

NHS Pensions - Public Health Transfers from the NHS to Local Authorities

Pension Provision — Administering the NHS Pension Scheme Frequently Asked Questions

Background

The Health and Social Care Act 2012, makes provision for the transfer of public health services and staff from Primary Care Trusts (PCTs) to Local Authorities. The HR principles around this transfer have been discussed and agreed at national level by the *Concordat Steering Group*¹ key partners and guidance and support has been produced to enable a fair and transparent transfer to be effected at local level.

Discussions about pension provision have been guided by key considerations, including:

- supporting the retention of expertise in the public health workforce during transition;
- as far as possible, enabling mobility across the public health workforce in different settings in future, particularly enabling “natural flows” of staff between the NHS and local government;
- minimising costs;
- respecting local authorities’ role as individual employers.

Providing clarity about future pension provision is a key factor in improving confidence in staff performing public health functions moving to local government, crucial to securing commitment from staff, and to enabling local transition plans to be finalised. In May 2012, the following decision was communicated - that on the point of transfer from PCTs to Local Authorities, those public health staff eligible for membership of the NHS Pensions Scheme (NHSPS) will have their access to the NHSPS protected.

This right to NHSPS access will continue to be protected whilst those staff remain in the post in which they transfer to the local authority on 1 April 2013.

The decisions regarding pension provision for transferring staff who then move roles/new starters has been communicated in a joint letter from the Department of Health and the Local Government Association, available at:

¹ The partnership vehicle for discussing and developing the national HR and workforce guidance and support is the Concordat Steering Group (CSG). Its membership includes the Department of Health, Local Government Association (LGA), NHS employers, both NHS and local government trade unions and is co-chaired between the Royal College of Nursing and the Department of Health. The CSG also provides a link into and influences the overarching national work of the HR Transition Partnership Forum.

Administering the NHSPS

This document is designed to assist HR Practitioners and those tasked with managing the process within Local Authorities with the pensions implications of the transfer by providing answers to a number of frequently asked questions. A further FAQ will be developed to cover a variety of FAQs for staff, including: information on NHS Pension Direction Orders, Automatic Enrolment, NHS Injury Benefits.

The following however, is purely focussed on helping local authorities to navigate the requirements and their responsibilities as NHSPS providers from 1 April 2013 and focuses on NHSPS administration.

Administration

1. Who administers the NHS Pension Scheme?

The NHSPS is jointly administered by NHS Pensions (based in Fleetwood) and at a local level by the Scheme Employer

2. What actions must a local authority carry out to become a Scheme Employer with the NHS Pension Scheme?

A Local Authority is required, before the 1 April 2013 to:

- Request an employer code from NHS Pensions by completing the 'receiver organisation application form' which is available at the following link:
<http://www.nhsbsa.nhs.uk/Pensions/3825.aspx>
- Appoint a named person(s) within the local authority who is responsible for the day to day administration of the NHS Pension Scheme within your organisation.

3. How long will it take to issue a Local Authority with an employer code?

Normal turn around time is two weeks, however, it may take slightly longer if NHS Pensions has an influx of requests.

4. If a Local Authority already holds an employer code with NHS Pensions will they need to request another employer code for staff covered by the Transfer List?

Yes the Local Authority will need to request a separate employer code in respect of the staff who are part of the transfer of public health services

5. What is Pensions Online (POL)?

POL is a facility which allows employers to perform a variety of tasks online; these include the following:

- Create and update pensionable employment records via E-Forms
- Calculate estimates of pension benefits

- Submission of application forms for members to claim scheme benefits
- Amend personal details for members i.e. change of address

6. How does a local authority apply for POL access?

POL is available to organisations who have access to the NHS Net (or VPN {virtual private network}). Further information, including frequently asked questions, regarding NHSnet (or VPN) connectivity can be found via the 'N3 Pensions Online' link on our website.

7. What is the role of a Scheme Employer within the NHSPS?

The Scheme Employer undertakes a number of important tasks which include the following:

- collecting employer and employee contributions and submitting them on a monthly basis to NHS Pensions by the 19th day of the month following their deduction i.e. contributions collected in April should be submitted to NHS Pensions by the 19th May;
- providing data and information about scheme members to NHS Pensions on a standard basis or in response to a request;
- undertaking relevant administration procedures.

Further information regarding the role of the employer can be found in the Employers Charter, a copy of which can be viewed at the following:

<http://www.nhsbsa.nhs.uk/Pensions/3542.aspx>

8. What is the role of a nominated contact?

Every scheme employer must nominate a lead person who is responsible for the day to day administration of duties (outlined in question 7) and will act as the main point of contact with NHS Pensions. Each scheme employer is also required to nominate a senior accountable officer. Page 7 of the Employers Charter provides further related information

9. What is the Employee Contribution Rate for Employees in the NHSPS and how is it determined?

There are seven tiers of member contribution. For the pension scheme year 1 April 2013 to 31 March 2014 (2013/14) these range from 5.0% to 13.3% of pensionable pay. In general terms, the tier applicable in 2013/14 is based on the 2012/13 (1 April 2012 to 31 March 2013) whole time equivalent pensionable pay. The following table should be used to set the tiered rate for 2013/14:

Tier	Pensionable Pay (whole-time equivalent) paid in 2012/13	Contribution Rate in 2013/14
1	Up to £15,278.99	5.0%
2	£15,279.00 to £21,175.99	5.3%
3	£21,176.00 to £26,557.99	6.8%
4	£26,558.00 to £48,982.99	9.0%
5	£48,983.00 to	

	£69,931.99	11.3%
6	£69,932.00 to £110,273.99	12.3%
7	£110,274.00 and over	13.3%

Further detailed guidance regarding the 2013/14 tiered employee contribution rates can be viewed on our website.

The Secretary of State, with the consent of Treasury, determines the employee contribution rate. Before determining the rates, the Secretary of State considers advice from the Scheme Actuary and relevant employee / employer representatives

The employee contribution rates for 2014/15 will be notified to employers prior to 1 April 2014 by way of an employer newsletter, which will be issued by NHS Pensions

10. What is the Employer Contribution Rate for Scheme Employers in the NHSPS and how is it determined?

The Employer Contribution Rate, currently 14.38%, is determined by the Secretary of State. In determining the rate, the Secretary of State must consider the advice of the Scheme Actuary and obtain the Treasury's consent.

11. How are pension contributions collected and submitted to the NHS Pension Scheme?

Pension contributions should be collected in accordance with the appropriate tiered contribution rate. There are a number of potential ways that contributions may be submitted to NHS Pensions e.g. direct debit mandate, bank transfer etc.

12. How is information shared with the NHS Pension Scheme?

There are a number of potential ways that information / data may be supplied to NHS Pensions e.g. excel spreadsheets, POL. In circumstances where a local authority does not have access to POL they will need to supply their information / data by way of spreadsheets. The relevant spreadsheets (e.g. joiner details, annual updates and leaver details etc.) and related guidance can be viewed on our website.

13. What information does the local authority need to share with the NHSPS members?

The authority must provide members with general information about the scheme, the benefit package and other basic retirement details. These include:

Ability to answer general questions from scheme members about the NHS Pension Scheme. It should be noted that NHS Pensions provides a range of information on its website and a dedicated employer helpline (*see below for contact details) if you don't know the answer to a particular enquiry.

Provide information to scheme members about the value of their pension benefits by providing them with an estimate (or by requesting one from NHS Pensions directly)

Provide information to scheme members who leave the scheme / claim their retirement benefits

Keeping members updated of any changes to the scheme that may affect them; using information provided by NHS Pensions

Further details in respect of Scheme Employers responsibilities are listed on page 15 and 16 of the Employer Charter.

*Employer (and employee) contact details can be found at the following:
<http://www.nhsbsa.nhs.uk/Pensions/2735.aspx>

14. Who are the NHSPS Additional Voluntary Contribution (AVC) providers?

The NHS Money Purchase AVC providers are Standard Life Group Pensions Public Sector and Prudential. Further information is available from the providers directly at the following: www.standardlife.co.uk/nhs and www.pru.co.uk/nhs/.

15. How are AVC contributions paid over to the AVC provider?

The employer should collect the contributions from the employee and send payment to the relevant AVC provider directly

16. Are there Employer Discretions within the NHS Pension Scheme?

Like the LGPS the NHSPS is a statutory pension scheme and, as such, must be administered in accordance with the scheme regulations. However, unlike the LGPS, there are no employer discretions to be exercised under the NHS Pension Scheme.

The Scheme Regulations for the NHSPS on our website.

17. How are staff pension records updated?

Each local authority must complete their annual return (covering the period 1 April to 31 March) and submit this information to NHS Pensions no later than 31 May. As indicated in response to question 25, this role can be undertaken via POL or by way of completion of the relevant spreadsheet.

18. Where can I find further information about administering the NHSPS?

The NHS Pension Scheme website includes a dedicated area for employers and employees.

19. What information does NHS Pensions need from the Local Authority if a pension event occurs (e.g. the member retires, leaves the scheme etc.)

The administration of pension events for Scheme Employers is covered on pages 8 to 11 of the Employer Charter.

20. How are new starters enrolled into the NHSPS?

A local authority can decide whether to apply for an NHS pension direction order to allow continued access to the NHSPS for public health professionals and staff nearing retirement where they recruit new starters to public health roles.