NHS services under Local Authority collaborative arrangements.
- ◆ the education of medical students, undergraduates and postgraduates in a Practice environment

If you are a GP Partner, GP Shareholder or a Single Handed GP you have the choice of this 'fringe' income being paid into the Practice account and recorded as additional Practice based pensionable income on the end of year Certificate **or** to record this work as individual pensions credit on the form GP SOLO.

If you are a salaried GP and performing 'fringe' work in addition to your normal GMS/ PMS work you should always use the form GP SOLO. But, if you are contracted by your employer to perform this work you must not complete the form GP SOLO.

GPs must 'pension' all of their NHS GP work including their 'fringe' NHS earnings and any OOHs income. If you opt out of pensioning your fringe earnings then you cannot remain a GP member of the Scheme.

Your GP earnings are not pensionable where you engage directly with a body (ie a prison, hospice, charitable organisation, insurance company, OOH, DWP etc) that is not a Scheme Employing Authority.

GP Locums

If you are a GP Locum your NHS pensionable pay is income paid to you by an Employing Authority in respect of deputising for an absent GMS, PMS, SPMS / APMS or OOHs GP or income

paid to you by an Employing Authority for assisting in the temporary provision of GMS, PMS, SPMS / APMS or OOHs. Expenses are set at a standard rate of 10%.

General Dental Practitioners

If you are a Type 1 dental practitioner your NHS pensionable pay is based on your income in respect of the provision of General (or Personal) Dental Services paid to you by the DSD less expenses. Dental Practitioner expenses are set at 56.1%.

If you are a salaried dentist or dental trainee employed by a Practice your pensionable pay is based on your basic NHS pay in respect of the provision of General or Personal Dental Services.

Medical or Dental Practitioners in partnership

If you are a Type 1 dental practitioner, and not an associate, you will agree the level of your pensionable pay with your PCT / LHB and

complete an annual reconciliation report. If you are a Type 1 medical practitioner your pensionable pay will be stated on your end of year Certificate.

Statements of pensionable pay and the GP Certificate

To help you keep track of your pensionable pay, your PCT/LHB or the DSD may send you a statement at the end of each financial year. The statement will take account of any partnership agreement.

If you are a GMS, PMS, SPMS or APMS GP provider you are legally required to complete a Certificate of your pensionable profits every year. The statement of pensionable pay (SD86) may be sent to you after the completed certificate has been received and checked by your PCT / LHB.

More information about the GP Certificate can be found on our website library under "Member" and then "GP Forms".

If you do receive a statement check it carefully. Your PCT/LHB or the DSD will assume you accept the figures unless you contact them within 3 months of receiving it.

Retirement benefits

As general practitioner earnings can vary we use a different method to work out your practitioner pension.

We take your pensionable pay for each year of membership and uprate it by the increase in the retail price index (RPI) plus a fixed 1.5%. Then we add the uprated amounts together. Your yearly general practitioner pension is 1.87% of the total.

The factors we use to uprate your pay are known as the dynamising factors.

If you want to know the latest dynamising factors for uprating your pay they can be found on our website at:

www.pensions.nhsbsa.nhs.uk

If you have any hospital membership (including GP Registrar membership) before or after becoming a general practitioner, we will at retirement automatically calculate your benefits by whichever of the following is the most favourable method. There is nothing you need to do.

Less than 10 years membership before becoming a Type 1 practitioner

- ◆ An addition to the general practitioner pension pro-rata to the length of the hospital work; or
- ◆ A general practitioner pension for all work, treating your hospital earnings as if they were general practitioner earnings.

More than 10 years membership before becoming a Type 1 practitioner

- ◆ A separate pension for the hospital work using the method shown at Section 3; or

- ◆ A general practitioner pension for all your work, treating your hospital earnings as if they were general practitioner earnings.

If you have worked in general practice before moving to hospital work you will receive a separate pension for the period of hospital work using the method shown at Section 3. and the most favourable of the following:

- ◆ A general practitioner pension plus pensions increase (linked to prices); or
- ◆ A general practitioner pension based on earnings up to ceasing to be a general practitioner, increased by dynamising factors up to retirement.

If you have worked in both general practice and a hospital at the same time (and hospital work is for more than one year) you will receive pension benefits that are the most favourable of the following:

- ◆ A separate pension for the hospital work using the method shown at Section 3, plus a separate general practitioner pension; or
- ◆ A general practitioner pension for all work, treating your concurrent hospital earnings as if they were general practitioner earnings.

Redundancy from hospital membership

If you are made redundant from a hospital post, you may be entitled to early payment of benefits if you satisfy the conditions described at Section 7.

Cost

If you are a Type 1 dental practitioner, the DSD will take your contributions, plus the contributions for any assistants, associates or dental trainees you employ, from your net pay.

If you are a Type 2 practitioner your Practice will collect your employee contributions from your net pay.

If you are a NHS freelance GP locum you will be able to record and calculate your own pension contributions, on forms GP Locum A, B, C and D, as described earlier. Your PCT/LHB will check your calculations, add the 14% employer contributions (in respect of Practice based GP locum work), update your pension record and forward payment to NHS Pensions.

Employer contributions in respect of OOHs GP locum work are payable by the relevant OOHs Provider and not the PCT/LHB.

Scheme employee contributions attract tax relief and if you are a Type 2 practitioner, you will normally pay the lower National Insurance contribution.