

NHS Pensions Employer Newsletter - November 2018

We would like you to spend a few minutes providing feedback for this newsletter, please complete this [short survey](#).

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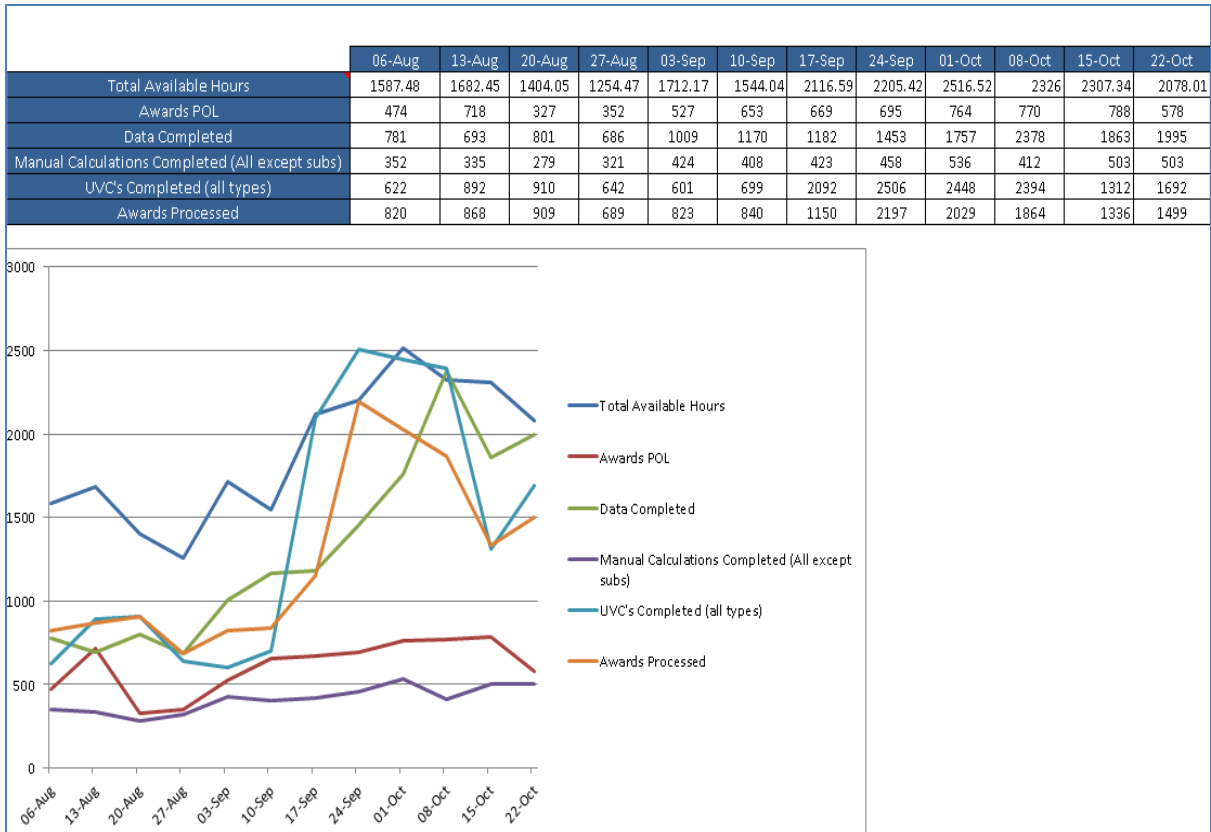
1: Sharing our performance

Sharing our performance – October 2018

Significant progress has been made on our Awards recovery plan during October and we are really encouraged with the results. All the activities we have put in place over the last few months are really starting to have a positive impact. As we have a much clearer view and we are tracking very closely each stage of the awards process, we can clearly see how the profile has changed and it is showing dramatic steps forward,

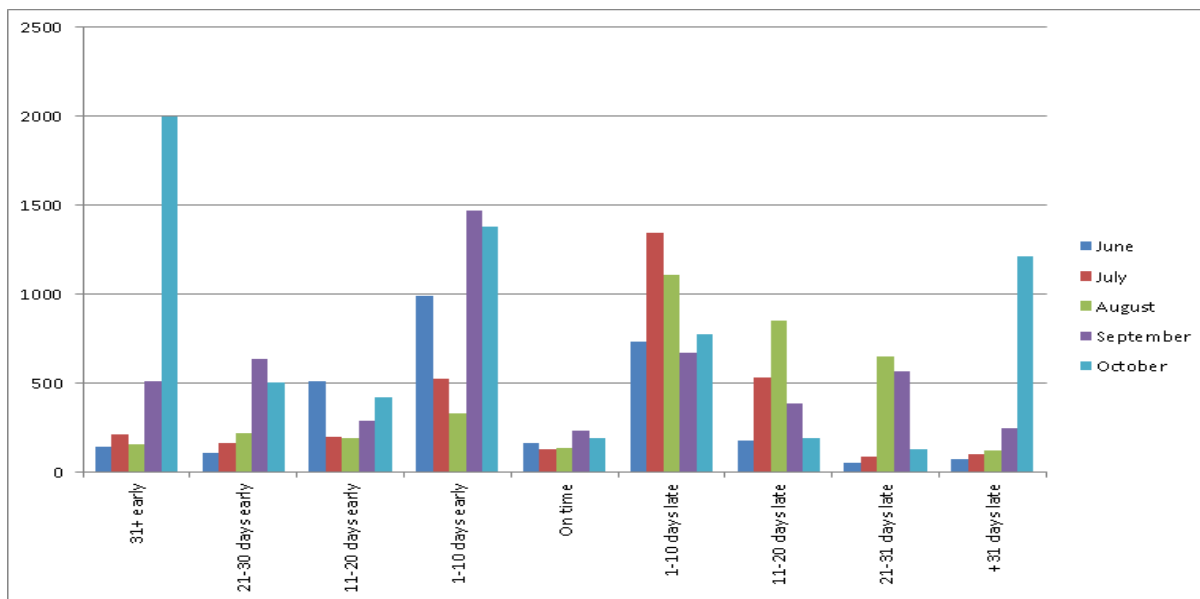
We have processed over 7,500 Awards in October. This is a massive achievement. We are clearing bottlenecks, which is not just assisting in reducing the volume of older awards but also enabling us to complete new awards to ensure no more are going late. Of those 7,500 Awards paid, over 2000 of them are guaranteed to have the lump sum (if appropriate) paid into their bank account the day after they retire.

You will see from these charts that this shows during October overall, there has been an increase in throughput at all stages of the awards process following the changes we have made to maximise production.



The graph below shows the profile of awards paid in each month since June and the timeliness of when they were paid in relation to someone's retirement date.

It shows very clearly the volume of awards paid early this month in comparison to previous months and similarly those paid late to previous months as we have also cleared the older ones.



The total number of award applications on hand is 8186* which has reduced from 11,500 at its peak. We still have 1117* awards that remain late but we anticipate that these should all be cleared by the end of November based on current clearance rates.

For a couple of weeks this month, we saw an improvement in our contact centre as all KPI's were being achieved consistently every day. However, during the latter part of the month we have once again seen an increase in wait times.

We have reviewed some calls to understand why it remains high and couldn't find a specific pattern as such; calls were for varied reasons rather than all on a particular subject that we can specifically address with more proactive communications. We continue to work closely with our Contact Centre colleagues to monitor this.

We will continue to work through the activities mentioned in all our previous briefings until we achieve full recovery and we will update you further in mid November.

2: TRS mid-year refresh

The TRS mid-year refresh is now underway. The data cut was taken on Friday 12 October 2018 and the pension calculations have now been completed. We are carrying out our sanity checks prior to the data being transferred to ESR by Friday 2 November 2018.

We currently expect the updated statements to be made available on Wednesday 12 December. We do not anticipate any issues, however, should there be a requirement to revise that date, we will update you in November's newsletter

3: POL downtime

There is the possibility of a downtime weekend towards the end of November as we have a big system release, but the date is not yet confirmed.

Further information will be provided on our website when we have more information.

4: POL helpline

We have recently carried out a review of the types and level of calls coming through the POL helpline. We have identified that a lot of these calls are not specifically relating to POL at all, but are general pension or data management calls instead.

Based on this review and in light of the actual level of queries specifically POL related, we are making changes to the POL helpline opening hours with effect from 5 November 2018.

The helpline will be available between 10:00–14:00, Mon–Fri.

Should you need assistance outside of these times please email nhsbsa.polhd@nhs.net and a support analyst will handle your query. Alternatively, if you require guidance on completing a POL form you may find the relevant information on the NHS Pensions website.

For guidance, the POL helpline can help you with:

- Password resets/unlocks
- Guidance on registration
- Reporting of system faults

Please make sure you are directing your call to the correct number. Unless your query is listed above, then please refer your query to the Employer helpline on **0300 3301353**.

If after 5 November 2018 you contact the POL helpline and your call is not specifically about POL then you will be redirected to call the correct number.

5: Annual Allowance Update

Annual Allowance extension of voluntary scheme pays facility from tax year 2017/18

Members are liable for an annual allowance charge if their total pension growth - across all their pension schemes in a tax year, shown on their annual allowance pension savings statement as their pension input amount - is more than their available annual allowance.

Members are responsible for making arrangements to pay their annual allowance charge to HM Revenue and Customs (HMRC). They can either:

- Pay the tax charge directly to HMRC; or
- Ask NHS Pensions to pay it for them in an arrangement known as 'scheme pays'.

NHS Pensions offers two types of scheme pay; mandatory and voluntary. From tax year 2017/18 onwards we are introducing more flexibility in our voluntary scheme pays facility:

I. Mandatory scheme pays

This is available if the pension input amount in either the 1995/2008 NHS Pension Scheme or the 2015 NHS Pension Scheme is more than the standard annual allowance and the annual allowance charge is more than £2,000.

The maximum amount of annual allowance charge that a member can ask us to pay by mandatory scheme pays is based on the pension input amount in the NHS scheme that is more than the standard annual allowance.

The standard annual allowance is currently £40,000.

II. Voluntary scheme pays

Voluntary scheme pays for tax years 2015/2016 and 2016/2017

This was available to members of both the 1995/2008 NHS Pension Scheme and the 2015 NHS Pension Scheme. If the pension input amount in one or both NHS schemes was under the £40,000 standard annual allowance but when added together the total pension input amount from both schemes was more than £40,000.

Voluntary scheme pays for tax year 2017/2018 onwards

In addition to our existing mandatory and voluntary scheme pays facility we are extending our voluntary scheme pays facility to include members who are subject to an annual allowance charge, arising in 2017/18 onwards, as a result of having an available annual allowance lower than £40,000.

Members with a threshold income of more than £110,000 and an adjusted income of more than £150,000 are affected by the tapered annual allowance and as a result will have an annual allowance lower than £40,000. The £40,000 is tapered down by £1 for every £2 of adjusted income over £150,000, therefore for an adjusted income of £210,000 or more, the tapered annual allowance is £10,000 (£40,000 - £30,000).

Voluntary scheme pays is now also available for the tapered annual allowance charge calculated from the part of the pension input amount:

1. In the 1995/2008 NHS Pension Scheme or the 2015 NHS Pension Scheme - that is under £40,000 but over the member's tapered annual allowance; or
2. Across both schemes when added together - that is more than their tapered annual allowance.

In addition, it is no longer a condition that members must have an annual allowance charge of more than £2,000.

What the extension means

From 2017/18 we can now pay 100% of a member's annual allowance charge to HMRC, if they ask us to, either using mandatory scheme pays only or by using both mandatory and voluntary scheme pays.

Members should be aware, when asking for voluntary scheme pays, that they will remain solely liable for their annual allowance charge until it is paid by us. They are responsible for any interest that HMRC may charge if payment for voluntary scheme pays is made after the self-assessment tax return deadline of 31 January.

Applying for scheme pays

To pay some or all of their 2017/18 annual allowance charge, members need to complete the Scheme Pays Election Notice (SPE2), which we must receive by 31 July 2019. The scheme pays election deadline for an annual allowance charge incurred in a tax year before 2017/18 has now passed.

Once accepted, members cannot revoke an election but they can change it and have up to 4 years to do this. This provision is useful if they have estimated their annual allowance charge.

More details about these deadlines are available on our [website](#).

As soon as possible we will be introducing a new version of the Scheme Pays Election Notice (SPE2), to include our extended voluntary scheme pays facility, and updating our scheme pays guidance and factsheets. Watch out for these on our website.

Members who have already applied for scheme pays for 2017/18

Some members have already sent us a scheme pays election for 2017/18 and we will be writing to them soon to let them know about our extended voluntary scheme pays facility and to ask if they want to change their election.

Pension Savings Statement Guide

NHS Pensions has published a Pension Savings Statement Guide to accompany the 2017/18 statements recently issued. This is available on our website at www.nhsbsa.nhs.uk/member-hub/annual-allowance.

The aim of the guide is to:

- help explain why a member has been sent a statement;
- give important information about the annual allowance;
- take members through the figures on their statement and highlight the next steps that they may need to take; and
- explain how they pay and report an annual allowance charge to HMRC.

The statement along with the information provided in the guide should assist members in determining whether they have an annual allowance tax charge to pay and also provides details about our extended voluntary scheme pays facility.

6: Special Class status (SCS) – Retention of SCS for Managers

A number of cases have recently been identified where employers have incorrectly recorded individual managers as having automatic entitlement to SCS (i.e. Capacity Code = 01, Nurse with Special Class status when the Capacity Code should be 04 – Administrative, non-Special Class) or where employers have incorrectly assumed that retention of SCS should apply to managers, without consulting NHS Pensions.

In some cases this has caused individual members to have an incorrect expectation that they could retire from age 55 without having to take actuarially reduced benefits.

We would like to remind employers that when considering retention of SCS for any managers, you must ensure the correct procedure is followed upon each change of employment, duties or promotion. You must also ensure that the rationale for any decision about retention can be evidenced by the relevant job description and person specification.

The final decision as to whether SCS can be retained rests with NHS Pensions. All applications are considered individually and the outcome is subject to the duties and person specification of the post, as defined within the formal job description/specification, along with the applicant's employment history.

Particular care should be taken where retention is being considered for senior managers at director level or above. All cases must be referred to NHS Pensions for approval via form SMR with appropriate evidence and before a member is informed whether they have retained SCS.

Further information about SCS, retention criteria and relevant procedures can be found within the [Employers Hub on our website](#).

7: Verify update

The Government Gateway route to access your Total Reward Statement (TRS) will be decommissioned on the 12 December 2018 and replaced by the Government-wide Verify service. This is a trusted, safe and secure way to prove who you are online.

GOV.UK Verify has been developed by the Government Digital Service and meets the highest levels of international standards for security and data protection.

Partner companies assure your identity. This means government never needs to see your personal information. And the partner companies never know which service you are using.

You only need to register with GOV.UK Verify once. Then you'll be able to quickly and easily access government services.

As well as access to your TRS, it makes it safe, quick and easy to access other government services like filing your tax return or checking the information on your driving license.

To use the service you will need to register online, following the guidance there to use it but once registered, the next time you access your TRS you will just need to login.

The link you need is shown below, you can use the Verify route now if you wish to, in advance of the Government Gateway route closing on the 12 December, the link will be available on the NHSBSA main website from the 12 December.

<https://www.nhsbsa.nhs.uk/what-we-do/improving-digital-access-our-services/testing-our-digital-services/verify-access>.

8: Annual Survey 2018

This is your opportunity to share your thoughts and opinions on services provided by NHS Pensions. This feedback allows us to assess our existing processes and look at ways we can continuously improve. We ask that as many employers respond as possible to provide us with a representative view of how different types and sizes of employers rate our service.

The annual employers' survey asks questions about:

- Query handling
- Satisfaction when contacting NHS Pensions
- NHS Pensions website
- Annual Benefit Statements
- Stakeholder Engagement Team and events

The Stakeholder Engagement Team values your comments and we would ask that you take this opportunity to share your thoughts and opinions on the service provided.

9: Ask us articles

Pensions Employer	Pensions Member	TRS
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How can I calculate the notional whole time salary for a part time staff member?	117	Where can I find my SD number?	2817	How can I access my Total Reward Statement?	2122
How does an employer pay their pension contributions to NHS Pensions?	109	What are the reduction factors for Actuarially Reduced Early Retirement in the 1995 section?	1325	Why don't I have a pension estimate on my Total Reward Statement?	1965
What should I do if I have paid the incorrect amount of contributions to NHS Pensions?	96	How can I get an estimate of my NHS pension benefits?	1158	How is my 1995 Section pension revalued each year on my Total Reward Statement/Annual Benefit Statement?	1710
How can I apply for Mental Health Officer (MHO) status?	79	Can I return to NHS work after retiring from the 1995 section of the Scheme?	777	What if I have forgotten my Government Gateway login details?	541
What is my EA code?	74	What is a deferred benefits claim form (AW8P) and when should it be completed?	529	How often is my Total Reward Statement/Annual Benefit Statement updated?	139
When would it be necessary for me to post a retirement benefit claim form (AW8) to NHS Pensions?	68	How will my NHS Pension be paid?	445	What is the Hypothetical Annuity Cost?	121
What are the joiner and leaver forms?	67	Can I take Actuarially Reduced Early Retirement?	442	What is a Total Reward Statement?	102
What is an AW171 and how should it	60	How do I apply for	386	Does my Total Reward Statement update	100

be submitted?		my NHS Pension?		annually if I am no longer working for the NHS?	
I am an employer and do not have an EA code? How do I obtain one?	57	How long does a pension award take to process?	384	Can I view a Total Reward Statement from a previous year?	97
Do I need to submit the SD55 and SD55T when a member is retiring?	54	What is an AW8 application form and when is it completed?	357	What is an Annual Benefit Statement (ABS)?	94