

NHS Pensions Employer Newsletter – September 2019

Payment of Pensions after Opting Out of the NHS Pension Scheme

Following the article in July’s newsletter we have received a number of queries from employers and we felt that further clarification was necessary.

Checking the payable date

<p>Opted out less than 5 years ago</p> <p>Member has opted out less than 5 years ago and they are over normal pension age at their last day of non-pensionable membership.</p> <p>If the member opted out of the Scheme but remained in NHS employment until their pension benefits become payable, completion of form AW8 is required.</p>	<p>We will request confirmation of the member’s last day of non-pensionable employment.</p> <p>The payable date is the day after the non-pensionable employment ceases.</p> <p>A 24 hour break and suspension rules apply (1995 section)</p>
<p>Opted out more than 5 years ago</p> <p>If the member opted out of the Scheme but remained in NHS employment until their pension benefits become payable, completion of form AW8 is required. However there are exceptions to this. Where the member is claiming a deferred period only then an AW8P would be required.</p>	<p>Membership becomes decoupled (separate) and the payable date is the normal pension age.</p> <p>Members under these circumstances do not need a 24 hour break.</p>

Final Pay Control Supplementary Form FPC1

There is a new Final Pay Control supplementary form which is available on the employers hub under employer forms>retirement on our website. The form is designed to streamline the current process.

In all cases you must complete the Final Pay Control supplementary form FPC1 where:

- A member has been awarded a significant pay increase in the last 4 years.
- They are likely to exceed the allowable amount of 4.5% in the last 4 years.

Once you have submitted the retirement application form AW8 in the normal way, for those cases which may be subject to a Final Pay Control (FPC) charge, you must send the completed FPC1 form separately to the Final Pay Control Team at nhsbsa.fpc@nhs.net. This will allow us to:

- Register the form and make an accurate assessment sooner
- Reduce the need to contact you
- Aim to reduce the amount of invoices and revisions issued

NHS Pensions are responsible for calculating and assessing whether there is a FPC charge and failure to complete this form may result in the charge being over (under) stated.

Please ensure you complete all sections of the form fully and provide any additional information on a separate sheet. The form will be returned to you where it has not been fully completed.

The last 3 years pensionable pay should always match the figures provided on the retirement application form AW8.

Government Consultation on Pension Flexibilities

The Department of Health and Social Care are to open a new consultation on revised proposals for flexibilities in the NHS Pension Scheme. More details can be found here <https://www.gov.uk/government/news/nhs-pensions-for-senior-clinicians-new-changes-announced-to-improve-care> . This consultation will replace the current exercise on a 50:50 option for senior clinicians.

Make Contribution Payments (MCP) Update

The Stakeholder Engagement Team, working with the Digital Project Team, have been continuing the rollout of our new financial information collection service, MCP. Over 30% of employers are now on-boarded to the service. If you have been sent an on-boarding email, you should now use this service to submit contribution information instead of Pensions Online.

The teams are talking to employers to understand the needs of organisations that use payroll providers and the best way that we can support these within the service.

Terminal ill Health Cases

For terminal ill health cases, an AW341 application form is required along with the AW33E.

The team have recently noticed an increase in terminal ill health estimates being requested where the commuted incapacity box has been ticked in error to obtain an ill health estimate more quickly. The issuing of the forms also ensures that the member's serious ill health claim is treated in the most efficient and urgent way.

In order to ensure genuine terminal ill health cases are dealt with as quickly as possible by the team, please ensure the form is completed correctly.

Ill health estimates that are not supported by the application forms named above are chargeable.

GP / GDP Claiming Retirement Benefits

NHS Pensions are seeing an increase in the amount of retirement benefit claim forms (AW8) being signed by the incorrect employing authorities.

If the member is a GP in England all GP pensions are administered by Primary Care Support England (PCSE) and therefore all GP forms including the application to retire form AW8 must be submitted to PCSE via their online portal. The GP practice manager cannot sign the AW8.

If the member is a GP in Wales all GP pensions are administered by the primary care support team at the Local Health Board (LHB) and therefore all GP forms must be submitted to the LHB and cannot be signed by the GP practice manager.

If the member is a GDP (Dental) all GDP pensions are administered by NHSBSA Dental Services therefore the AW8 must be submitted to Dental Services and cannot be signed by the dental practice manager.

Incorrectly signed AW8's cannot be actioned and will be returned. This could potentially delay the member's application.

GMP Tests

Any requests for a GMP test need to be sent via email to gmpstestrequest@nhs.net

When requesting a GMP test, the following information is required:-

- Intended retirement date
- Notional Whole time Total Pensionable pay figure

Please refer to the links below for further information on when a GMP test may or may not be required.

[GMP factsheet \(pdf 194.72kB\)](#)

[GMP Test decision tree \(pdf 75.16kB\)](#)

Duplication of Data

A high volume of data is being submitted onto the system when the original input has gone into error.

If the data has already been submitted either by ESR or Pensions Online but information has not processed on the ADP4, please check if the data has created an error before resubmitting the information. This information is found in both the employer and NHS Pensions allocated errors.

Submitting the data again will result in multiple errors being created until the initial data issue has been resolved.

If joiner information is not appearing on the ADP4 after 24 hours, please check the re-employment rejections, as the member may not be eligible to join the scheme.

Exceeding Whole Time action required

As the deadline for issuing pensions saving statements approaches please action any SM8's received.

If the contributions and pay are not amended in line with a reduction in hours/sessions worked, the member may receive an incorrect Annual Allowance Statement, which could result in an incorrect tax charge or incorrect benefits on retirement.

When a member works part time in either an hourly or sessional contract and the annual update or termination details show actual part time hours or sessions worked that are in excess of whole time for the period, the annual hour/session figure is reduced to the maximum amount of hours/sessions that can be worked for the period.

Form SM8 is sent advising of the maximum allowable hours or sessions for the period and will request to either:

- agree the figure and amend your records
- advise a correct figure which must be below the figure advised

Example

The annual update for year ending 2019 shows a member worked a total of 1399 hours for the period 1 December 2018 to 31 March 2019 (121 days). The member's standard hours for this employment are 37.5; this means the maximum number of hours that can be worked during this period is 648 hours.

This is calculated as: $121 \div 7 \times 37.5 = 648$ hours

If the member has worked any hours that were paid at a higher overtime rate, then these are not pensionable and the hours should be amended, if relevant.

The employees and employers contributions and pay figures need to be reduced to exclude contributions / pay taken on the non-pensionable hours using the SD55E form and any monies refunded to the member locally