

A photograph of a person's hands typing on a silver laptop keyboard. The laptop is on a wooden desk. In the foreground, there is a white notepad with a grid pattern, a green and white marker, a red stapler, and some sticky notes. The background is slightly blurred, showing a desk with a smartphone and some papers. The overall lighting is warm and professional.

**Employers quick start guide
to the NHS Pension Scheme**

This guide is aimed at employers who have recently been accepted as Employing Authorities of the NHS Pension Scheme and as a broad overview for new pension professionals responsible for the administration of the NHS Pension Scheme.

More information about all the areas covered in this guide can be found on [the NHS Pensions website](#). This includes factsheets providing more technical information for employers that require this level of detail.

Please email nhsbsa.stakeholderengagement@nhs.net with any suggestions you may have in respect of further information to assist employing authorities with the administration of the NHS Pension Scheme.

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Eligibility

Every employer in the UK has a legal duty to ensure that its employees are afforded their legal pension rights whether that is the NHS Pension Scheme or other pension arrangements.

New starters must be put into the NHS Pension Scheme on the first day of their employment subject to them meeting the eligibility criteria to join the NHS Pension Scheme.

To be eligible to join the Scheme, the new starter must be:

- Aged between 16 and 75
- Directly employed by the NHS
- A Medical, Dental and Ophthalmic practitioner or trainee
- General Practice (GP) Practice Staff
- Eligible staff who work for an NHS Pension Scheme approved employer e.g. a Direction / Determination employer or Independent Provider
- Non GP Providers
- Freelance locum GPs.

A new starter is not eligible if they are:

- aged over 75
- holders of an honorary post in the NHS
- a person employed by a General Dental Services or Personal Dental Services contractor who is not a qualified dentist
- a pensioner in receipt of benefits from the 1995 Section of the NHS Pension Scheme (except when the pensioner is receiving an ill health pension and is under age 50 when they rejoin)
- eligible under Scheme Protection arrangements to continue contributing to the 1995/2008 Scheme.

New joiner

If an employer has access to Pensions Online (POL) they will be able to submit the joiner information via this portal. POL can be accessed from the [NHS Pensions website](#)

If an employer does not have access to POL, the appropriate documentation listed below will need to be manually to NHS Pensions.

Joiner form	Employer type
SS10	Available to NHS employers, Direction / Determination employers and Independent Providers.
SS10GP	Available to GP Practices and Out Of Hours Providers (for non-medical employees).

Additionally NHS Pensions has a separate spreadsheet for an employer to complete if they want to enrol multiple new joiners.

POL and the separate spreadsheets can be accessed on NHS Pensions website.

Completed documentation should be sent to nhsbsa.datamanagement@nhs.net

Auto enrolment

An employer, from their relevant staging date, must arrange for all of its salaried employees to be auto-enrolled into a qualifying pension scheme. The NHS Pension Scheme is a qualifying pension scheme and is the default scheme for all NHS employees. However, not all staff are eligible to join the NHS Pension Scheme. Employers will need to take action to identify these employees and auto-enrol them into alternative pension arrangements.

Record keeping

A member's NHS pension benefits are based on their reckonable NHS Pension Scheme membership and pensionable pay.

Employers must provide accurate pension information in respect of all contributions, actual and whole time equivalent pensionable pay, hours or sessions worked for part time contracts, paid and unpaid absences, joining and leaving dates, and reasons for leaving. This information is provided on either an annual basis or at the point that a pension event occurs.

Year end processing

Employing Authorities must, in law, provide accurate pension data in respect of every Officer or Practice Staff member to NHS Pensions within two calendar months of 31 March, which is the Scheme year end. In respect of Practitioners and non-GP Providers the deadline is 13 months after Scheme year end.

HMRC require all the necessary information to allow the members Annual Allowance position to be calculated by 6 July after the end of the Scheme year.

If an employer does not have access to POL, documentation will need to be manually submitted via an annual update spreadsheet (SD55) to NHS Pensions.

Annual update form	Employer type
SD55	Available to all NHS employers, GP Practices, Direction / Determination employers and Independent Providers who do not have access to Pensions Online.

Please note that submission via the manual spreadsheet will only be accepted for organisations that are unable to access POL. NHS Pensions will publish articles in the monthly Employer Newsletter to remind employers of the requirement to submit this

information. NHS Pensions will send the relevant guide and spreadsheets directly to each named EA contact.

It is therefore imperative that employers ensure that the contact information NHS Pensions hold is kept up to date; an annual review is suggested.

Organisations that have the ability to complete via POL but outsource this function to a third party provider will still be expected to input the information electronically. We will not accept the manual submission direct from the third party.

Estimates

NHS Pensions aims to provide active and deferred members with an Annual Benefit Statement (ABS) through an online portal known as Total Reward Statements (TRS). This can be accessed in one of two ways.

1. Members whose employer has access to Electronic Staff Records (ESR) will be able to access their statement through the Total Reward Statement portal or ESR self-serve.
2. Members whose employer does not have access to ESR will be able to access their statement through the Total Reward Statement portal which requires registering via the Government Gateway.

The Government Gateway service is free of charge and is a fast and convenient way for members to obtain information about their NHS pension.

For members who require a subsequent estimate where the ABS or estimate provided by an employer utilising either POL or our calculators is not sufficient, further estimates can be requested however this service will be chargeable.

Part time contracts

A person who works in a part time capacity and also has other part time NHS pensionable posts will have multiple (part time) Officer pensionable posts recorded on their centralised pension record held at NHS Pensions. Although a person could choose to work in excess of whole time per week their aggregated pensionable hours **must not** exceed whole time (i.e. 37.5) for NHS pension purposes.

Where there are two or more pensionable posts follow these rules:

- Whole time posts take priority
- Then higher paid part time posts or hours take priority
- Then identical posts that are simpler to administer take priority.

It is advisable to ask a part time employee if they have other NHS pensionable posts.

Where an NHS Pension Scheme member is part time their tiered employee contribution rate is based on their whole time equivalent pensionable pay in that specific job; not their actual pensionable pay in that job.

Leavers

If an employer has access to POL it will be able to submit its leaver information via this portal. Further information is available in the Pensions Online Guide 18 which is available on the website.

If an employer does not have access to POL, documentation will need to be manually submitted via a leaver Excel spreadsheet to NHS Pensions.

Form	Employer type
SD55	Available to all NHS employers, GP Practices, Direction / Determination employers and Independent Providers who do not have access to Pensions Online.

These forms alongside the accompanying guidance notes are all available on the website.

Pensionable pay

There is a difference between pay and pensionable pay. Pay may include overtime, (in excess of whole time hours) one off bonuses, and expenses. However, NHS pensionable pay, which is used to calculate pension benefits (i.e. what contributions are based and paid on) may be less than actual (taxable) pay. This is because pensionable pay is the basic salary excluding overtime (in excess of whole time hours), one off bonuses and expenses. Pensionable pay should however include regular payments such as unsocial hours allowance and London weighting.

There is no minimum number of hours that can be pensionable in the NHS Pension Scheme. The maximum number of hours that can be pensionable are the normal (standard) whole time hours for the relevant job.

Overtime, in relation to the NHS Pension Scheme, is hours worked in excess of the whole time standard working week. Therefore a part timer's pensionable pay must include any additional hours worked up to the whole time working week, and hours worked over the whole time working week are not pensionable. For example, if the standard working week is 37.5 hours, a part timer normally working 20 hours a week may pay pension contributions on up to 17.5 additional hours per week.

Salaried GPs employed by a GP practice must pension all of their hours including overtime.

Where an Officer or Practice Staff Scheme member is part time the employer will be required to provide NHS Pensions with the whole time equivalent pay rate. This is because, at retirement, a part timer's NHS pension benefits are based on their reckonable (whole time equivalent) NHS Pension Scheme membership and whole time equivalent rate of pensionable pay.

Where a part timer works extra pensionable hours and those extra hours are paid at a premium rate, the whole time equivalent rate of pay must be reviewed (i.e. uplifted) to take account of both the standard and premium hourly rates.

Where there is an excessive pay increase in the final year's pensionable pay (best of the last three years) for a member of the 1995 Section the employer will be charged under the rules of 'Final Pay Control' There is more information about this provided below under the heading 'Excessive Pay Increases'. Exceptionally for the 1995 and 2008 sections, NHS Pensions may be required to impose a pensionable pay figure upon which pension benefits are based.

Where a Scheme member has more than one part time pensionable post at retirement a composite/aggregate whole time equivalent pensionable pay figure is used for benefit purposes.

Tiered contribution rates for Officers and Practice staff are broadly based on the previous year's whole time equivalent pensionable pay unless the person is a new starter in which case their actual pay must be annualised to set the tiered rate. Different rules apply to Practitioners and non-GP Providers.

Employer contributions

Employer contributions are 14.38% (employer contribution of 14.3% + admin levy of 0.08%) of the employee's pensionable pay. They must credit the NHS Pensions bank account no later than the 19th day of the month after the month in which the relevant earnings were paid. For employers that have access to POL, submission of form GP1 / RFT1 must be made each month electronically using this method. This process initiates the setting up of a Direct Debit.

Non POL organisations can send form GP1 / RFT1 directly to NHS Pensions and payment will be collected by direct debit in the normal manner. Alternatively payment can be made by bank transfer with remittance slip being sent via email.

Employee contributions

Employee contributions in respect of Officers and Practice Staff are tiered depending on their whole time equivalent pensionable pay. The higher the whole time equivalent pensionable pay, the higher the contribution rate. Contributions paid are based on the actual pay. Contributions must be paid to NHS Pensions no later than the 19th day of the month after the month in which the relevant earnings were paid.

The rate is usually based on the previous year's whole time equivalent pensionable pay unless there has been or there is a change in circumstances during a Scheme year. Such changes can include a pay increase (other than due to an unexpected change in duties or one unlikely to persist for at least 12 months), the person changes NHS jobs, is a new starter, or has been promoted. In such circumstances the contribution rate will be based on their new estimated annualised pay (NWT for part time employees).

The table below sets out the member contribution rates from **1 April 2015** until **31 March 2019**:

Tier	Full time pensionable pay/earnings used to determine contribution rate	Contribution rate 1 April 2015 to 31 March 2019
1	Up to £15,431.99	5.0%
2	£15,432.00 to £21,477.99	5.6%
3	£21,478.00 to £26,823.99	7.1%
4	£26,824.00 to £47,845.99	9.3%
5	£47,846.00 to £70,630.99	12.5%
6	£70,631.00 to £111,376.99	13.5%
7	£111,377.00 and over	14.5%

The rates and bandings will be revised at the next Scheme valuation. There are no current plans to carry out a change to the tiered contribution rates. However, should a change be necessary, it would have retrospective effect from the start of that Scheme year.

Additional Pension contributions

The Additional Pension (AP) was introduced in April 2008 to replace the full cost Added Years arrangement which is now closed to new applications. A person may elect to buy Additional Pension to increase their annual NHS pension in units of £250 up to a maximum career increase of £5,000 in the 1995/2008 Scheme and £6,500 in the 2015 Scheme.

The above limits operate independently. If a member bought Additional Pension when you were a member of the 1995/2008 Scheme you can normally buy up to an additional £6,500 annual pension after moving to the 2015 Scheme.

The Additional Pension can either be purchased in instalments or by a one off payment. The employer is legally responsible for collecting the contributions and sending them to NHS Pensions at the same time as employee and employer contributions.

Additional Pension contributions attract tax relief within limits set by HM Revenue and Customs.

Added Years contributions

Prior to the Additional Pension being introduced in 2008 an NHS Pension Scheme member could increase their NHS pension benefits at retirement by buying Added Years. Under this method the employee pays an additional contribution every month, which is set as a fixed percentage of their pensionable pay. The extra contribution is in addition to their basic tiered employee contributions.

Although it is no longer possible to make a new application to buy full cost Added Years, an existing contract shall remain active until it is completed, which is either at age 55, 60, or 65. Therefore all employers who take on a member of staff who is currently buying Added Years, must collect the additional contributions and forward them to NHS Pensions within the 19 day deadline.

Caution must be applied where the employees Added Years contributions are capped because they were previously subject to the HMRC earnings cap. Additionally, if a member has a break in Scheme membership of 12 months or more the added years contract ceases and no further contributions can be made.

NHS Pension Scheme Money Purchase Additional Voluntary Contributions (MPAVCs)

The NHS MPAVC scheme is an arrangement for making additional contributions to build up a separate pension fund. The additional contributions are invested and then used to buy an extra pension which is normally paid at the same time as the main NHS pension. Unlike Additional Pension and Added Years, contributions paid into the MPAVC are completely separate to NHS Pension Scheme benefits and do not affect the member's NHS pension entitlement at retirement.

A person must be an active member of the NHS Pension Scheme to be eligible to contribute to a MPAVC arrangement.

There is no defined cost so individuals choose how much they would like to contribute and can usually change or stop their payments. Lump sum contributions can also be made at any time. NHS MPAVC arrangements are provided by chosen providers. The current chosen providers are Standard Life and Prudential.

Contributions are taken from pay and must be sent by the employer direct to the chosen provider. Any delay in paying the contributions could result in a loss of investment for which the employer could be held responsible.

Equitable Life is also a chosen provider. Although closed to new business, employees who have previously contributed to the NHS MPAVC with Equitable Life can continue or restart making payments to them.

HM Revenue and Customs (HMRC) allow tax relief on pension contributions up to 100% of relevant UK earnings for the tax year.

Failure to pay any contributions over on time will result in an employer being subject to statutory interest and / or administration charges, and this may also result in an employer being referred to regulatory bodies.

Early Retirement Reduction Buy Out (ERRBO)

2015 Scheme members have the ability to buy out the reduction that would apply if retirement benefits were claimed before normal pension age which in the 2015 Scheme is

the same as the member's State Pension Age, or age 65 if later. This may rise during membership of the Scheme if State Pension Age rises.

Death in membership

If a member dies in pensionable membership the employer should send completed death benefit claim forms to NHS Pensions as soon as they can. This is so that life assurance benefits can be awarded as soon as possible.

If there are any queries the Bereavement Team's email address is:

nhsbsa.bereavements@nhs.net.

Data protection

Employers can exchange information with NHS Pensions in respect of their employees but must apply caution in releasing confidential information to a third party.

Disputes

If a member enters into a dispute with their employer, or lodges a complaint against their employer, in respect of their NHS pension entitlement this must be handled by the employer in the first instance. If the employee remains dissatisfied they may refer their complaint to NHS Pensions.

If the member remains unhappy once the NHS Pensions Internal Dispute Resolution Procedure is exhausted, they may refer their complaint to The Pensions Ombudsman who has legal powers over NHS Pensions, employers, and Direction / Determination employers (that are Employing Authorities).

Excessive pay increases (Final Pay Controls)

Where a member of the 1995 Section receives an excessive pay increase after 1 April 2014 that has a bearing upon their NHS pension benefits, the employer will be subject to a statutory surcharge; i.e. levy.

The employer must pay this surcharge in a one off payment within one calendar month of being invoiced. Failure to pay the surcharge on time will result in statutory interest and administration charges.

Late payment of contributions

If an employer fails to pay over any contributions on time it will be subject to a statutory interest charge.

If NHS Pensions has to write to an employer in respect of late contributions it will be subject to a statutory administration charge.

Maternity and paternity pay

When an employee goes on maternity (or paternity) leave and intends to return to work they can pay pension contributions on the whole period of leave.

Their tiered employee contribution **rate** should not change as it is based on their **unreduced** pay based on the previous year. However, the employee will pay contributions based on their actual (reduced) pensionable pay. In all cases the employer contributions plus the administration charge are based on the actual pensionable pay before any reduction.

If an employee's pay is suspended, the employee contributions are based on their pay immediately before pay was suspended. The contributions should be collected during the absence or immediately upon a return to work.

If a person chooses not to pay pension contributions during unpaid maternity/paternity leave, NHS Pension Scheme membership ceases on the day the person last paid contributions. The employer does not pay contributions for this period.

If a member decides not to return to work or to opt out of the NHS Pension Scheme whilst still on maternity or paternity leave their last day of pensionable membership will be the date contributions were last paid.

For more detailed information contact nhsbsa.pensionemployers@nhs.net

Redundancy

If an employee is made redundant they may be entitled to claim their pension early subject to meeting certain criteria. Redundancy may result in an employer NHS pension charge which must be paid prior to any pension benefit being awarded.

For more detailed information contact nhsbsa.pensionemployers@nhs.net

Refunds of employee contributions

Employees who have less than two years **total** NHS Pension Scheme calendar length membership when they leave NHS employment (or opt out of the Scheme with less than two years **total** NHS Pension Scheme calendar length), may claim a refund of employee contributions.

Employee contributions only are refunded, employer contributions are not refunded, and the returned employee contributions will be subject to certain deductions such as tax (at the member's marginal rate) and National Insurance (to buy the member back into the Second State Pension).

Sick pay

When an employee is on full pay sick leave NHS Pension Scheme contributions are payable on all of the sick pay.

If the member goes onto reduced or half pay sick their employee contributions are payable on the reduced amount. However the employer contributions plus the scheme administration charge are based on the members 'normal' unreduced pay.

When the employee goes on to 'no pay sick leave' then no contributions are payable by either the employee or the employer.

Ill health

If an employee's contract of employment is to be terminated on capability due to ill health grounds, and they are a Scheme member, an employer must inform the employee of their rights to apply for (in membership) ill health retirement whilst they are still employed.

If an employer terminates a member's contract of employment on the grounds of capability due to ill health this does not mean that the person will necessarily qualify for ill health retirement benefits. Entitlement to ill health retirement benefits is determined solely by NHS Pensions and its medical advisers.

Tax

Employees who pay NHS Pension Scheme contributions are entitled to tax relief. This means that they pay income tax on their salary after their NHS Pension Scheme contributions have been deducted.

Employees who are high earners may be subject to the HMRC Annual Allowance or the Lifetime Allowance.

Transfers in or out of the NHS Pension Scheme

Transfers In

A member may apply to transfer previous pension benefits to the NHS Pension Scheme providing the member's previous pension scheme has the relevant Inland Revenue approval, and the member makes an application to transfer within the time limits which are:

- 1995 Section: within 12 months of joining the Scheme
- 2008 Section: within 12 months of becoming eligible to join the Scheme
- 2015 Scheme: within 12 months of becoming eligible to join the Scheme.

NHS Pensions always recommends that the member seeks independent financial advice, should they be in any doubt that a transfer is the best option for them.

More information can be found in the Transfer in Guide and application pack on our website.

Transfers Out

If a member leaves pensionable employment before reaching their normal pension age and they become a member of a new pension scheme they may apply to transfer their accrued pension benefits to their new pension provider.

There may be certain conditions and time limits for an application therefore please direct members to the website where more information can be found in the Transfer out guide and application pack.

NHS Pensions always recommends that the member seeks independent financial advice, should they be in any doubt that a transfer is the best option for them.

Unauthorised leave

Any period of time where contributions are not paid due to unauthorised absence, such as strike days, must be recorded as disallowed days on the SD55 pension return.