

## NHS Pensions Update – January 2021

Welcome to our first Employer Update of 2021.

If you have any queries about the 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.

### Sharing our performance

*Table 1- Total Transactions (December 2020)*

Item	Volume
Total Transactions	12,101
First Retirements	4,929
Revised Retirements	1,001
Estimates	1,439
Re-Employment Cases	1,047
Transfers In	286
Transfers Out	302
5 Year-Rejoiners	49
Pensions on Divorce	53
Life Assurance Lump Sums	239
Partner Pensions	581
Child Allowance	71
Refunds	2,104

*Table 2 - First Retirements and Pensioners (December 2020)*

Item	Volume
Applications Processed	4,929
On Time	99.66%
Amount paid in Lump Sums	£238,220,400.95
Amount of Pension Paid	£810,016,011.88
No. Pensioners in Payment	1,008,052

*Table 3 - Employer Helpline statistics (December 2020)*

<b>Item</b>	<b>Volume</b>
Total Volume Calls	2,118
Average Handling Time (s)	418
Average Speed of Answer (s)	20

*Table 4 - Member Helpline statistics (December 2020)*

<b>Item</b>	<b>Volume</b>
Total Volume Calls	21,285
Average Handling Time (s)	540
Average Speed of Answer (s)	32

## **Reminder Greenbury 2021 Exercise**

A reminder that all requests for disclosure information must be received by NHS Pensions between 4 January 2021 and 26 February 2021. This will allow us to provide you with the necessary disclosure information by 1 April 2021.

We are not able to guarantee that requests or queries received after 26 February 2021 will be dealt with by 1 April 2021.

We shared more information on the Greenbury 2021 exercise in [last month's newsletter](#) and have published a [short guide](#). You can also find out more about Greenbury in our [POL guides for employers](#).

## **Update on NHS Pension Scheme employer contribution rates**

The NHS Pension Scheme employer contribution rate increased on 1 April 2019 from 14.38% to 20.68%, this includes the 0.08% administration charge. The Department of Health and Social Care's (DHSC) consultation response announcing the rise, published in March 2019, confirmed the available funding to meet the associated costs and that a transitional arrangement would operate in 2019/20 where employers in the Scheme would continue to pay 14.38%.

Although our initial expectation was that this transitional arrangement would only be in place for 2019/20, the approach continued in 2020/21 and we can now confirm that the transitional arrangement will continue again in 2021/22 in order to maximise stability for employers in the sector, particularly in light of coronavirus (COVID-19).

This means that for 2021/22, all employers should continue to pay 14.38% in employer contributions under their normal monthly payment process to the NHS Pension Scheme. NHS England and NHS Improvement will continue to make payments to the scheme for organisations covered by the commitment to the NHS.

As referenced in the consultation response, the 6.3% increase was split into two elements:

- a 2.5% foreseen element, which was the increase expected at the time of Budget 2016
- an unforeseen element accounting for the remaining 3.8%. Organisations outside the scope of the commitment to the NHS will receive funding for the unforeseen costs and will have to manage the impact of the foreseen element, in a continuation of the original 2019/20 arrangement.

For 2021/22, non-NHSE arm's length bodies of DHSC, excluding NHS England, will continue to receive the same available funding support and the administrative arrangements will continue to be the same as 2020/21.

## **Reminder NHSEI 2019 / 20 Pensions Annual Allowance Charge Compensation Policy – employer action required**

On 10 December, NHS England and NHS Improvement (NHSEI) published guidance on its [website](#) on the 2019/20 Pension Annual Allowance Charge Compensation Policy (PAACCS), including an application form for eligible clinicians to apply for the scheme and information on the actions that employers now need to take.

It follows the NHSEI announcement in November 2019 that clinical staff who go over their annual allowance for the 2019/20 tax year and who use Scheme Pays to pay the tax charge can be compensated in retirement for any reduction to their NHS Pension Scheme benefits.

The announcement gave assurance to clinicians that they could undertake any combination of clinical roles for the NHS during the 2019/20 tax year, including additional work relating to the coronavirus response, without suffering any financial loss as a result of the annual allowance taper.

NHSEI is encouraging clinicians in England who have received a pension savings statement or believe they may be subject to an annual allowance charge to work out if they have a charge to pay, and follow the steps outlined on the [NHSEI website](#) to apply for the 2019/20 Pension Annual Allowance Charge Compensation Policy (PAACCS).

Employing authorities will be required to countersign the application forms to confirm a clinician's eligibility.

Clinicians wishing to apply for the compensation policy, will need to have applied for Scheme Pays with respect to their 19/20 tax charge. To use Scheme Pays, clinicians must make an application using the Scheme Pays Election (SPE2) form available on the NHS Pensions website. This must be completed and returned to NHS Pensions by the 31 July 2021 or before retirement or age 75, whichever is earlier.

NHSEI has published a range of employer resources and FAQs on its [website](#) to help you support members to access the scheme.

Details of the Welsh application process are being finalised for NHS Wales. We'll share more information once this is available.

## **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.

## **New NHS Pension Scheme guide for Out of Hours providers**

There is a new NHS Pension Scheme guide for Out of Hours providers, including NHS Trusts who provide GP Out of Hours services.

The guide is designed to assist providers with their responsibilities for administering the Scheme. It is available on the [practitioner webpage](#) of the Member Hub section of our website.

## **Updated Clinical Commissioning Group (CCG) NHS Pension Scheme guide**

We have recently updated the existing Clinical Commissioning Group (CCG) NHS Pension Scheme guide on our website.

It is available on the [practitioner webpage](#) of the Member Hub section of our website

## **Refreshed Total Reward Statements (TRS) and annual benefit statements (ABS)**

The TRS and ABS statements were successfully refreshed and went live on 16 December 2020. We have notified members via the member newsletter and on our website.