NHS Pensions - Retirement Guide

For members of the NHS Pension Scheme
Welcome

Welcome to the NHS Pension Scheme Retirement Guide. We understand that retiring is an important decision and we hope this guide provides you with the right information and answers any questions you may have about claiming and receiving your NHS pension benefits.

It is really important that you read this guide before completing the relevant retirement application form, more on which we will explain later. By doing this you will be best placed to make decisions about your future.

Rules and regulations regarding pensions change so we regularly update the information in this guide. The most up to date version can always be found on our website at: www.nhsbsa.nhs.uk/nhs-pensions.

How does this guide work?

This guide is for all members of the NHS Pension Schemes and uses different colours to identify the rules and provisions dependent on which section/scheme you are a member of. Each part of this guide has important information that is relevant to you. Where there are different rules and provisions for different sections/schemes these are explained in separate coloured boxes, orange for the 1995 Section, blue for the 2008 Section and purple for the 2015 Scheme.

This guide contains information that you need to know once your NHS pension is in payment. Please also tell your family and dependants about this guide as it contains important information they will need to know in the event of your death. Recording your personal details and keeping them in a safe place will help if you or your dependants need to contact us or our paying agents.

Important

This guide is provided by the NHS Business Services Authority (NHSBSA), who administer the NHS Pension Scheme on behalf of the Secretary of State for Health.

Equiniti Paymaster is the company we use to pay your pension correctly and on time. They will answer any queries you have about your NHS Pension payments once you have retired. You can find their contact details on page 38.

The small print

This Retirement Guide is intended to provide you with a general overview of the Schemes’ retirement benefits. We have taken great care to get the details right at the time of publication but it does not give a complete or legally binding statement of the law and regulations which govern the Schemes. Nothing in this guide can override the regulations which set out the conditions of entitlement and determine the rate at which benefits are payable. In the event of any conflicting information, the Regulations will prevail.
Contents

What do I need to know before applying? 5
Can I exchange some of my pension for a lump sum payment? 6
What if the amount of my NHS benefits is very small? 8
Can I allocate part of my pension? 9
Will I still get a State Pension? 10
What does Guaranteed Minimum Pension (GMP) mean? 10
Can I make voluntary deductions to the British Health Care Association? 12
Can I make other voluntary deductions from my pension? 12

Tax information

What is a Pension Commencement Lump Sum? 14
Can I take a lump sum that exceeds the Pension Commencement Lump Sum? 14
Recycling of Pension Commencement Lump Sum? 14
What is the Lifetime Allowance? 15
What is Annual Allowance? 15
What is Scheme Pays? 16

How do I apply for my pension?

How do I apply for my pension? 20
How will my pension be paid? 22
Will my pension be increased? 23
What if I want to work after I retire? 27
What if my pension is overpaid? 28
What happens when I die? 29
Will my family benefit after I die? 30
Help and general information

What do I need to know before applying? 34
Can I nominate a qualifying partner? 34
Nominations guide 35
What if I marry, form a civil partnership or nominate a qualifying partner after I retire? 36
What if I have dependent children? 37
Help and general information

What if I want to work after I retire? 38
When should I apply for my retirement benefits? 39
What are the key dates for making a claim for the State Pension? 39
Some general points 40
The NHS Retirement Fellowship 41

What do I need to know before applying?

This section answers the key questions you may have prior to completing your application form.

There are different benefits within the NHS Pension Schemes dependent on which section/scheme you are a member of, and the type of role that you held. A brief summary of retirement benefits and provisions are shown in the table below. If you are unsure which section/scheme you belong to please use the member identifier on the homepage of our website at: www.nhsbsa.nhs.uk/nhs-pensions

<table>
<thead>
<tr>
<th>Feature or benefit</th>
<th>NHS staff, practice and approved employer staff (Officers)</th>
<th>Practitioners</th>
<th>All NHS workers and Approved Employer staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheme Section</td>
<td>1995 Section</td>
<td>2008 Section</td>
<td>1995 Section</td>
</tr>
<tr>
<td></td>
<td>2008 Section</td>
<td>2015 Section</td>
<td></td>
</tr>
<tr>
<td>Pension</td>
<td>An annual pension worth 1/80th of last 3 years'</td>
<td>An annual pension worth 1/80th of last 3 years'</td>
<td>An annual pension worth 1/80th of last 3 years'</td>
</tr>
<tr>
<td></td>
<td>pensionable pay per year</td>
<td>pensionable pay per year</td>
<td>pensionable pay per year</td>
</tr>
<tr>
<td></td>
<td>and pro rata for any part year of membership</td>
<td>and pro rata for any part year of membership</td>
<td>and pro rata for any part year of membership</td>
</tr>
<tr>
<td>Retirement lump sum</td>
<td>3 x pension. Option to exchange part of pension for cash at retirement, up to a limit.</td>
<td>3 x pension. Option to exchange part of pension for cash at retirement, up to a limit.</td>
<td>3 x pension. Option to exchange part of pension for cash at retirement, up to a limit.</td>
</tr>
<tr>
<td>Normal pension age</td>
<td>60</td>
<td>65</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>65</td>
<td>60</td>
<td>65</td>
</tr>
<tr>
<td>Minimum pension age</td>
<td>55</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>(50 if you joined before 6 April 2006)</td>
<td>(50 if you joined before 6 April 2006)</td>
<td>(50 if you joined before 6 April 2006)</td>
</tr>
<tr>
<td>Minimum pension age</td>
<td>55</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>(50 if you joined before 6 April 2006)</td>
<td>(50 if you joined before 6 April 2006)</td>
<td>(50 if you joined before 6 April 2006)</td>
</tr>
<tr>
<td>Pensionable pay</td>
<td>Normal pay and certain regular allowances</td>
<td>Pensionable earnings from NHS work</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uprated earnings</td>
<td>Not relevant</td>
<td>The final value of pensionable earnings after adding all years' revalued earnings.*</td>
<td></td>
</tr>
</tbody>
</table>

* Revaluation factors are a way of increasing the recorded value of each year's pensionable earnings to maintain their buying power by reference to current earning values (also called Indexation Factors and Dynamising Factors).
How do I apply for my pension?

What do I need to know before applying?

How will my pension be paid?

Will my pension be increased?

What if I want to work after I retire?

Will my family benefit after I die?

Help and general information

More detailed information about retirement benefits and examples of calculations can be found in the Member Guides available on our website at: www.nhsbsa.nhs.uk/nhs-pensions

Can I exchange some of my pension for a lump sum payment?

Most members are able to take some of their benefits as a retirement lump sum. You may be able to take up to a maximum lump sum of 25% of your capital value normally up to the tax free amount. The capital value is the value placed on your NHS Pension Scheme benefits by HMRC and is calculated by multiplying your pension by 20 and adding the value of any lump sum. The criteria for lump sum payments in each section/scheme is set out below.

1995 Section

You will automatically receive a retirement lump sum which is normally three times your annual pension. If you have membership on or after 1 April 2008 then you also have the option of receiving a larger retirement lump sum in exchange for a smaller annual pension. If you choose to do this you will receive £12 of additional lump sum for every £1 of pension exchanged.

Your capital value is determined by HMRC rules and is calculated by multiplying your reduced pension by 20 and adding your total retirement lump sum. In the majority of cases the maximum lump sum you can take works out at approximately 5.36 times your 1995 Section pension.

2008 Section

There is no automatic lump sum entitlement in the 2008 Section (unless you opted to transfer your 1995 Section benefits to the 2008 Section during the Choice exercise), but you do have the option of receiving a retirement lump sum by exchanging part of your pension. If you choose to do this you will receive £12 of retirement lump sum for every £1 of pension exchanged.

Your capital value is determined by HMRC rules and is calculated by multiplying the pension you will receive by 20 and adding your total retirement lump sum. In the majority of cases the maximum lump sum you can take works out at approximately 4.28 times your 2008 Section pension.

2015 Scheme

There is no automatic lump sum entitlement in the 2015 Scheme but you do have the option of receiving a retirement lump sum by exchanging part of your pension. If you do this you will receive £12 of retirement lump sum for every £1 of pension exchanged.

Your capital value is determined by HMRC rules and is calculated by multiplying the pension you will receive by 20 and adding any retirement lump sum. In the majority of cases the maximum lump sum you can take works out at approximately 4.28 times your 2015 Scheme pension.
Important

Most members can access their Annual Benefit Statement (ABS) through the online Total Reward Statement (TRS) facility to get an overview of their NHS pension benefits. This will help you to understand what your pension is currently worth. Statements are available online for you to view at any time and are refreshed once a year with the information your employer provides to us. Your employer will let you know when your statement is ready to view. For more information about the statements and how to access them please visit the TRS website at:

www.nhsbsa.nhs.uk/total-reward-statements

If you can’t access your Annual Benefit Statement it is advisable to obtain an estimate of your benefits before you complete the relevant retirement application form. This will show an estimate of the maximum lump sum you may be able to take (this amount may exceed the tax-free amount) and how much your pension would be reduced to. You can choose the amount of lump sum you would like to receive, up to a maximum limit, as long as it is wholly divisible by 12 and does not cause an unauthorised payment. If the maximum lump sum after commutation exceeds the Pension Commencement Lump Sum (PCLS), then not all the lump sum may be tax free.

What if the amount of my pension benefits is very small?

If you retire:

• on ill health at any age; or
• on any grounds on or after age 55 (or age 50 if you have a protected minimum pension age); and
• have built up a very small amount of benefits within the NHS Pension Scheme and with any other pension providers where the total capital value is less than £30,000

then you may be able to have your pension and retirement lump sum from us paid as a one off payment, subject to HMRC conditions. The capital value is calculated by multiplying your pension by 20 and adding any retirement lump sum.

If the capital value of your NHS benefits is less than £6,000 we will write to you to explain the amounts payable and confirm the details needed to be able to do this.

If you believe the capital value of your NHS benefits and any other pension benefits you have built up with any other providers is greater than £6,000 but less than £30,000, you may be able to have your NHS pension and any retirement lump sum paid as a one off payment. If you would like your NHS benefits to be paid as a one off payment then please attach a letter confirming your request to your retirement application form.

If the capital value of your NHS benefits and any other pension benefits you have built up with any other providers is more than £30,000 it may still be possible to pay your NHS benefits as a one off payment if that one off payment is less than £10,000. If this is possible we will write to you to explain the amounts payable and confirm the details needed to be able to do this.

Further information

More information about the limits on tax-free pensions is available on our website at:

www.nhsbsa.nhs.uk/nhs-pensions

Can I allocate part of my pension?

Allocation is giving up a part of your pension to provide a pension for somebody else (your beneficiary) when you die, for example, a member of your family or a close friend. If you choose to do this it means your pension will be reduced at your retirement and if you die before your beneficiary then they will get the part of your pension you have allocated to them for life. You can allocate to anyone you choose as long as they are at least partially dependent on you. If you allocate to your spouse, civil partner or nominated qualifying partner then they will get the allocated pension as well as their adult dependant’s pension from this Scheme. The pension that you give up does not count against the standard Lifetime Allowance.

When can I allocate?

A separate application form to allocate must be completed and sent to NHS Pensions with your retirement application form.

Important

Once your benefits have been put into payment an application to allocate cannot be accepted. You can only cancel or change an application to allocate before we accept the application. You cannot cancel it once we have accepted it. This means that even if your beneficiary dies before you, you will never be able to get back the part of your pension you have given up. We will only change or cancel an application to allocate if you or your beneficiary dies before we have accepted it.

Further information

Information about allocating part of your pension and the application form is available from our website at:

www.nhsbsa.nhs.uk/nhs-pensions

Important

Most members can access their Annual Benefit Statement (ABS) through the online Total Reward Statement (TRS) facility to get an overview of their NHS pension benefits. This will help you to understand what your pension is currently worth. Statements are available online for you to view at any time and are refreshed once a year with the information your employer provides to us. Your employer will let you know when your statement is ready to view. For more information about the statements and how to access them please visit the TRS website at:

www.nhsbsa.nhs.uk/total-reward-statements

If you can’t access your Annual Benefit Statement it is advisable to obtain an estimate of your benefits before you complete the relevant retirement application form. This will show an estimate of the maximum lump sum you may be able to take (this amount may exceed the tax-free amount) and how much your pension would be reduced to. You can choose the amount of lump sum you would like to receive, up to a maximum limit, as long as it is wholly divisible by 12 and does not cause an unauthorised payment. If the maximum lump sum after commutation exceeds the Pension Commencement Lump Sum (PCLS), then not all the lump sum may be tax free.

What if the amount of my pension benefits is very small?

If you retire:

• on ill health at any age; or
• on any grounds on or after age 55 (or age 50 if you have a protected minimum pension age); and
• have built up a very small amount of benefits within the NHS Pension Scheme and with any other pension providers where the total capital value is less than £30,000

then you may be able to have your pension and retirement lump sum from us paid as a one off payment, subject to HMRC conditions. The capital value is calculated by multiplying your pension by 20 and adding any retirement lump sum.

If the capital value of your NHS benefits is less than £6,000 we will write to you to explain the amounts payable and confirm the details needed to be able to do this.

If you believe the capital value of your NHS benefits and any other pension benefits you have built up with any other providers is greater than £6,000 but less than £30,000, you may be able to have your NHS pension and any retirement lump sum paid as a one off payment. If you would like your NHS benefits to be paid as a one off payment then please attach a letter confirming your request to your retirement application form.

If the capital value of your NHS benefits and any other pension benefits you have built up with any other providers is more than £30,000 it may still be possible to pay your NHS benefits as a one off payment if that one off payment is less than £10,000. If this is possible we will write to you to explain the amounts payable and confirm the details needed to be able to do this.

Further information

More information about the limits on tax-free pensions is available on our website at:

www.nhsbsa.nhs.uk/nhs-pensions

Can I allocate part of my pension?

Allocation is giving up a part of your pension to provide a pension for somebody else (your beneficiary) when you die, for example, a member of your family or a close friend. If you choose to do this it means your pension will be reduced at your retirement and if you die before your beneficiary then they will get the part of your pension you have allocated to them for life. You can allocate to anyone you choose as long as they are at least partially dependent on you. If you allocate to your spouse, civil partner or nominated qualifying partner then they will get the allocated pension as well as their adult dependant’s pension from this Scheme. The pension that you give up does not count against the standard Lifetime Allowance.

When can I allocate?

A separate application form to allocate must be completed and sent to NHS Pensions with your retirement application form.

Important

Once your benefits have been put into payment an application to allocate cannot be accepted. You can only cancel or change an application to allocate before we accept the application. You cannot cancel it once we have accepted it. This means that even if your beneficiary dies before you, you will never be able to get back the part of your pension you have given up. We will only change or cancel an application to allocate if you or your beneficiary dies before we have accepted it.

Further information

Information about allocating part of your pension and the application form is available from our website at:

www.nhsbsa.nhs.uk/nhs-pensions

Important

Most members can access their Annual Benefit Statement (ABS) through the online Total Reward Statement (TRS) facility to get an overview of their NHS pension benefits. This will help you to understand what your pension is currently worth. Statements are available online for you to view at any time and are refreshed once a year with the information your employer provides to us. Your employer will let you know when your statement is ready to view. For more information about the statements and how to access them please visit the TRS website at:

www.nhsbsa.nhs.uk/total-reward-statements

If you can’t access your Annual Benefit Statement it is advisable to obtain an estimate of your benefits before you complete the relevant retirement application form. This will show an estimate of the maximum lump sum you may be able to take (this amount may exceed the tax-free amount) and how much your pension would be reduced to. You can choose the amount of lump sum you would like to receive, up to a maximum limit, as long as it is wholly divisible by 12 and does not cause an unauthorised payment. If the maximum lump sum after commutation exceeds the Pension Commencement Lump Sum (PCLS), then not all the lump sum may be tax free.

What if the amount of my pension benefits is very small?

If you retire:

• on ill health at any age; or
• on any grounds on or after age 55 (or age 50 if you have a protected minimum pension age); and
• have built up a very small amount of benefits within the NHS Pension Scheme and with any other pension providers where the total capital value is less than £30,000

then you may be able to have your pension and retirement lump sum from us paid as a one off payment, subject to HMRC conditions. The capital value is calculated by multiplying your pension by 20 and adding any retirement lump sum.

If the capital value of your NHS benefits is less than £6,000 we will write to you to explain the amounts payable and confirm the details needed to be able to do this.

If you believe the capital value of your NHS benefits and any other pension benefits you have built up with any other providers is greater than £6,000 but less than £30,000, you may be able to have your NHS pension and any retirement lump sum paid as a one off payment. If you would like your NHS benefits to be paid as a one off payment then please attach a letter confirming your request to your retirement application form.

If the capital value of your NHS benefits and any other pension benefits you have built up with any other providers is more than £30,000 it may still be possible to pay your NHS benefits as a one off payment if that one off payment is less than £10,000. If this is possible we will write to you to explain the amounts payable and confirm the details needed to be able to do this.

Further information

More information about the limits on tax-free pensions is available on our website at:

www.nhsbsa.nhs.uk/nhs-pensions
**Will I still get a State Pension?**

The NHS Pension Scheme is completely separate from the State Pension arrangements and any other pension schemes you may have. This means you will normally get a separate basic State Pension as well as your NHS pension.

The State Pension Scheme changed to a single tier system from 6 April 2016. This change only applies to you if you reach your State Pension Age on or after 6 April 2016.

Before 6 April 2016 the State Pension Scheme had two tiers: the basic State Pension and the Additional State Pension. Scheme members paid a lower rate of National Insurance contributions because they contributed to this Scheme instead of the Additional State Pension. This is known as contracting out.

A single tiered State Pension means that contracting out ended and members no longer benefited from paying a lower rate of National Insurance.

**What does Guaranteed Minimum Pension mean?**

For membership up to 5 April 1997, the Scheme guarantees its benefits will be at least as much as the ‘additional pension’ part of the State Pension scheme. This guaranteed amount is called the Guaranteed Minimum Pension (GMP) and is part of your NHS pension, not an extra pension.

The Scheme also guarantees that:

- if a male member dies leaving a surviving opposite gender spouse, their NHS pension for membership up to 5 April 1997 will be at least half of the member’s GMP
- other male members who leave a surviving same gender spouse, civil partner or nominated qualifying partner, and all female members who leave a surviving spouse, civil partner or nominated qualified partner, their pension will be at least half of the member’s GMP for membership from 6 April 1988 only.

All GMPs ceased from 6 April 1997.

If you have a GMP up to 5 April 1997 the Department for Work and Pensions will write to you at State Pension Age to say how much it is. This is to help check that your NHS pension is at least as much as the GMP. If it is not, your GMP will be paid from your State Pension Age. This will not affect the amount of the mandatory lump sum paid under the 1995 Section.

**Can I make voluntary deductions to the British Health Care Association from my pension?**

You can make voluntary deductions from your NHS pension to the British Health Care Association.

If you wish deductions to be made you must complete the voluntary deductions part on the retirement application form with the amount you wish to pay and the appropriate codes. These are shown on the next page. The decision you make must remain firm as it is costly to alter arrangements at a later date.

Details of voluntary deductions currently made from your pay can be found on your latest pay slip. These deductions will normally be made up to the calendar quarter in which you retire i.e. 31 March, 30 June, 30 September, 31 December by deduction from your final salary. Deductions will then start from your pension in the following quarter.

**Code numbers and names of organisations**

This list shows the organisations for which voluntary deductions from your pension may be made.

<table>
<thead>
<tr>
<th>Code No.</th>
<th>Organisation - British Health Care Association</th>
</tr>
</thead>
<tbody>
<tr>
<td>242</td>
<td>BHCA - Bedford Provincial Hospital Services Association - Medicaid</td>
</tr>
<tr>
<td>243</td>
<td>BHCA - Birmingham Hospital Saturday Fund</td>
</tr>
<tr>
<td>244</td>
<td>BHCA - Bolton and District Hospital Saturday Council</td>
</tr>
<tr>
<td>245</td>
<td>BHCA - Bradford Sovereign Health Care</td>
</tr>
<tr>
<td>251</td>
<td>BHCA - Coventry and Warwickshire - Mercia Health Benefits</td>
</tr>
<tr>
<td>252</td>
<td>BHCA - Crewe and Cheshire Hospital Contributory Scheme</td>
</tr>
<tr>
<td>280</td>
<td>BHCA - Gwent (Newport)</td>
</tr>
<tr>
<td>256</td>
<td>BHCA - Hull - Humberside Contributory Health Scheme</td>
</tr>
<tr>
<td>281</td>
<td>BHCA - National Industrial Orthopaedic Society (Manor House)</td>
</tr>
<tr>
<td>257</td>
<td>BHCA - Leeds Hospital Fund</td>
</tr>
<tr>
<td>258</td>
<td>BHCA - Leicester and County Convalescent Home Society</td>
</tr>
<tr>
<td>282</td>
<td>BHCA - National Physiotherapy Service (formerly LAMPS)</td>
</tr>
<tr>
<td>261</td>
<td>BHCA - Manchester and Salford Hospital Saturday Fund</td>
</tr>
<tr>
<td>259</td>
<td>BHCA - Merseyside - Medicahe</td>
</tr>
<tr>
<td>270</td>
<td>BHCA - Western Provident Health Services Ltd</td>
</tr>
<tr>
<td>265</td>
<td>BHCA - Anglia Health Care - Norwich</td>
</tr>
<tr>
<td>264</td>
<td>BHCA - Northampton and District Hospitals Guild</td>
</tr>
<tr>
<td>266</td>
<td>BHCA - Nottingham and District Health Fund</td>
</tr>
<tr>
<td>272</td>
<td>BHCA - Sheffield - Westfield Contributory Health Scheme</td>
</tr>
<tr>
<td>275</td>
<td>BHCA - Wakefield and District Hospitals</td>
</tr>
<tr>
<td>276</td>
<td>BHCA - Wakefield Mobile Physiotherapy Association</td>
</tr>
<tr>
<td>249</td>
<td>BHCA - Welsh Hospitals and Health Services Association - Cardiff</td>
</tr>
<tr>
<td>283</td>
<td>BHCA - Crewe Transport Hospital Fund</td>
</tr>
<tr>
<td>277</td>
<td>BHCA - Wolverhampton Patients Aid Association</td>
</tr>
</tbody>
</table>
Can I make other voluntary deductions from my pension?

If you wish to make deductions from your pension to an organisation, such as a charity, that you have not previously contributed to, you must firstly join that organisation. This cannot be done for you.

Deductions cannot be made from your pension for:

- staff associations or trade union subscriptions
- National Insurance contributions for which you may be liable if you become self employed
- contributions to saving schemes (including Save As You Earn (SAYE)).

If you subscribe to SAYE you should contact their office immediately so that they can make alternative arrangements for collecting your payments.

Any enquiries about:
- benefits
- increasing or ceasing your subscriptions
- conditions of membership
should be made direct to the organisation.

Remember:

No responsibility can be accepted for any lack of cover caused by a deduction not being made from your pension or by it being passed incorrectly to any organisation. You may, if you wish, make separate arrangements with the organisation instead of having deductions made from your pension.

I am a Pension Credit member. What will I be entitled to receive?

A Pension Credit member is someone who received pension benefits from their former spouse or civil partner as part of a divorce or dissolution settlement.

1995 Section

You will normally receive a pension and lump sum. You may exchange some of your pension for a bigger lump sum payment (see page 6). If your Pension Sharing Order came into effect after the retirement of your former spouse or civil partner you will only receive a pension.

You may also have the option to:
- take early payment of benefits with an actuarial reduction from the minimum pension age, or
- commute trivial benefits. If the Pension Credit is very small we may be able to convert it into a one off payment (see page 8) or
- take early payment of benefits if permanently incapabe of any regular employment because of ill health, or
- take early payment of commuted benefits on the grounds of serious ill health.

2008 Section

You will receive a pension. If your Pension Sharing Order came into effect before the retirement of your former spouse or civil partner, you may exchange some of your pension for a retirement lump sum (see page 6).

You may also have the option to:
- take early payment of benefits with an actuarial reduction from the minimum pension age, or
- commute trivial benefits. If the Pension Credit is very small we may be able to convert it into a one off payment (see page 8), or
- take early payment of benefits if permanently incapabe of any regular employment because of ill health, or
- take early payment of commuted benefits on the grounds of serious ill health.

2015 Scheme

You will receive a pension. If your Pension Sharing Order came into effect before the retirement of your former spouse or civil partner, you may exchange some of your pension for a retirement lump sum (see page 6).

You may also have the option to:
- take early payment of benefits with an actuarial reduction from the minimum pension age, or
- commute trivial benefits. If the Pension Credit is very small we may be able to convert it into a one off payment (see page 8), or
- take early payment of benefits if permanently incapabe of any regular employment because of ill health, or
- take early payment of commuted benefits on the grounds of serious ill health.

Pension Credit benefits do not provide any dependant benefits.
Tax information

What is a Pension Commencement Lump Sum?

A Pension Commencement Lump Sum (PCLS) is the maximum tax free retirement lump sum you can receive under HMRC rules. It is the lower of:

- 25% of your available standard Lifetime Allowance (LTA); or
- 25% of the capital value of your NHS Pension benefits being paid.

The actual amount of tax free lump sum available at retirement will depend on your individual circumstances and may be:

- higher if you hold certain types of protection or have a protected lump sum from HMRC; or
- lower if you already have benefits in payment (either from the NHS Pension Scheme or another pension provider) which reduces your available Lifetime Allowance.

Can I take a lump sum that exceeds the Pension Commencement Lump Sum?

Yes. The amount of lump sum that exceeds the Pension Commencement Lump Sum is known as a LTA Excess Lump Sum and carries a tax charge of 55%. It may be possible to elect to take this excess lump sum and pay the associated tax charge if you do not hold certain types of HMRC Protection.

Please tell us if you would like to receive a LTA Excess Lump Sum by attaching a letter to your retirement application form. If you are eligible to receive a LTA Excess Lump Sum we will then automatically pay it after deduction of the tax charge.

Recycling of Pension Commencement Lump Sum

HMRC does not allow an individual to invest all or part of their tax free retirement Pension Commencement Lump Sum back into a registered pension scheme, automatically generating further tax relief on the amount reinvested. This is known as ‘recycling lump sums’ and will result in a tax charge of up to 55%.

If you are thinking of reinvesting any part of your Pension Commencement Lump Sum you will find examples of where recycling can occur in our factsheet giving more details about the limits on tax free pensions on our website: www.nhsbsa.nhs.uk/nhs-pensions. If you recycle your Pension Commencement Lump Sum then you or your representative must notify HMRC.

What is the Lifetime Allowance?

The Lifetime Allowance (LTA) is the maximum amount of tax free pension saving that HMRC allow you to build up during your lifetime. Pension savings are tested against a standard Lifetime Allowance when you retire and take your pension benefits. For the tax year 2015/16 the Lifetime Allowance was £1.25 million. From 6 April 2016 the standard Lifetime Allowance reduced to £1 million, remaining at this level for tax years 2016/17 and 2017/18. If you build up pension savings worth more than the standard Lifetime Allowance you will pay a tax charge on the excess.

For most people this increases their opportunities for tax efficient savings at retirement. Only consistently higher earners with long Scheme membership and/or substantial other pension savings are likely to be adversely affected.

If you think you may be affected by the Lifetime Allowance, have substantial pension savings outside the NHS Pension Scheme or you have a HMRC protection certificate (Enhanced, Primary, Fixed 2012, Fixed 2014, Individual 2014, Fixed 2016, Individual 2016 or Protected Lump Sum) you should read the information about the limits on tax free pensions on our website at: www.nhsbsa.nhs.uk/nhs-pensions before completing your application form.

What is the Annual Allowance?

The Annual Allowance is the maximum amount of growth in your pension savings that HMRC allow you to receive tax relief on each year. The current Annual Allowance is £40,000, however your Annual Allowance may be tapered down to a lower limit from 6 April 2016 if you have a taxable income of more than £150,000. Your Annual Allowance may be lower if you have flexibly accessed any defined contribution scheme provisions. This includes the NHS Money Purchase AVC Scheme.

The majority of NHS Pension Scheme members will not be affected by Annual Allowance. However the following may impact on the growth of your pension savings:

- Significant increase in membership (e.g. a change from part time).
- Additional pension purchases (especially by lump sum payment).
- A significant pay rise, possibly due to promotion.
- Receiving a Clinical Excellence Award.
- Ill health retirement with an enhancement to your benefits or the waiver of the cost of any outstanding purchase of additional benefits.
- Contributions paid to other pension savings arrangements, including the NHS MPAVC Scheme.

Any pension savings growth above the Annual Allowance is taxable at your marginal rate. You may be able to reduce the amount of tax by carrying forward any unused Annual Allowance from previous years.
How do I apply for my pension?

When you are retiring you need to apply for your NHS pension using the appropriate application form. You will need one of the following:

<table>
<thead>
<tr>
<th>Application Form</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement benefits claim form (AW8)</td>
<td>If you are an active member of the NHS Pension Scheme and are retiring directly from NHS work, your employer should give you this form. Please complete the form and return it to your employer as soon as you can. To take your benefits in full you must retire for a minimum of 24 hours.</td>
</tr>
<tr>
<td>Deferred benefits claim form (AW8P)</td>
<td>If you have left NHS employment completely and are claiming deferred pension benefits or have some retained NHS pension rights a deferred benefits claim form (AW8P) can be downloaded and printed from our website at: <a href="http://www.nhsbsa.nhs.uk/nhs-pensions">www.nhsbsa.nhs.uk/nhs-pensions</a>. Please complete the form and return it to us at the address on the form.</td>
</tr>
<tr>
<td>Application form for Pension Credit members (AW8PC)</td>
<td>If you are a Pension Credit member an application form (AW8PC) can be downloaded and printed from our website at: <a href="http://www.nhsbsa.nhs.uk/nhs-pensions">www.nhsbsa.nhs.uk/nhs-pensions</a>. Please complete the form and return it to us at the address on the form.</td>
</tr>
</tbody>
</table>

When should I apply for my retirement benefits?

NHS Pensions require your application form to be submitted three months before your retirement date. This allows us enough time to calculate and authorise payment of your benefits so that they can be put into payment for you on your date of retirement.

Important

Any request for Scheme Pays for a tax charge occurring in the same tax year as you reach age 75 or retire must be made before your NHS benefits have been put into payment. Any application for Scheme Pays after your benefits have been put into payment will not be accepted and you must pay any Annual Allowance charge yourself.

What is Scheme Pays?

If you have a tax charge you can pay this via self-assessment directly to HMRC by completing form SA101. There is more information on HMRC’s website.

Alternatively, you may be able to ask NHS Pensions to pay all, or part, of your Annual Allowance charge to HMRC on your behalf by permanently reducing your NHS Pension Scheme benefits. This is called Scheme Pays.

For Scheme Pays to be accepted the following mandatory conditions must all be met:

• Your tax charge must be greater than £2,000.
• The growth in your NHS pension benefits exceeds the Annual Allowance.

To ask NHS Pensions to pay your Annual Allowance charge you must complete the ‘Scheme Pays Election Notice’ (SPE2) available on our website, and return this to us by HMRC’s deadline, or earlier if you reach age 75 or are retiring in the same tax year as your tax charge occurs.

Information about the Lifetime Allowance, Annual Allowance and Scheme Pays can be found on our website at: www.nhsbsa.nhs.uk/nhs-pensions

Important

Any request for Scheme Pays for a tax charge occurring in the same tax year as you reach age 75 or retire must be made before your NHS benefits have been put into payment. Any application for Scheme Pays after your benefits have been put into payment will not be accepted and you must pay any Annual Allowance charge yourself.
Important

Most members can access their Annual Benefit Statement (ABS) through the online Total Reward Statement (TRS) facility to get an overview of their NHS pension benefits. More information is available at: www.nhsbsa.nhs.uk/total-reward-statements

If you cannot access your Annual Benefit Statement (ABS) it is advisable to obtain an estimate of your NHS pension benefits before claiming them. An estimate can be requested from your current employer or directly through NHS Pensions.

If you are in receipt of a NHS Permanent Injury Benefit you must inform the NHS Injury Benefits Team that you are claiming your NHS pension. The Injury Benefit helpline is 01253 774957. If you do not do this an overpayment may occur, which you will have to pay back.

How will my pension be paid?

When we receive your application form we will work out your pension benefits and tell you how much it is. Our paying agents, will pay your pension and any lump sum and will inform you when they will be paid into your account.

We may need to write to tell you that your pension benefits have been changed. This could happen if your former employer notifies us of amended pay or membership details for you, or because you have retired from the NHS again after a further period of membership. If your NHS pension benefits change, we will ask our paying agents to pay you the new amounts. There is no need for you to get in touch with them.

What is my pension reference number?

Our paying agents, will give you a pension reference number when they start paying your pension. It will be on all the correspondence you get from them. Please write the pension reference number in the personal details on page 3.

Remember that your pension reference number is not the same as your Scheme membership number which is called an ‘SD’ number. Take care not to confuse the two.

When will my pension be paid?

Your pension will be paid monthly in arrears (one-twelfth of the yearly rate, to the nearest penny), on the same date each month. You will be told what your payment date is by our paying agents. This may not be the last day of the month.

When the payment date falls on a weekend or on an English or a Welsh public holiday, the payment will go into your account on the last working day before the weekend or the holiday.

A “pension month” is the period between one payment date and the next. The number of days in each pension month varies, as in a calendar month, and determines the amount of any part month payment. If a pension starts during a pension month the first payment will be for the amount due for the number of days in that part pension month.

You will not be sent details of your pension each time a payment is made, but our paying agents will write to you when your pension begins and each time there is a change in your tax code or in the yearly rate, for example because of Pensions Increase (PI).
Where will my pension be paid into?

Your benefits can only be paid directly into a bank or building society account, as this is the safest method of payment.

It is important that the UK bank or building society account you wish to receive payment into is able to accept electronic payments by the Bankers Automated Clearing Services (BACS) method. Your bank or building society will be able to advise you on this. If the account details you provide cannot accept BACS payments, your payment will be rejected and this may lead to a delay in payment of your pension benefits.

The account can be at a bank or building society with a branch:

- in the United Kingdom (but not National Savings and Investments (NS&I))
- in the Channel Isles, Isle of Man or Republic of Ireland
- overseas provided it is capable of receiving secure electronic payment of funds in local currency. Currently such arrangements exist with banks in the following countries:

- Antigua and Barbuda
- Australia
- Austria
- The Bahamas
- Bangladesh
- Barbados
- Belgium
- Bulgaria
- Channel Islands
- Channel Islands
- Colombia
- Costa Rica
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Dominica
- Dominican Republic
- Egypt
- Finland
- France and Monaco
- Germany
- Ghana
- Gibraltar
- Greece
- Grenada
- Guinea Bissau
- Guyana
- Hong Kong
- India
- Indonesia
- Ireland
- Israel
- Italy
- Jamaica
- Kenya
- Liechtenstein
- Luxemburg
- Malta
- Malaysia
- Mauritius
- Mexico
- Nepal
- Netherlands
- New Zealand
- Nigeria
- Norway
- Oman
- Pakistan
- Peru
- Philippines
- Poland
- Portugal
- Qatar
- Saudi Arabia
- Singapore
- South Africa
- Spain
- Sri Lanka
- St Kitts and Nevis
- St Lucia
- St Vincent and the Grenadines
- Sweden
- Switzerland
- Thailand
- Trinidad and Tobago
- Tunisia
- Turkey
- United Arab Emirates
- USA
- Vietnam
- Zimbabwe

If you are planning to retire to a country that is not listed, you will need to make arrangements to have your pension paid into a bank in one of the countries listed. Your chosen bank will be able to assist you in arranging for the funds to be forwarded to you.

If required you will need to complete a mandate form for payment to be made to an overseas bank. You can download the appropriate form for the country you need from our website at: www.nhsbsa.nhs.uk/pensions or by writing to NHS Pensions. Please complete it and attach it firmly to your retirement application form.

What changes should I tell the paying agents about?

You should tell our paying agents, if:

- you change your address (please note that you should also notify NHS Pensions of any change of address)
- your bank or building society account details change
- you marry, remarry, form a civil partnership or wish to nominate a qualifying partner for an adult dependant's pension
- you become re-employed in the NHS, or with a body that has access to the NHS Pension Scheme
- there are any changes in your job if you are re-employed (see section ‘What if I want to work after I retire?’ on page 27 for more information)
- a child for whom you are receiving a children’s pension goes to live on their own
- you qualify for the Permanent Injury Benefit.

What if my pension is overpaid?

If your pension or lump sum is overpaid for any reason the money will have to be repaid. We may recover this overpayment by reducing your pension, however if this is the case, you or your personal representative will be contacted by our paying agents.

Important

Failure to notify NHS Pensions and/or our paying agents of any of the changes listed above may lead to suspension of your pension payments.
Will I pay income tax on my pension?

For tax purposes pension benefits are treated as earned income. At first our paying agents will deduct tax under a temporary code until they get the right code from HMRC who will decide what your tax code should be.

If you want to query your tax code, please contact HMRC at the details below telling them your National Insurance number and your pension reference number.

The address is: HM Revenue & Customs
Pay As You Earn
BX9 1AS

Or telephone 0300 200 3300

If tax has been deducted from your pension, our paying agents will send you a P60 form after the end of each tax year to show the total pension paid and the amount of tax deducted in that year.

When our paying agent sends payments to your bank or building society it includes details of any income tax deducted, but not your tax code. Most banks will show on your statement the tax deducted from your pension payments.

If you prefer details of your tax deductions not to be included with the payment information sent to your bank, please say so in a covering letter and attach it firmly to the payment details part of the benefits application form.

Will my pension be increased?

Pensions are reviewed annually and are increased, as appropriate, to keep pace with rises in the cost of living by the application of Pensions Increase (PI). Increases are paid in April and reflect any rise in the rate of inflation in the 12 month period up to the end of September in the previous year. The measure by which all public sector pensions are increased is determined by the Government. All pensioners will receive notification of the rate applied within the Annual Pensioners Newsletter, distributed in April each year.

Most pensions qualify for increases straightaway, though there are exceptions. The table below details the differences:

<table>
<thead>
<tr>
<th>Retirement pension</th>
<th>When will the increases begin?</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Normally from the April after your pension begins</td>
<td></td>
</tr>
<tr>
<td>Ill Health</td>
<td>Normally from the April after your pension begins</td>
<td></td>
</tr>
<tr>
<td>Early retirement, Redundancy and Interest of Efficiency</td>
<td>At age 55. If you become permanently incapable of work on account of ill health, provided the Scheme’s medical advisor agrees, redundancy pensions can be increased before age 55.</td>
<td>When you reach age 55 your pension will get all the increases made since it began.</td>
</tr>
</tbody>
</table>

If you are a woman with a dependant child the increase will apply as follows:

The part of your pension based on your membership;
- before 1 January 1993 will start to increase from April after it begins.
- from 1 January 1993 will be increased when you reach 55.

If you are a man with a dependant child the increase will be as follows:

The part of your pension based on your membership;
- between 17 May 1990 and 31 December 1992 will start to increase from the April after it begins.
- before and after these dates will be increased when you reach age 55.
Will my pension always get the full increase?

Yes, but increases are normally paid from April, so in the first year the amount of Pensions Increase (PI) you get will depend on when your pension started. For example, if the full increase is 4% but your pension has only been in payment for six months, the increase you will get will be 2%.

A part month of 16 days or more, from the pension payable date to the last day in the month, will count as if it was a full month, but a part month of 15 days or less will not count. A pension that begins 15 days or less before the increase date in April will not get an increase until the following year.

Pensions Increase dates in April will often fall part way through your pension month. Where this happens your pension for April will be partly at the rate before the increase and partly at the new rate. Your pension for the following month will be all at the new rate.

Are increases applied to the whole of my pension?

Pensions Increases are applied to the amount you are getting including any previous increases, less any Guaranteed Minimum Pension (GMP).

Who will pay the increases?

If your pension includes a Guaranteed Minimum Pension (GMP), the cost of paying increases is met by the NHS Pension Scheme between your GMP age (60 for women and 65 for men) and your State Pension Age. From State Pension Age the cost of paying increases on a GMP is shared between the NHS Pension Scheme and the Department for Work and Pensions (DWP) as explained in the table below. The Scheme’s share of the increases will be paid with your NHS pension; DWP will pay their share of GMP increases with your State Pension.

<table>
<thead>
<tr>
<th>For GMPs based on Scheme membership</th>
<th>Who pays the increases from State Pension Age?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 5 April 1988</td>
<td>DWP pay all of the increases</td>
</tr>
<tr>
<td>Between 6 April 1988 and 5 April 1997</td>
<td>Increases up to 3% will be paid by the NHS Pension Scheme; any increase over 3% will be paid by DWP</td>
</tr>
<tr>
<td>From 6 April 1997 (all GMPs ceased from this date)</td>
<td>All the increases based on membership that does not include a GMP will be paid by the NHS Pension Scheme</td>
</tr>
</tbody>
</table>
Will the DWP always pay their part of GMP increases?

Sometimes the DWP may be unable to pay their part of the increase on a GMP. This can happen if you live in certain foreign countries, or if you retire from the NHS before you qualify for the State Pension. If this happens you will not be worse off. The full increase will be paid by the NHS Pension Scheme on the whole of your pension.

If I receive a lump sum will it attract Pensions Increase?

Only if your pension benefits are based on pay for membership that ended 16 days or more before payment was due, for example, deferred benefits. The lump sum is increased by the same percentage as the pension. If you claim deferred benefits early (before age 55) you may have to wait until age 55 before you are paid the extra amount.

HMRC has confirmed that any increase in your lump sum due to Pensions Increase is a Benefit Crystallisation Event. This means we will contact you again, either to confirm the extra percentage of Lifetime Allowance (LTA), or if you were a high earner to confirm your current Lifetime Allowance position. This is to ensure that you have enough Lifetime Allowance remaining to allow payment of this increase without a Lifetime Allowance Charge.

If you have protection from HMRC and we do not contact you please write to this office enclosing a copy of your current certificate or notice of protection from HMRC asking for your Lifetime Allowance position to be checked. If you have Fixed Protection please confirm you have checked for and not had Benefit Accrual. Please enclose a copy of your current protection certificate.

What if I want to work after I retire?

If you are in receipt of benefits from the 1995 Section and return to NHS work within one calendar month of retiring your pension may be suspended if you work more than 16 hours a week in that month.

The effects of returning to NHS work after retirement depend on which of the NHS Pension Schemes you are a member of and what your last day of pensionable employment was.

If you are thinking of returning to NHS employment (including a body that has access to the NHS Pension Scheme) you should read the information about working after retirement available on our website at: www.nhsbsa.nhs.uk/nhs-pensions. Your pension may be affected, depending on your earnings. It may be reduced or stopped altogether while you are working (we call this abatement). You must tell your employer that you have a pension from this Scheme and write to our paying agents, before you go back to work in the NHS, with the details.

If you are in receipt of a Tier 2 ill health pension and become re-employed anywhere, including outside the NHS, you must inform us. You should also read the information about returning to work following ill health retirement available on our website: www.nhsbsa.nhs.uk/nhs-pensions. This gives further details of the effects of working after retirement.

In all cases your pension will not be abated if you return to NHS work before your Normal Pension Age as a result of a compulsory transfer of a non NHS post.

Important

If you return to NHS work you may be eligible to rejoin a NHS Pension Scheme in certain circumstances. If you are not eligible, your employer may have to automatically enroll you in another scheme. You can get more information about this from the employer you will be working for.

What if abatement applies to me?

Our paying agents will let you know the amount that you can earn each year without affecting your pension payments. This figure is called your Annual Earnings Margin.

When your NHS work begins your expected pay for the year will be compared with your earnings margin and if necessary your pension payments will be adjusted. This is done so that overpayments of pension can be avoided wherever possible.

Dependant on your earnings at the end of each financial year, your employer (or you) may be asked how much you were paid during the year from 1 April to 31 March. This will be compared with your earnings margin and the pension you received for the year. If you have been retired for less than a full year any monies earned prior to retirement will not be included.
Comparing your pay against your earnings margin will show whether you were paid more or less than expected during the year. The amount of pension that you are paid may be adjusted in order to avoid an overpayment or shortfall of pension during the coming year.

If you have been paid too much pension for the year you will have to pay the overpayment back. If your pension has been underpaid, arrears will be paid to you to make up the shortfall. Your pension payment will be reviewed immediately if your expected pay for the year changes due to:

- a pay rise
- a change in your grade
- a change in the number of hours you work
- a backdated award that increases your pay from the day your NHS work started
- a change in your surgery partnership share (medical and dental practitioners only).

If your pay and/or hours vary

Our paying agents will let you know the amount you can earn without affecting your pension payments. Because your pay/hours vary it is difficult to forecast whether your pension will be affected, so a half yearly check on your pay will be carried out. You will be notified how much pay you can receive each half year before the payment of your pension may be affected. This figure is called your half yearly earnings margin.

Your employer (or you) will be asked how much you were paid during the half year. This will be compared with your half yearly earnings margin. This is done so that overpayments of pension can be avoided wherever possible.

At the end of each financial year your pay for the whole year will be compared with your Annual Earnings Margin (your half yearly earnings margin x 2). This has the effect of ‘spreading’ your pay evenly across the whole year. This could mean that if you have repaid pension because you were overpaid in one half of the year but have been below your earnings margin in the other, you may receive some pension back. In some circumstances however, it could mean that there has been a further overpayment of pension which you will have to repay.

The amount of pension you are paid each year may be adjusted in order to avoid an overpayment or shortfall of pension during the coming year.

What changes should I tell the paying agent about?

The pension you are entitled to while you are working may change if you have:

- an increase in your pay
- a pay rise backdated to when you started work, or carried on working, in the NHS
- a change in the conditions of your work (including promotion)
- a change in the number of hours you work
- a change in your partnership share (medical and dental practitioners only).

Important

Failure to notify any change in your pay or hours whilst re-employed in the NHS may result in an overpayment which you will be required to pay back.
### Will my family benefit after I die?

The Schemes provide pension benefits to your dependants in the event of your death. The benefits payable will depend on which section/scheme you were a member of and your circumstances at the time of your death.

The table below gives you a summary of the benefits your dependants may receive after you die in retirement. If you have Pension Credit benefits only the lump sum on death information applies. There are no dependent benefits payable.

<table>
<thead>
<tr>
<th>Benefit</th>
<th>1995 Section</th>
<th>2008 Section</th>
<th>2015 Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lump sum on death</strong></td>
<td>The lesser of: 5 x annual pension less amount of pension already paid, or 2 x actual pensionable pay (from the year that was used to calculate benefits when you retired) less the total retirement lump sum already taken</td>
<td>The lesser of: 5 x annual pension less amount of pension already paid, or 2 x actual reckonable pay (from the year that was used to calculate benefits when you retired) less the total retirement lump sum already taken</td>
<td>The lesser of: 5 x annual pension less amount of pension already paid, or 2 x the lump sum payable had you been an active member on the date of death, less any retirement lump sum (pension commutation) already taken</td>
</tr>
<tr>
<td><strong>Adult dependant’s pension</strong></td>
<td>A continuing adult dependant’s pension of 50% of your pension in payment* based only on membership from 6 April 1988 If you are the widow of a male member the pension will include membership prior to 6 April 1988 Plus a short term pension equal to the rate of your pension in payment for the first 3 months, or 6 months if there is at least one eligible dependent child</td>
<td>A continuing adult dependant’s pension of 37.5% of your pension in payment* Plus a short term pension equal to the rate of your pension in payment for the first 3 months, or 6 months if there is at least one eligible dependent child</td>
<td>A continuing adult dependant’s pension of 33.75% of your pension in payment* Plus a short term pension equal to the rate of your pension in payment for the first 3 months, or 6 months if there is at least one eligible dependent child</td>
</tr>
<tr>
<td><strong>Children’s pension</strong></td>
<td>A child’s pension of 25% of the pension** for 1 child (50% shared equally for two or more children)** A short term pension equal to the rate of your pension in payment may be payable for the first 3 or 6 months****</td>
<td>A child’s pension of 18.75% of the pension** for 1 child (37.5% shared equally for two or more children)** A short term pension equal to the rate of your pension in payment may be payable for the first 3 or 6 months****</td>
<td>A child’s pension of 16.875% of the pension** for 1 child (33.75% shared equally for two or more children)** A short term pension equal to the rate of your pension in payment may be payable for the first 3 or 6 months****</td>
</tr>
</tbody>
</table>

*The table above does not include re-employed and partial retirement pensioner members.

Will a lump sum on death benefit be payable?

Any lump sum on death benefit payable after retiring is different to when death occurs ‘in pensionable service’. Whether a lump sum on death benefit can be paid, and how much it may be, depends on the total amount of retirement benefits or Pension Credit benefits you had up to the date of your death.

A lump sum on death benefit is not included in an Inheritance Tax assessment if paid to your spouse or a registered civil partner. A lump sum on death benefit paid to a nominated person (or persons) will be included in an Inheritance Tax assessment; the nominated person should check their own tax position with HMRC. A lump sum on death benefit may be subject to a Lifetime Allowance charge. Information about the limits on tax free pension benefits is available on our website: [www.nhsbsa.nhs.uk/nhs-pensions](http://www.nhsbsa.nhs.uk/nhs-pensions).

Any lump sum on death benefit payment due will be automatically paid to your spouse, registered civil partner or qualifying partner unless you have nominated someone else on form DB2. If you do not want this to happen and your membership:

- extended to or beyond 1 April 2008, then you can change your instruction and complete a new form DB2 at any time, or
- ended before 1 April 2008 then you can cancel an earlier nomination or request not to pay to legal spouse or civil partner on form DB1, but you cannot make a new nomination unless you rejoin a Scheme.

You can get these forms from our website at: [www.nhsbsa.nhs.uk/nhs-pensions](http://www.nhsbsa.nhs.uk/nhs-pensions).
If you are a Pension Credit member any lump sum on death payment will be automatically paid to your estate or legal spouse, registered civil partner or qualifying partner if you have one, unless you have nominated someone else on form DB2 instead. The same rules for Scheme members also apply to Pension Credit members.

If you are single, divorced or have dissolved a civil partnership, the lump sum on death benefit will automatically be paid to your estate unless you have a nominated qualifying partner or nominated someone on form DB2.

If you have nominated a person (or persons) or one organisation to receive the lump sum on death benefit then it will be paid automatically to this nominee, without waiting for Grant of Probate or Letters of Administration.

**Important**

The lump sum on death benefit must be paid within two years of the date upon which the Scheme Administrator was first notified of the member’s death otherwise it will be subject to a HMRC tax charge of up to 45%. NHS Pensions has no discretion and must deduct this tax charge from the lump sum payment.

**Important**

It is important that you keep your legal representative up to date with your circumstances.

If you die after reaching age 75 and you were 75 on or after 6 April 2011 a lump sum on death benefit is payable, subject to an HMRC lump sum death benefit charge of 55%. This tax charge is deducted from the lump sum before payment.

**Further information**

Information about limits on tax free pensions is available on our website at: www.nhsbsa.nhs.uk/nhs-pensions

---

**What about the payment of an adult dependant’s pension?**

This benefit is payable to your surviving spouse, registered civil partner or qualifying partner from the date of your death. If you are not in a legally recognised relationship, NHS Pensions would encourage you and your partner to register your relationship by jointly completing the partner nomination form (PN1).

Regardless of whether you jointly complete a partner nomination form, if your partner survives you they would be required to provide documentary evidence that you were living in an exclusive relationship and that you were both free to marry or enter into a civil partnership and that you were financially interdependent.

If your membership extended to or beyond 1 April 2008, an adult dependant’s pension is payable for life regardless of whether the recipient remarries, forms a civil partnership or lives with someone else as a spouse or partner.

If your membership ended before 1 April 2008, an adult dependant’s pension will normally end if the recipient remarries, forms a civil partnership or lives with someone else as a spouse or partner.

**Important**

It is important that you keep your nominations up to date to ensure that your pension benefits are paid as swiftly as possible to who you want to receive them. Forms are available on the NHS Pensions website to nominate who you wish to receive any lump sum on death benefit and also to register your partner for a pension.
Can I nominate a qualifying partner?

Yes if you have been an active member of the Schemes on or after 1 April 2008. You can nominate a partner, other than a spouse or registered civil partner, to receive an adult dependant’s pension provided all of the following conditions are satisfied:

• neither person has a legal partner i.e. a spouse or registered civil partner
• they are not related to each other in a way which would prevent marriage/registered civil partnership
• they are living together as if they were husband and wife or civil partners
• the relationship is intended to continue indefinitely
• one partner is financially dependent on the other or they are financially interdependent on each other.

Form PN1 is available from our website at: www.nhbsa.nhs.uk/nhs-pensions, or you can ask your local Pensions Officer to download one for you. It needs to be completed and signed by both parties and sent to NHS Pensions. It is recommended a DB1/DB2 form is also completed to confirm your preference in the event a lump sum on death benefit is payable.

In the event of a claim from a partner it will be necessary for them to provide evidence that, for a continuous period of at least two years ending with your death, you were living together in an exclusive relationship as if you were husband and wife or civil partners, and that you were both free to marry or enter into a civil partnership.

A lump sum on death benefit paid to a qualifying partner will need to be included in an Inheritance Tax assessment.

Important

Members who are in a relationship which is not legally recognised, are encouraged to register their relationship using the partner nomination form (PN1), although it is not essential.

Use the nominations guide flowchart on the next page to see which forms you may need to keep your records up to date.
What if I marry, form a civil partnership or nominate a partner after I retire?

If you marry, form a civil partnership or nominate a partner after you have retired or left this Scheme, your spouse or partner will receive a short term pension for three months after your death (or six months if you have one or more eligible dependent children) at the same rate as your pension.

The permanent adult dependant’s pension for:

1995 Section
- your widow, will be half of your pension for membership from 6 April 1978 only.
- your widower/civil partner/nominated partner, will be half of your pension for membership from 6 April 1988 only.

2008 Section
- 37.5% of your pension for all your membership.

2015 Scheme
- 33.75% of your pension for all your membership.

What if I have dependent children?

If you have an eligible dependent child or children a children’s pension may be payable on your death. This benefit can also cover a number of other possible child dependants, not just your own children.

“Child dependants” can include:
- biological children
- children of your civil partner or nominated qualifying partner
- step children and adopted children
- a brother or sister of you, your spouse, civil partner or nominated qualifying partner
- a nephew or niece of you, your spouse, civil partner or nominated qualifying partner
- a grandchild
- a half brother, half sister, step brother, or step sister of you, your spouse, civil partner or nominated qualifying partner
- children born before you left the Scheme with deferred benefits
- children born within 12 months of the date you retired.

Please ensure that your dependants or their representative is aware of this benefit and the date you stopped paying Scheme contributions, to enable them to make an application after your death. The application form is available on our website at: www.nhsbsa.nhs.uk/nhs-pensions

Where your Scheme membership extends to or beyond 1 April 2008 a children’s pension may be paid if the child is dependent on you, both at retirement and on death, and they are:
- under age 23, or
- aged 23 or over and incapable of earning a living due to permanent physical or mental infirmity from which he/she was suffering at the time the member died.

Where your Scheme membership ended before 1 April 2008 a children’s pension may be paid if the child is dependent on you, both at retirement and on death, and they are:
- under age 17, or
- aged 17 or over but has not reached the age of 23 and is continuing in full time education or training, or
- aged 17 or over and incapable of earning a living due to permanent physical or mental infirmity from which he/she was suffering at the time the member died.
Help and general information

NHS Pensions contact details
You can contact us at:
NHS Pensions
PO Box 2269
Bolton
BL6 9JS

Telephone: 0300 330 1346
website: www.nhsbsa.nhs.uk/nhs-pensions

If you live outside the United Kingdom the telephone number is 0044 191 279 0571.

The helpline is open from 8am to 6pm Monday to Friday. We are closed on Public Holidays.

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.

The NHSBSA enquiry system ‘Ask Us’ enables you to get answers to questions you may have about the Pension Scheme by going to the NHS Pensions website homepage and clicking on the ‘Ask Us’ button. The facility can be used to get an answer to queries 24 hours a day, seven days a week without the need to call the helpline.

Find us on Twitter at @nhs_pensions

Equiniti Paymaster contact details
Equiniti Paymaster’s address is:

Equiniti Paymaster
Sutherland House
Russell Way
 Crawley
West Sussex
RH10 1UH

Telephone: 0345 1212 522

If you live outside the United Kingdom the telephone number is 0044 121 441 7802.

If you need to get in touch with Equiniti Paymaster about the payment of your pension, please write or telephone, telling them your Equiniti Paymaster pension reference number.

Contact details for NHS Stakeholder Pensions and other organisations you may find useful can be found on our website at: www.nhsbsa.nhs.uk/nhs-pensions

Further information
For details on how to make a Freedom of Information request please go to: www.nhsbsa.nhs.uk/contact-us/freedom-information

For information about our complaints and disputes procedure please go to: www.nhsbsa.nhs.uk/member-hub/members-contact-us

For informations about our data protection policy please go to: www.nhsbsa.nhs.uk/our-policies/data-protection

Notice about data given to NHS Pensions
We have a duty to protect the public funds we administer. To this end we may use the information provided to us for the prevention and detection of fraud and share it with other bodies administering public funds solely for these purposes.

NHS Pensions is currently participating in an anti fraud initiative organised by the Audit Commission and being carried out under Section 6 of the Audit Commission Act 1998. Under this initiative we are providing details of occupational pensioners to the Commission so that they can compare them with information provided by other public bodies to ensure that:

• no pensions are being paid to persons who are deceased
• occupational pension income is being declared by housing benefit claimants
• re-entry to NHS employment is disclosed.

While the main purpose of the exercise is the detection of fraud, these exercises help ensure the best use of public funds.
Some general points

Scheme rules

The rules of the NHS Pension Scheme are laid down in regulations agreed by Parliament. They are the National Health Service Pension Scheme Regulations 1995 and subsequent amendments, National Health Service Pension Scheme Regulations 2008 and subsequent amendments, and the National Health Service Pension Scheme Regulations 2015 and subsequent amendments. You can view these on our website: www.nhsbsa.nhs.uk/nhs-pensions

The Schemes are "registered" under the Finance Act 2004.

Scheme Administrator

The Scheme Administrator is the NHS Business Services Authority, a Special Health Authority. You can contact the Scheme Administrator using the contact details on page 38 of this guide.

Pension Scheme Fund

The NHS Pension Schemes do not have invested pension funds but as statutory schemes benefits are fully guaranteed by the Government.

Contributions from both members and employers are paid to the Exchequer, which meets the cost of the Schemes’ benefits.

The NHS Retirement Fellowship

The NHS Retirement Fellowship is a registered charity, created in 1978 for the benefit of all employees of the NHS, together with their partners. Thousands of Fellowship members enjoy a range of social, leisure, educational and welfare activities through a network of branches across the UK. The branch provides a venue for healthcare staff to continue friendships formed during employment and offers the opportunity for individuals to make new friends and enjoy companionship of people from a shared NHS background. Members come from all sections of the NHS.

More information and how to join the Fellowship

If you would like more information on how to join the Fellowship to take advantage of the many activities and benefits it provides, simply read the factsheet and complete the membership application form available on our website at: www.nhsbsa.nhs.uk/nhs-pensions. You can also contact the fellowship directly by:

- telephoning the Fellowship Director on 01305 361317
- emailing info@nhsrf.org.uk
- visiting their website at www.nhsrf.org.uk
- writing to The Fellowship Director, NHS Retirement Fellowship, Forston Clinic, Charminster, Dorchester, Dorset, DT2 9TB.

Further information

A factsheet giving more details about The NHS Retirement Fellowship is available on our website at: www.nhsbsa.nhs.uk/nhs-pensions