

## **NHS Pensions – Retrospective membership enquiry factsheet**

### **Important note:**

You should first read the 'Membership record factsheet' as this covers the bulk of the membership related enquiries that we receive and includes a list of commonly queried reasons why employment might not be included in your pension record.

### **Background**

The employer is responsible for enrolling all eligible staff into the Scheme automatically unless a person decides to opt-out of paying pension contributions by completing and signing form SD502. An exception to the rule is for Freelance GP Locum staff who instead must opt to join the pension scheme within a specified time frame (see under the GP Locum Factsheet for more information).

NHS Pension Scheme membership has always been available to NHS employees who work full-time but this was not always the case for part time workers (refer to the 'membership record factsheet' for a full breakdown of all the key dates of change). Part time workers access was progressively introduced over time with most of the changes relating to the part time non-medical grades.

Eligible non-medical grades had to opt to join the Scheme for employment between 1 April 1973 and 6 April 1988. During this period NHS employers would be responsible for providing eligible employees with literature such as the leaflet SDR which incorporated the form SD157. This form could be used to opt into the Scheme or confirm if a person wished to remain a non-member. As joining the Scheme was through application, failure to return the SD157 to the employer would result in an employee remaining as a non-member. When a part time employee continued in non-pensionable employment beyond 6 April 1988 the option to continue to be a non-member remained in place unless a request to join the Scheme was received or up until the introduction of auto-enrolment.

The various changes to part time Scheme eligibility were well publicised at the time with guidance given to employers to pass on to their staff. Information was provided in payslip leaflets, guides and posters as well as media coverage and information provided by unions etc.

## What is retrospective membership?

Depending on circumstances this can be split into two possibilities:

- Where a payroll error has resulted in an employer failing to correctly enrol an eligible employee into the pension scheme at the time of the employment. Scheme access for an eligible employee cannot be decided by the employer and all eligible employees must automatically be enrolled into the Scheme unless they have signed form SD502 to opt-out. Once identified these cases must be corrected as soon as possible.
- Where a part time non-medical employee has been eligible to elect to join the Scheme but the employer did not make this clear at the time. Due to the length of time since passed, it is only possible to give consideration to these cases if supportive evidence can be provided or support is confirmed by the employer. This type of case is now relatively rare.

In both these instances your pay slips would show that no pension contributions were deducted by your employer and we would not hold a record of the employment.

### Important note:

Be careful not to confuse retrospective membership with standard missing membership (where contributions have been deducted by your employer but employment is missing from our records). A separate factsheet is available for standard missing membership enquiries.

## What do I need to do if a retrospective membership claim needs investigating?

If after reading the factsheet and checking your payslips carefully you feel that a retrospective membership claim needs to be made, the following form should be used and sent to the employer:

### SM Retro1 (retrospective membership enquiry with the employer)

The employer you worked for during the employment in question should be your first point of contact unless otherwise instructed below.

You can look up an employer's address using the **Employer Directory** which is available in the 'Useful Information' section on our website.

Alternatively you can contact our **Member Helpline** on **0300 3301 346** for assistance.

The enquiry form will ask you to provide (where possible) supportive evidence to support your claim which may include payslips, P60's, contracts of employment or other letters/documents that may be helpful to confirm the details of the employment in question. It will also be helpful if you can number your payslips or other documents in date order.

If the employer address cannot be located, you can send the form direct to us we will try to locate the employer for you. If the relevant employer no longer exists or cannot be located we will consider your request using the information you have provided.

Where possible the employer will verify the claim by checking that you did not opt out or was not in a non-pensionable role and if identified as a payroll error, they will notify us of the employment details including outstanding employee and employer contributions. The employer has been provided with a reply form to let you know the outcome of the investigation.

If an accepted claim relates to pensionable employment of over six months ago, we must calculate the interest payable on the employee contributions in order to bring them up to today's value.

### **Important Note:**

You need to think carefully before making a retrospective claim because once identified the employment must be included in your pension record, meaning the outstanding employee contributions plus any interest must be paid in full by **you**. This is because contributions are correctly payable unless the SD502 opt-out form has been signed. More information about opting out and the cost of pension contributions can be found on our website.

### **What happens next if my claim is successful?**

We will arrange for the period of employment to be added to your pension record and will write to both you and the employer to confirm the contribution amounts payable and available payment options. Depending on what type of member you are currently will relate to the payment options available to you and these are detailed below:

#### **Pensioner member** - (someone who is in receipt of an NHS Pension)

- Payment in full, to be received within six months of receiving our settlement letter.
- We can offset the cost of the contributions from any additional lump sum and the pension arrears that will become payable to you from the retrospective membership. If they do not cover the full payment of contributions, we will arrange to deduct any residual amount from your revised pension.

#### **Active member** - (someone who is still contributing to the NHS Pension Scheme)

- Payment in full, to be received within six months of receiving our settlement letter.
- Monthly instalments deducted from your pay by your current employer.

The collection of the contributions must be completed before you retire and the payment period cannot exceed 24-months. You can however arrange to shorten the payment period if preferred. If you change NHS jobs, the outstanding balance can be transferred to the new employer but if you leave the NHS before you complete the instalments, you will be required to pay the outstanding balance direct to us

#### **Deferred members** - (someone who will become entitled to a deferred pension)

- Payment in full, to be received within six months of receiving our settlement letter.

By electing to purchase a period of membership you will be entering into a contractual commitment to pay the required pension contributions. Once you have made your decision it will not be possible, at some later stage, to withdraw from that contract (unless the terms of this offer are withdrawn by us in light of subsequent information coming to light).

We will however give consideration to any member regarding the length of time required to collect the outstanding contribution amount if you are likely to suffer from financial hardship. NHS Pensions will take a sympathetic view of your situation and your ability to pay, but we would need you to give us information about your financial position if applicable.

For all members; In the event of your death before a contract has been completed, the remaining contribution amount will be deducted from the lump sum on death.

Separate factsheets and enquiry forms are available for Mental Health Officer (MHO) and Special Class (SC) status enquiries.

Please complete all relevant boxes on the SM Retro1 form before submitting the enquiry. Any incorrectly or partially completed forms may be returned to you.

Whenever possible remember to enclose pay slips, pay advice or other supportive documentary evidence when submitting your enquiry.

If your enquiry relates to multiple employers complete a separate form for each employer (or NHS Pensions if instructed to do so).

### **Income tax and National Insurance contributions**

If you have already retired or are no longer working for the NHS, the calculation of your contributions for the backdated membership will be reduced to take into account of the tax relief that you would have received if still employed by the NHS.

The contributions will not be reduced for tax purposes if you are still an active member. This is because you have the option of asking your employer to make payment by instalments from your pay. The employer will instead take the instalment payments from your pay before tax and National Insurance deductions, meaning that you will receive income tax relief.

If as an active member you decide to pay in full by sending payment direct to us, we will acknowledge your payment and provide details that can be sent to HM Revenue and Customs in order for you to apply for a tax rebate.

If you have contributed to a personal pension scheme that relates to the same period of employment that has been accepted for backdated membership, you may wish to inform the provider to establish what options are available to you regarding the personal pension. The provider should also be able to confirm if you had been contracted-in or out of the State Pension at the time and if contact with the HM Revenue and Customs is required or not.

The HM Revenue and Customs should be contacted if you have any further specific tax or National Insurance related enquiries.