

NHS Pensions Employers newsletter July 2018

1. Sharing Our Performance

Our current performance

The table below shows our recent monthly performance for pension award processing:

Month	Number of awards due to be paid in month (our target)	Number of awards cleared within the month (our performance)	Completion rate
May 2018	3085	3007	97.47%

On 4 June we upgraded our processing system which consolidates member and pensioner administration into a single platform. There was a period of downtime of 5 working days to allow for data transition. We ran the pensioner payrolls in advance to accommodate the downtime period so that no ongoing pension payments would be out of step with the normal timetable. Since then we have successfully processed over 220,000 new and periodic payments from the new system. All scheduled payment processing cycles are running as expected.

New Bereavement awards incurred a slight backlog due to the downtime to allow for the data transition. However, all this work has now been loaded onto the system in order for the awards to be made.

The NHSBSA is facing extremely high call volumes which is impacting all services supported by our Contact Centre. There are a number of reasons for this:

- Pensions Payroll contacts are approximately 70% over our forecast, mainly due to repeat callers from high call queues last week as a result of the downtime window
- Total Reward Statements refresh window and residual end of year activity
- The European Health Insurance Card (EHIC) publicity from the Martin Lewis TV show last week has been a big factor as we saw a large over-delivery of contacts by 45%
- We have also increased the Loss Recovery Service mailings due to a backlog in surcharges building up over recent weeks
- We have seen the usual planned increases in calls for Dental due to the Annual Reconciliation Report period

2. Annual Total Reward Statement / Annual Benefit Statement Refresh

The Pensions data cut was taken over the weekend of the 23/24 June which sees the start of the refresh window to update statements to 31 March 2018. It is currently anticipated that the refreshed statements will be made available from the end of August 2018. The actual date will be confirmed nearer the time.

3. General Data Protection Regulations (GDPR)

Our Stakeholder Engagement Team has been receiving a substantial amount of queries to complete in respect of our obligations under GDPR.

A project team have been working on GDPR for some time and we have made good progress to ensure we are ready whilst following the latest best practice guidance. Some examples of the activities include;

- Updating our policies and procedures
- Confirming who our Data Protection Officer is
- Training staff
- Publishing explanations of how we use personal data
- Updating all agreements and contracts that involve processing personal data
- Making sure we only keep information for as long as necessary
- Acting on the latest guidance to ensure we are ready

To assist both employers and other stakeholders further, we will shortly be releasing a FAQ document that covers the most frequently asked questions. This information will be uploaded to the Technical Guidance section of the employer's hub.

4. Service Improvement and Development Board

The Service Improvement and Development (SID) board takes place quarterly and is attended by the chairs of the Regional Employer Groups. The group was set up following the introduction of the administration levy and provides a platform for employers to suggest changes and improvements to the way the NHS Pension Scheme is administered.

Since the introduction of the SID Board and the change request process in May 2017, we have received 35 change requests so far.

Each change request is discussed, prioritised and agreed upon by the regional groups before it is presented at the SID Board using the relevant form. From there, the process depends on the nature of the change or improvement. 15 of the 35 requests have been accepted and have either been completed and resolved or are being included in current and future system developments.

The group vote on each suggested change or improvement to ensure the outcome is representative of the employer's needs.

9 of the 35 were not supported by the group.

The common themes that have been highlighted following this process show that data related changes and improvements are most commonly requested. This helps to map out future system developments at NHS Pensions and how they can be used to benefit our employers.

To find out more about the process and how to submit a change or improvement, [please visit our website.](#)

5. Year End Heatmaps – ESR Employers Only

ESR year-end update processing is complete and NHS Pensions are currently collating the processing and error statistics for the production of the year end heatmaps.

We are aiming to improve the information we provide this year to give a more detailed breakdown of the volume and error types for each individual ESR employer.

We expect to be in a position to issue the Heat maps to employers around the end of July.

6. Annual Allowance Information Deadline Date

Employers are required in legislation to provide information to NHS Pensions which enables Pension Savings Statements to be provided to members. This statement informs members whether they have exceeded the Annual Allowance limit in the NHS Pension Scheme.

The requirements specify that employers must provide pay (and membership) information to NHS Pensions by 6 July following the end of the tax year.

We are expecting an influx of requests for Annual Allowance statements in July. In order to be able to respond to these requests, we must have the available pay and membership information from employers for 2017/18 **by 6 July 2018** (information for previous years should already have been received). If the member's record is not updated by the employer by this date, HM Revenue and Customs (HMRC) may impose fines and charges on employers of:

- up to £300 per member, and
- £60 per day per member until the member's records are updated.

If the information is not provided, we will not be able to conduct the necessary calculations to check whether the member has exceeded the Annual Allowance limit. We will not be able to generate a Pension Savings Statement and notify potentially affected members in a timely manner. Members could be subject to fines and late payment penalties from HMRC.

Special arrangements were made for PCSE/NHS England in relation to the provision of information for GPs once their end of year certificates have been received and the provision of pension information to NHS Pensions after HMRC's deadline.

7. VAT Treatment of charges from NHS Pension Scheme

Since 1 April 2017 NHS Pension Scheme Employing Authorities have been paying a levy to cover the cost of the administration of the NHS Pension Scheme. The levy has been collected along with employers contributions by increasing the rate from 14.30% to 14.38%. This 0.08% charge has been determined to be inclusive of VAT.

Background

With effect from 1 April 2017 funding for the NHS Pension Scheme administration moved from the Department of Health and Social Care to a levy on employing authorities. As a result, as a provider of services, the NHS Pension Scheme has had to register for VAT, submit VAT returns and issue VAT invoices following the same rules as any other VAT registered business.

At this time, due to the costs involved in the process, it is the intention of the NHSBSA to issue annual invoices in arrears for the administration charges for the Scheme, and only to those employers who are expected to be able to reclaim the VAT. Invoices have been issued in June

2018 for the year ended 31 March 2018 and a similar timetable is expected to be in place for 2019. We apologise for any inconvenience this may cause but it is simply not practical for the scheme to issue monthly VAT invoices.

Treatment of VAT charged

Invoices have been sent to those organisations that we expect will be able to reclaim the VAT. For NHS organisations this will be under heading 17 of the HM Treasury Contracting out Direction (*Departmental staff records and payroll systems including administration and payment of pensions*). These invoices reflect amounts already paid, no further payment is required.

If you have not received an invoice and require one, or have any queries about the content of this letter please contact us at nhsbsa.pensionsfinance@nhs.net.

8. Final Pay Controls

Employers are reminded that a final pay control charge applies where a NHS Pension Scheme Officer or Practice Staff member with 1995 Section membership (including 1995/2015 transition members) has a pensionable pay increase which exceeds an allowable amount resulting in disproportionate NHS pension benefits.

The allowable amount is the amount that pensionable pay can increase by in comparison to previous years before a final pay control charge applies. The charge is levied on the relevant employer. Where the member is a non-GP Provider the charge is levied on the surgery.

A final pay control charge applies to all types of NHS pension benefits except those in respect of the death of a member. The charge also applies where the pensionable pay used to calculate a transfer out exceeds the allowable amount.

Where a charge is applicable the employer must pay it straightaway otherwise they are subject to interest and administration charges.

There is [factsheet available](#) on the NHSBSA's website providing more information.

Individuals who are solely members of the 2008 Section or the 2015 Scheme are not subject to final pay controls.

9. GP Practice Events

Our second round of employer events is now well underway having visited Birmingham, Leeds, Brighton and Exeter. We have put together this round of events based on feedback previously received and we are delighted to continue to receive positive feedback.

"It was a very well organised event and the topic covered extremely informative"

Delegate at our Brighton Event

"Thought the day very informative and interesting"

Delegate at our Birmingham Event

We have sent out invitations to the next events planned in London, Cambridge, Newcastle and Manchester and these will fill up very quickly so we encourage employers to sign up at their earliest convenience. If you have any questions about these events please contact our Stakeholder Engagement Team at nhsbsa.stakeholderengagement@nhs.net

10. Most viewed Ask Us articles

Pensions Employer		
Ask Us Article		Hits
1	How can I calculate the notional whole time salary for a part time staff member?	103
2	When would it be necessary for me to post a retirement benefit claim form (AW8) to NHS Pensions?	84
3	What should I do if I have paid the incorrect amount of contributions to NHS Pensions?	84
4	Do I need to submit the SD55 and SD55T when a member is retiring?	74
5	Where can I find guidance on completing the SD55 Annual Update?	71
6	How can I apply for Mental Health Officer (MHO) status?	60
7	Where are the joiner and leaver forms?	58
8	How should I submit an AW8 application form if I do not have access to Pensions Online (POL)?	52
9	How does an employer pay their pension contributions to NHS Pensions?	51
10	How can I gain access to Pensions Online (POL)?	47

Pensions Member		
Ask Us Article		Hits
1	Where can I find my SD number?	1763
2	How can I get an estimate of my NHS pension benefits?	1012
3	What are the reduction factors for Actuarially Reduced Early Retirement in the 1995 section?	938
4	Can I return to NHS work after retiring from the 1995 section of the Scheme?	605
5	Where can I obtain advice relating to my NHS Pension?	468
6	What is a deferred benefits claim form (AW8P) and when should it be completed?	321
7	Can I take Actuarially Reduced Early Retirement?	266
8	How do I opt out of the NHS Pension Scheme?	228
9	What is an AW8 application form and when is it completed?	200
10	How do I claim a refund of my NHS Pension contributions?	190

11. Pension Online (POL) downtime

Pensions Online (POL) will be unavailable between the following times:

- 6pm on Friday 29 June until 7am on Monday 2 July

Please note: at times we may need to take POL offline at short notice. Updates will be provided here when necessary.

We apologise for any inconvenience this may cause.