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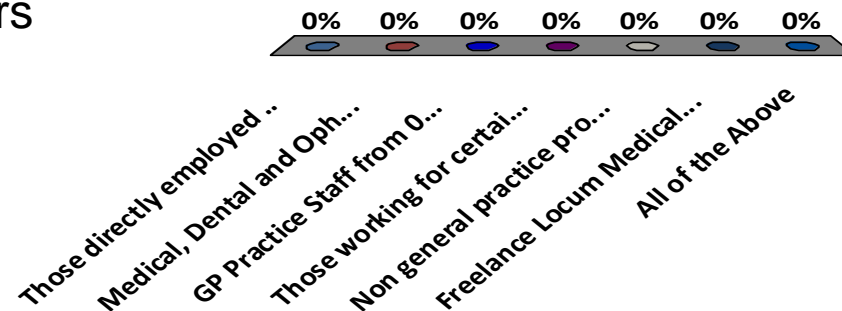
NHS Pensions – The journey of a member

An introduction to the NHS Pension Scheme

- The NHS Pension Scheme is the largest centrally administered public sector pension scheme in Europe
- It currently has 1.5 million actively contributing members
- 550,000 members with deferred benefits
- 750,000 pensioners paid every month
- The Scheme is an unfunded occupational Scheme backed by the Exchequer. It is open to employees from the NHS and other approved organisations

Who is eligible to join the NHS Pension Scheme?

- A. Those directly employed by NHS
- B. Medical, Dental and Ophthalmic Practitioners and trainees
- C. GP Practice staff from 01/09/1997
- D. Those working for certain approved employers
- E. Non general practice providers
- F. Freelance Locum Medical practitioners
- G. All of the above



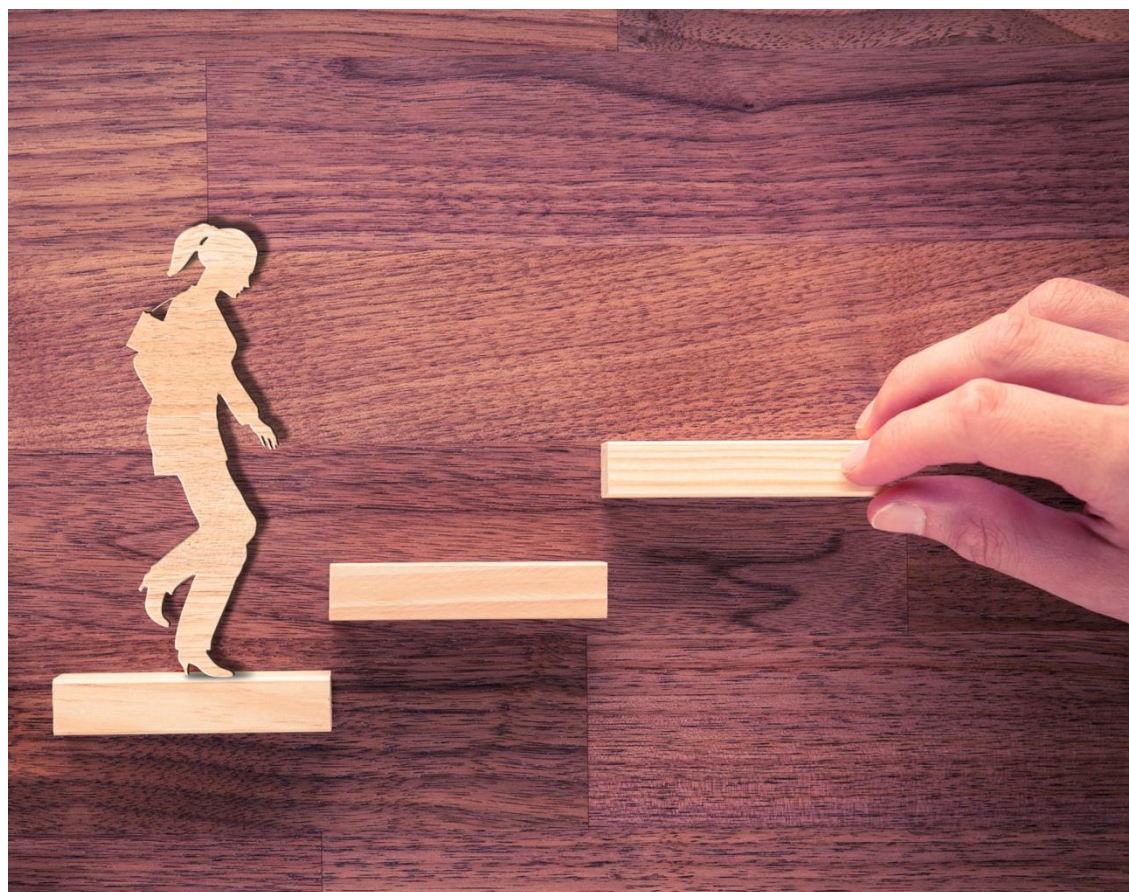
Who is eligible to join?

Answer: G – All of the above

The Scheme is open to any NHS worker aged between 16 and 75 if they are:

- Directly employed by the NHS
- Medical, Dental and Ophthalmic Practitioners and Trainees
- GP Practice staff from 01/09/1997
- Working for certain approved employers such as Directions/New Fair Deal and/or Independent Providers
- Non General Practice providers
- Freelance Locum Medical Practitioners can elect to join

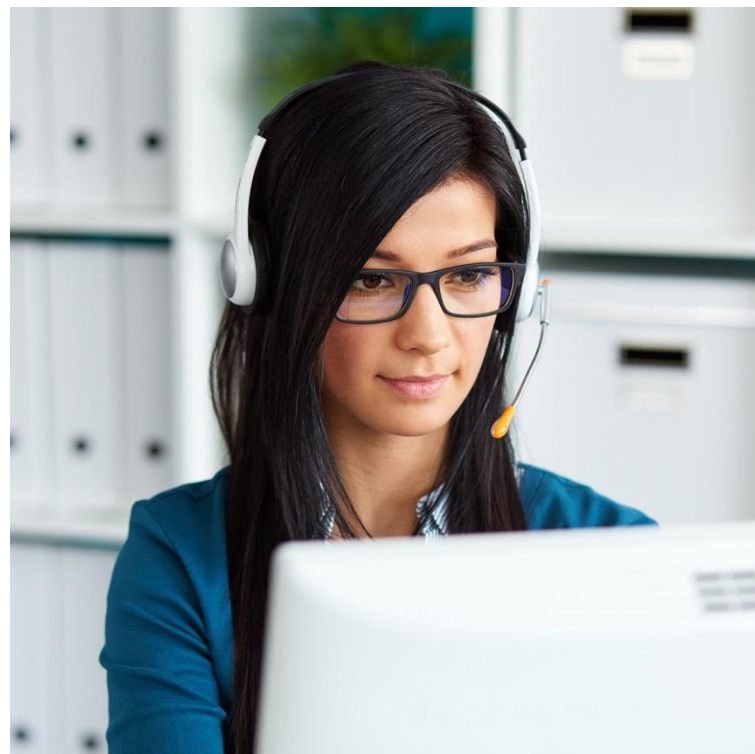
So let's follow Freya's journey...



Freya's journey begins when she started working for a GP practice as a receptionist on 01/11/1998 at age 36.

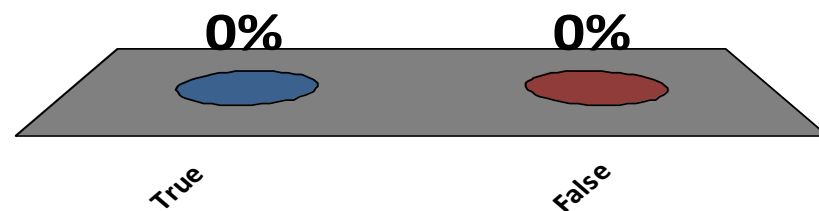
Under NHS Pension legislation the GP Practice enrolls Freya into the 1995 Section of the NHS Pension Scheme by completing the joiner form SS10GP.

The joiner form SS10GP form is completed on Pensions Online (POL) and is submitted to NHS Pensions. Submission of the joiner form is covered in more detail during one of our other sessions.



All new eligible employees must be enrolled into the NHS Pension Scheme

- A. True
- B. False



Employee enrolment

Answer: A - True

- The NHS Pension Scheme is a qualifying pension scheme and is the default Scheme for all eligible NHS employees. They must be automatically enrolled into the scheme from their first day of employment, the member can then chose to opt out.

Auto Enrolment

All organisations are required to reassess the worker status for all employees under the automatic re-enrolment rules. Automatic re-enrolment occurs every three years and is a repeat of the duties carried out on your staging date. Organisations will need to ensure that all eligible staff who are not already in an automatic enrolment pension scheme are reassessed under re-enrolment.

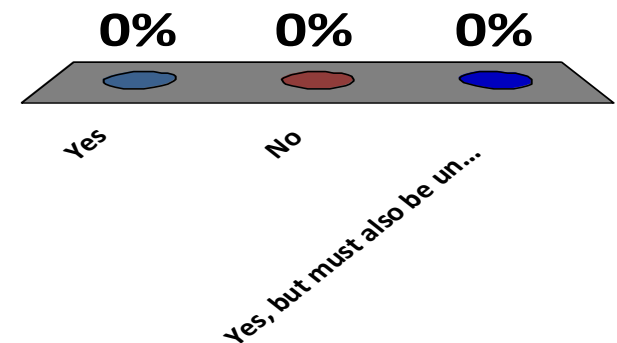
Freya decides to leave and take a refund...

18 months after joining the GP practice, Freya decides to leave the practice for a large hotel chain. Freya requests a refund of her NHS pension contributions.



If a member has less than two years qualifying membership when they leave pensionable employment, can they claim a refund?

- A. Yes
- B. No
- C. Yes, but must also be under normal pension age



Refund of contributions

Answer: C - Yes but must also be under normal pension age (NPA)

- Members must have less than two years membership and be under their normal pension age
- Complete refund of contributions application form RF12 on Pensions Online
- The employer must terminate the members employment by completing form SD55 on Pensions Online

Freya rejoins the NHS Pension Scheme

Freya continued to work for the hotel chain for three years and during this time she gets married.

The shifts at the hotel are long and included some evenings. Freya decided to leave and return to the NHS as a part time receptionist for a GP practice on 01/05/2003.



Freya decides to adopt a child...

After three years at the GP Practice, Freya decides to adopt a 12 year old child and Freya can apply for adoption leave.

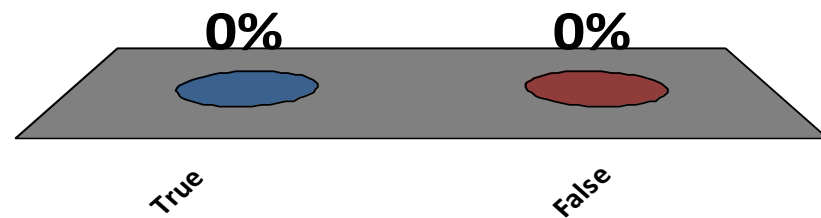
When Freya went on adoption leave she decided to continue to pay pension contributions throughout to avoid a break in pensionable membership.

During different types of authorised leave, members can choose either:

- To continue to pay pension contributions before going on adoption leave
- **or**
- To cease paying pension contributions. The employer should terminate the employment the day before the adoption leave commences

An employee can join the NHS Pension Scheme whilst on adoption leave?

- A. True
- B. False



Adoption leave

Answer: B – False

- An employee cannot join the Scheme during a period of adoption leave
- Contributions are always based on the employees actual pay. If the employee goes into unpaid leave then the contributions will be based on their pay immediately prior to the unpaid leave beginning. In all circumstances the employer contribution rate remains the same
- The employee can arrange to pay the arrears back on their return to work. This will be a mutual agreement made by you and the employee and we would expect these arrears to be paid back within a reasonable amount of time

Challenging times ahead for Freya...

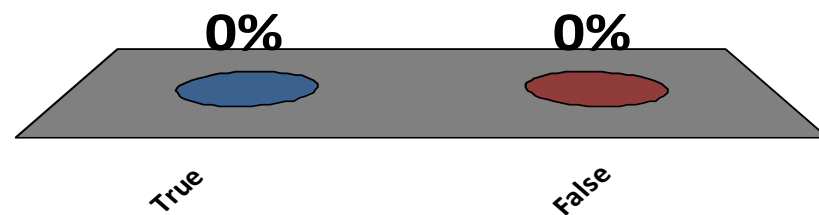
Four years later Freya has a serious car accident and goes on long term sick leave. After exhausting full pay and half pay sick, Freya goes on to no pay sick leave.

- Contributions are payable whilst a member is on full or half pay sick
- No pay sick is classed as 'disallowed days'



A member can join the Scheme whilst on sick leave?

- A. True
- B. False



Sick leave

Answer: B – False

- A member cannot join the Scheme whilst on sick leave
- When calculating pensionable pay for benefit purposes, any reduction relating to absence, owing to illness or injury (not including unpaid sick leave), should be added back into pensionable pay. This is commonly referred to as “deeming”. Deemed pay is pay that would have been paid to the member, if they had not been absent from duty

Sick leave

*Statutory Sick pay

	Full pay	Reduced or suspended pay with or without SSP*	SSP only	No pay
Employer	Payable as normal	Payable on the members normal unreduced pay. This is the rate in payment immediately before pay reduced.	Payable on the members normal unreduced pay. This is the rate in payment immediately before pay reduced	All contributions stop. Membership no longer counts for benefits. Disallowed days to be notified.
Member	Payable as normal	<p>Main Scheme: Payable on actual reduced pay only.</p> <p>Added years: Contributions are payable on the normal salary rate. This is the rate in payment immediately before pay reduced.</p>	<p>Main Scheme: Payable on SSP only.</p> <p>Added years: Contributions are payable on the normal salary rate. This is the rate in payment.</p>	

Freya returns to NHS employment...

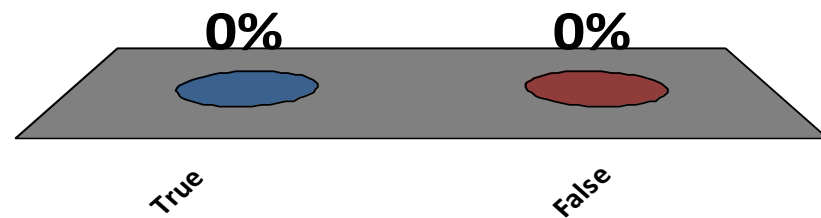
Two years later, after a long recovery, Freya returns to work full time for another GP practice on 01/02/2012.

Freya has viewed her Annual Benefit Statement this year and is considering topping up her pension by purchasing Additional Pension (AP) to increase her pension benefits.

Freya works out the cost of this by using the AP calculator on the NHS Pensions website. She partially completes the application form the calculator generates and passes the form to her employer to authorise deductions from her pay.

Purchasing Additional Pension will increase the lump sum on retirement?

- A. True
- B. False



Additional Pension

Answer: A – True

As Freya is in the 1995 Section her additional pension purchase will increase her standard lump sum.

Freya can choose to pay for the Additional Pension via a one off lump sum payment or by instalments.

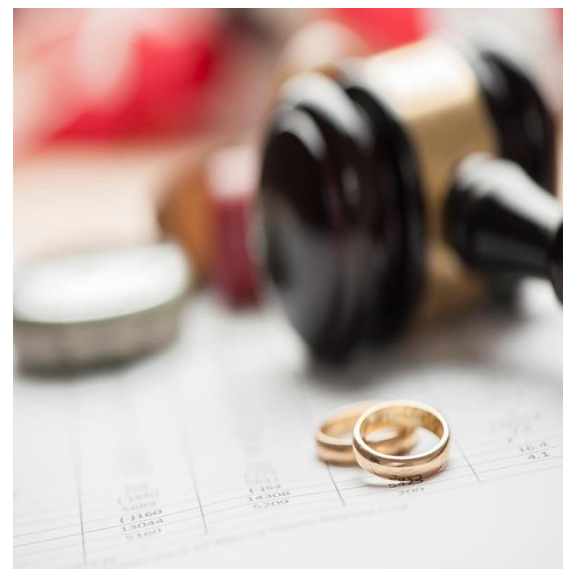


Challenging times again for Freya...

After many years of marriage Freya and her husband have decided to get divorced. Freya needs to request a Cash Equivalent Transfer Value for Pensions on Divorce purposes. The court will use the Cash Equivalent Transfer Value figure as part of a Pension Sharing Order.

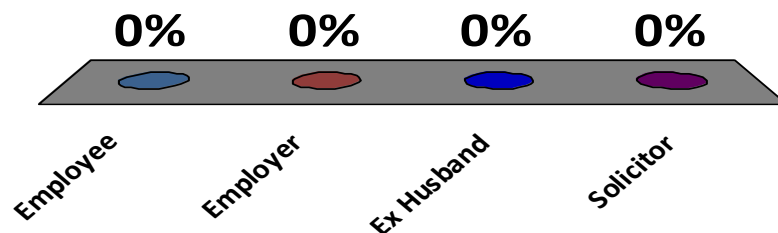
Member's must complete the Pension on divorce form (PD1) to request a Cash Equivalent Transfer Value from NHS Pensions and there may be a charge for this.

Freya may also wish to complete the death Benefit Nomination form (DB1) to exclude her husband's entitlement to the lump sum on death benefit.



Who completes the Pensions on Divorce Payment Details Request form (PD2)?

- A. Employee
- B. Employer
- C. Ex Husband
- D. Solicitor



Pensions on Divorce

Answer: B – Employer

- Pay details request form (PD2) is completed by the current/last employer if the member is in active employment or if they have left employment in the last 12 months and have not yet claimed their pension.
- If they have not paid into the Scheme for 12 months or they are in receipt of their pension you do not need to complete this form.
- A Cash Equivalent Transfer is usually produced within three calendar months of receiving the request form(s).

Pensions on Divorce

Court Orders

If your Court Order states that the Cash Equivalent Transfer Value must be provided by a certain date which is before our statutory target then the member will need to apply for their Cash Equivalent Transfer Value to be fast tracked, for which there is a charge. Details can be found on form PD1.

Where the Court Order includes an order to NHS Pensions to provide the Cash Equivalent Transfer Value by a specific date, then the member should send a copy of the Order to NHS Pensions. In this instance the Cash Equivalent Transfer Value is provided free of charge.

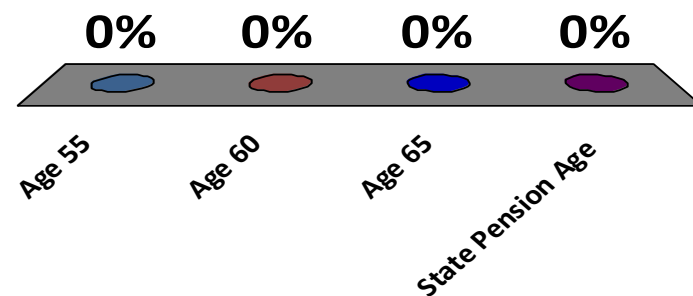
Freya moves to be closer to her family...

Following her divorce, Freya decides to move closer to her family in Scotland and takes a job on 01/07/2013 with a GP practice in Edinburgh and is auto enrolled into the Pension Scheme.

As the NHS Pension Scheme in Scotland is administered separately, Freya applies to transfer her NHS pension in England to the Scottish Pension Scheme. Freya must contact the Scottish pension scheme directly to instigate the transfer.

What is the age limit for transferring out of the 1995 Section of the NHS Pension Scheme?

- A. Age 55
- B. Age 60
- C. Age 65
- D. State Pension Age



Transferring out

Answer: B – Age 60

- A transfer of pension benefits out of the NHS Pension Scheme must be completed before the member reaches their Normal Pension Age.
- If a member is transferring out to NHS Scotland, they are not required to complete a transfer out application form. The member must write to their new pension scheme and ask them to arrange the transfer on their behalf.
- The member must have joined with their new pension provider within 12 months of leaving the NHS Pension Scheme **and** applied for a transfer within 12 months of joining their new scheme or before their Normal Pension Age, whichever is earlier.

Freya misses her close friends...

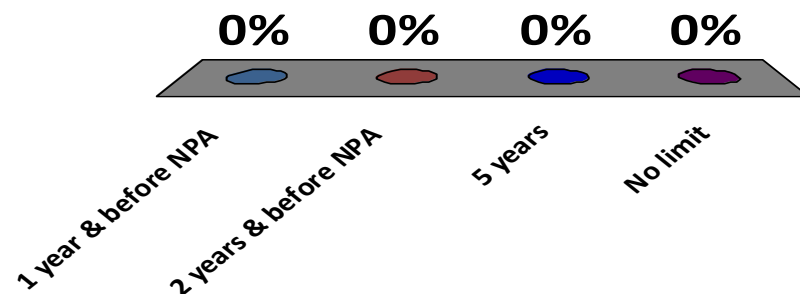
After losing her parents and her daughter moving abroad, Freya decides to move back to Surrey to be closer to her friends and secures another job in the NHS on 01/02/2015.

Freya completes the transfer in application pack to transfer her previous benefits held by NHS Scotland into the NHS England and Wales Pension Scheme.



What are the general time limits for transferring into the NHS Pension Scheme?

- A. 1 year and before Normal Pension Age
- B. 2 years and before Normal Pension Age
- C. 5 years
- D. No limit



Transferring into the NHS Pension Scheme

Answer: A – 1 year and before Normal Pension Age

- A transfer in application must be made within 12 months of becoming eligible to join the Scheme for the first time and before the members Normal Pension Age.
- The following forms are used to request a scheme members pay details from their NHS employer:
 - **FA11** - an urgent request for an update of pensionable pay figures
 - **FA11A** - a second urgent request for an update of pensionable pay figures
- The transfer in application pack is completed by you and the member.

The big day has arrived for Freya...

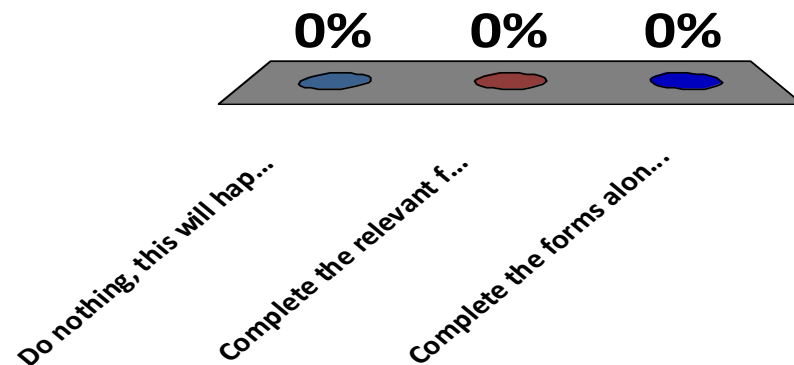
Freya has been living happily for a couple of years in Surrey and works two days a week in a GP practice.

Freya has now reached her minimum pension age and feels it's time to say good bye to all her colleagues and apply for early retirement benefits from 01/06/2017 so she can enjoy more free time....



What does Freya need to do now she wants to retire?

- A. Do nothing, this will happen automatically
- B. Complete the relevant forms herself
- C. Complete the forms along with her last employer



Retirement application form

Answer: C – Complete the relevant forms, along with her last employer

- Freya must complete the retirement benefits claim form (AW8) to claim her NHS pension benefits. This form is completed partly by Freya and partly by the employer.
- The employer submits the retirement benefits claim form to NHS Pensions approximately 3 months before the members intended retirement date. It can be submitted no more than 105 days before the intended retirement date.

Retirement process

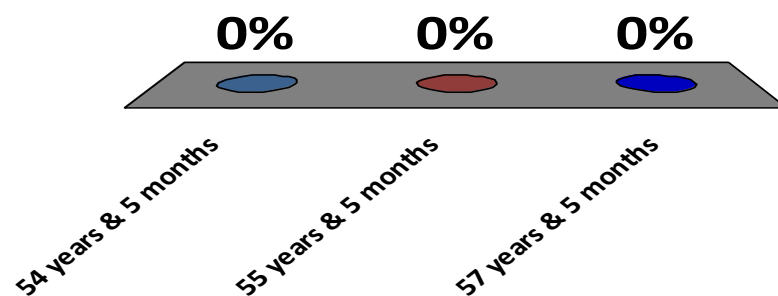
Once the retirement benefits claim form (AW8) is fully completed the next steps are:

- Submit the form via Pensions Online or if this is not possible send the paper form to us
- Terminate the members employment via Pensions Online using form SD55.

We will not be able to process a member's retirement application unless the record has been closed.

So how old is Freya on retirement?

- A. 54 years and 5 months
- B. 55 years and 5 months
- C. 57 years and 5 months



How old is Freya?

- Answer: B 55 and 5 months

Date	Action	Age
01/01/1962	Freya's birthday	
01/11/1998	Joins NHS Pension Scheme	36
01/05/2000 (Approx)	Refund	38
18/04/2002	Gets married	40
01/05/2003	Rejoins NHS Pension Scheme	41
01/05/2006	Adopts 12 year old	44
01/01/2010	Accident	48
01/02/2012	Rejoins the Scheme	50
01/07/2013	Transfer out to Scotland	51
01/02/2015	Transfer in to NHS Pensions	53
01/06/2017	Takes pension	55 years and 5 months

Thank you

Finally, I hope this presentation has been useful to you, please feel free to ask any question at the end of the session.

Thank you

