

## NHS Pensions Update – October 2020

### NHS Pensions coronavirus (COVID-19) response

For the latest information on guidance and easements we have introduced to help support employers at this time, please visit our Coronavirus (COVID-19) contingency planning page on the Employer Hub where we have included lots of useful information and links to other relevant areas of the website.

We thank you for understanding and for your continued efforts in delivering vital healthcare services at this critical time.

### Sharing our performance

*Table 1- Total Transactions*

Item	Volume
Total Transactions	14,975
First Retirements	5,090
Revised Retirements	2,260
Estimates	2,112
Re-Employment Cases	993
Transfers In	343
Transfers Out	485
5 Year-Rejoiners	48
Pensions on Divorce	35
Life Assurance Lump Sums	236
Partner Pensions	632
Child Allowance	103
Refunds	2,638

*Table 2 - First Retirements and Pensioners*

Item	Volume
Applications Processed	5,090
On Time	99.67%
Amount paid in Lump Sums	£225,606,980.28
Amount of Pension Paid	£800,337,781.01
No. Pensioners in Payment	997,548

*Table 3 - Employer Helpline statistics*

<b>Item</b>	<b>Volume</b>
Total Volume Calls	2,328
Average Speed of Answer (s)	71

*Table 4 - Member Helpline statistics*

<b>Item</b>	<b>Volume</b>
Total Volume Calls	29,615
Average Speed of Answer (s)	57

## **Annual leave at the end of employment**

### **Annual leave at the end of employment – for all members**

This guidance applies to Officer and Practice Staff NHS Pension Scheme members but not to General Medical and Dental Practitioners.

#### **Pensionable annual leave**

Paid (approved) annual leave is regarded as pensionable service. An NHS Pension Scheme member, and their employer still pay contributions whilst the member is on paid annual leave and they continue to accrue membership and benefits.

#### **Annual leave prior to leaving employment**

As stated above approved annual leave is pensionable service. The example below assumes a whole-time and Monday to Friday working pattern.

Example:

An NHS Pension Scheme member gives notice to their employer that their last day in the workplace is to be 14/08/2020. They have 11 days of untaken annual leave. As the annual leave is pensionable membership it means (taking into account weekends) that the member's NHS Pension Scheme membership does not terminate until 31/08/2020. They retain all NHS Pension Scheme rights, including life assurance cover, during this period.

#### **Payment in lieu of notice**

If a member's employment ceases and they receive a payment in lieu of notice then this one-off payment is not pensionable.

This payment may include any outstanding annual leave that has been given up and has been converted into a one-off payment paid to the member. This would mean there is no annual leave left to extend the period. If this occurs, then the regulations confirm a one-off payment it is not pensionable.

This is an employment event that affects pensions processing. Pensions officers will need to confirm with their local HR if there are any circumstances where a payment in lieu is paid.

### **Extending the last day of service and overlapping employments**

Where a person starts a new NHS employment whilst taking leave from their previous NHS employment it will cause an overlap of NHS Pension Scheme membership.

If extending the annual leave causes an overlap of pensionable employment, if the member is whole-time in both posts the new employer must return any over deducted contributions as members can only be pensionable up to whole-time. This can be done as a local refund.

If both posts are part-time then if the aggregate hours exceed whole-time the new employer must return any over deducted contributions until the overlap ends. Where two part-time pensionable posts overlap but the aggregated hours do not exceed whole-time there is no problem.

If the member is whole-time in one post and part-time in the other post, then the whole-time post takes precedence and the employer with the part-time post will have to return any over deducted contributions.

NHS Pensions will contact you directly if there are any amendments that are to be made due to an overlapping employment.

### **Sick leave - annual leave**

Where a member has had sick leave and accrued untaken annual leave days then depending on the arrangement between employer and employee, this will determine whether the untaken annual leave is pensionable.

If the annual leave is paid and taken, then the annual leave is pensionable. This includes if the annual leave days were for previous years, the payment is reflected in the year the leave was taken. This means that sick leave followed by annual leave at termination will also extend the last day of pensionable membership.

If the annual leave is converted into a one-off payment, then it will not be pensionable.

### **Death in Service – outstanding annual leave**

In the August Employer Update an article was included in relation to the termination date to be used for death in service cases. Please see below an update following feedback from employers.

When a member dies in active employment any outstanding annual leave is pensionable and for pension purposes extends the last day of pensionable service in the NHS Pension Scheme.

Example:

Employee works Monday to Friday

Members date of death is 14/08/2020. They have 11 days annual leave. This means that their pensionable pay and last day of pensionable service will be extended to 31/08/2020.

## **Junior doctors and untaken annual leave – COVID-19 Response**

### **Pensionable annual leave**

For junior doctors only, the following information is taken from [NHS Employers website](#) in respect of the end of a rotation and the current coronavirus (COVID-19) situation.

For pension purposes the following applies.

Example:

The junior doctor rotation ended at Hospital 1 on 16/08/2020 and their new rotation started at Hospital 2 on 17/08/2020. The Junior doctor has 11 days annual leave.

Following the new arrangements set by NHS Employers for COVID-19, if Hospital 2 agreed to carry the leave over from Hospital 1 then the Hospital 1 employment end date and pensionable last day of service would remain at 16/08/2020. As the 11 days has been added to the junior doctors annual leave entitlement at Hospital 2 meaning that they need to add this into their contract of employment.

If Hospital 2 do not agree to carry the leave over from Hospital 1 then the payment will need to be made to the member and the last day of service is to be extended. The payment is pensionable. This will cause an overlap with the Hospital 2 employment with the pensionable start date of Hospital 2 being 01/09/2020, even though the employment start date with Hospital 2 is 17/08/2020.

## **Special Class Transitional members retirement age on TRS/ABS**

Following the release of Total Reward Statements (TRS) and annual benefit statements (ABS), NHS Pensions has received enquiries regarding the retirement age for Special Class transitional members showing as age 60.

If a member held Special Class status and has transitioned to the 2015 Scheme their normal pension age will show as age 60 on the 1995 tab of their TRS/ABS. The member will still be able to claim their 1995 Section pension benefits at age 55 subject to the usual special class criteria being met. The estimated figures are correct.

In order to retire at age 55 a member must have spent the whole of the last five years pensionable employment in a health service scheme as a Special Class member. Breaks in employment will be ignored when assessing this period but the last five years of pensionable membership must be as a Special Class member in order to retire from age 55. A member must be in a Special Class post immediately prior to retirement regardless of the fact that they have moved to the 2015 Section of the Scheme.

## Overpaid employer contributions - financial year 2020-21

Further to the communication published on our website that advised all employers should continue to remit 14.3% (plus the employer levy of 0.08%) employer contributions to the Scheme for 2020-21, it has come to our attention that a number of employers paid an increased rate from April 2020.

With immediate effect, please can all employers ensure that they pay the correct employer contribution rate of 14.3% (plus the employer levy of 0.08%) and amend their systems accordingly.

We are contacting employers who we believe may have applied the incorrect employer rate to clarify the position and discuss refunding any overpaid contributions.

If you have not been contacted directly by the Pensions Finance Reporting Team and have paid a higher employer contribution rate you should apply for a refund. Please email [nhsbsa.pensionsfinancereporting@nhs.net](mailto:nhsbsa.pensionsfinancereporting@nhs.net) as soon as possible and request a refund of contributions claim form.

## Ill health retirement and serious ill health retirement forms

When sending ill health application forms, please ensure that all reports are enclosed including any report from a member's specialist(s).

Please ensure the correct version of the application form is used and sent to NHS Pensions to consider. In particular, Part C of the AW33E which is required to be completed by the Occupational Health Doctor.

The form ensures that all the correct information is available in order to assess whether the member meets the relevant criteria for ill health retirement which is prudent to those members with a terminal diagnosis.

The correct versions of AW33E and AW33E Part C can be found on the [Employer Forms](#) page of the Employer Hub under 'Retirement Forms':

- [Consideration of entitlement to ill health retirement benefits \(AW33E\) \(PDF: 478KB\)](#) -version 18
- [Consideration of entitlement to ill health retirement benefits AW33E Part C \(PDF: 177KB\)](#) - version 13

The correct version of the AW240 form can be found on the [Applying for your pension](#) webpage of the Member Hub under 'Ill health applications forms':

- [Consideration of entitlement for early payment of deferred benefits due to ill health \(AW240\) \(PDF: 338KB\)](#) - version 12

Any old or outdated versions of the forms received after 1 November 2020 will be rejected.

## **The NHS and Social Care Coronavirus Life Assurance Scheme 2020**

Information on the government's life assurance scheme for eligible frontline health and social care workers during the coronavirus (COVID-19) pandemic can be found on the NHSBSA website via [www.nhsbsa.nhs.uk/coronavirus-life-assurance-2020](http://www.nhsbsa.nhs.uk/coronavirus-life-assurance-2020)

Take a look today and make sure you understand your responsibilities as an employer in helping to communicate the scheme to staff, support bereaved families to make a claim and oversee their claims process.

### **Bereavement forms and closing member records using Exit Code 14 (Death)**

NHS Pensions is currently improving the way we process claims for death benefits. To help the process run as effectively as possible it is essential that the correct forms are completed and member records updated accurately.

#### **Death in service forms**

It has come to our attention that incorrect forms are being used when a member has died.

To clarify:

- AW9 – The completed form should be forwarded to NHS Pensions if there is a spouse or partner payable
- AW11 – The completed form should be forwarded to NHS Pensions if there is no spouse or partner payable

Employers should not complete both forms or issue any forms to nominees if there is no spouse or partner payable. NHS Pensions will issue the appropriate claim forms to any nominees for the lump sum on death payment.

#### **Death on Pension and Death with Deferred Benefits**

The following claim forms are to be removed from the NHS Pensions website and will be replaced with the Dependants Claim Form (DCF):

- AW9P
- AW158 (Both versions pre and post 01/04/2008 membership)
- AW9/2

Please Note: The AW158 is still to be completed for death in service purposes.

#### **Death in Service – Closing an employment down**

A member's pension record is to be closed down taking into account any outstanding annual leave entitlement. This is to ensure that the correct Lump Sum on Death payment is calculated.

## **The Department of Health and Social Care Immigration Health Surcharge (IHS) reimbursement service**

We have been asked to share information on the Immigration Health Surcharge (IHS) reimbursement service launched by the DHSC on the 1 October, which may be relevant to some of your employees.

Applicants are eligible if:

- they are a non-tier 2 visa holder and have paid the Immigration Health Surcharge;  
or
- they have paid the Immigration Health Surcharge; and
- they have worked in a health or social care role for at least an average of 16 hours per week since 31 March 2020

Applicants must provide copies of their payslips for the six-month period they are claiming reimbursement for. Reimbursement is likely to take six weeks.

Visit the [IHS website](#) to start a claim.