

NHS Pensions Update – February 2021

Welcome to the February 2021 NHS Pensions Employer Update.

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 (January 2021)

Item	Volume
Total Transactions	10,092
First Retirements	4,120
Revised Retirements	886
Estimates	1,553
Re-Employment Cases	0
Transfers In	307
Transfers Out	143
5 Year-Rejoiners	42
Pensions on Divorce	44
Life Assurance Lump Sums	165
Partner Pensions	783
Child Allowance	90
Refunds	1,959

Table 2 - First Retirements and Pensioners (January 2021)

Item	Volume
Applications Processed	4,120
On Time	99.13%
Amount paid in Lump Sums	£177,578,236.46
Amount of Pension Paid	£810,747,897.29
No. Pensioners in Payment	1,009,554

Table 3 - Employer Helpline statistics (January 2021)

Item	Volume
Total Volume Calls	2,397
Average Handling Time (s)	463
Average Speed of Answer (s)	206

Table 4 - Member Helpline statistics (January 2021)

Item	Volume
Total Volume Calls	29,300
Average Handling Time (s)	533
Average Speed of Answer (s)	185

2021/22 Estimate of Pensionable Income – GP practices and APMS contractors

The Estimate of Pensionable Income form for 2021/22 is now available on the [practitioner webpage](#), located in our Member Hub.

Every GP practice (GMS and PMS contractor) and APMS contractor (that qualifies as an APMS employing authority) must submit this form to NHS England/Primary Care Support England or to the Local Health Board if in Wales no later than 28 February 2021. Failure to do so may result in the maximum tiered employee contribution rate of 14.5% being applied.

A separate form must be completed in respect of every contract even where a GP provider may be a party to several contracts.

Where a non-GP provider is a party to several contracts they can only pension income from one contract and therefore are listed on one form only.

2019/20 Type 2 medical practitioner Self Assessment form

The 2019/20 Type 2 medical practitioner Self Assessment form and supporting guidance is on our website. It can be found on the [practitioner webpage](#) in our Member Hub.

All surgery based salaried GPs and career Out of Hours GPs must, under statutory legislation, submit this form to NHS England/Primary Care Support England or to the Local Health Board if in Wales no later than 28 February 2021. Failure to do so will result in incomplete NHS pension records and may compromise pension benefits at retirement.

Where a salaried GP or career Out of Hours GP works in both England and Wales they must submit two forms.

Where a salaried GP or career Out of Hours GP became a GP provider in 2019/20 they must also complete the GP Provider Certificate of pensionable income.

Further update on NHS Pension Scheme employer contribution rates

Further to the announcement in our January edition of the Employer Update, that the transitional arrangement for the increase of employer contributions will continue during 2021/2022, it has been confirmed that this arrangement will continue for Wales as well as England.

This means that for 2021/22 all employers should continue to pay 14.38% in employer contributions, including 0.08% for the Scheme administrator charge, under their normal monthly payment process to the NHS Pension Scheme.

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 [December](#) and January newsletters and have published a [short guide](#). You can also find out more about Greenbury in our [POL guides for employers](#).

Update on the government changes to public service pension schemes – the McCloud judgment

The Court of Appeal ruling on 'protection', known as the McCloud Judgment

In 2015 the government made changes to reform the majority of public service pension schemes. These reforms did not apply to members within 10 years of their normal pension age on the 31 March 2012, who remained in their legacy schemes with 'transitional protection'.

The Court of Appeal later found this to be discriminatory against younger members in the judicial and firefighters' schemes – the government accepted that this discrimination existed in all schemes where transitional protection was introduced. It is sometimes referred to as the McCloud judgment.

The period this discrimination will apply is between 1 April 2015 and 31 March 2022, and this is called the remedy period.

The government is removing this discrimination from all public service pension schemes.

If an individual was a member of the scheme on 31 March 2012 and continued in service between 1 April 2015 and the 31 March 2022 (or their retirement date if earlier), or they were a member of the scheme on 31 March 2012 then left service but returned within 5

years, they will be asked to decide which pension scheme benefits they would like to receive for that period.

This is because automatically moving all members back into the legacy pension scheme, without giving them a choice, would leave some worse off, so it is important they can choose the scheme benefits that are best for them.

The government published a consultation in July 2020 to look at how best to do this. The consultation set out two ways of asking affected members to make a choice:

- in the near future – this is called the Immediate Choice Exercise
- when you retire – this is called the Deferred Choice Underpin

The government published a consultation response in February 2021. The government has now decided to implement a 'deferred choice underpin' which was the preferred approach for the majority of the respondents to the consultation.

Only some members are affected

If a member joined a public service pension scheme on or before 31 March 2012 and they were still a member of the scheme on 1 April 2015, they will be asked to make a choice.

How members will make their choice

When benefits become payable, affected members will be asked if they want to receive legacy scheme or reformed scheme pension benefits for their service between 1 April 2015 and 1 April 2022. We'll provide them with information at the time to help inform their decision.

Asking affected members to make this choice when they retire means they'll know what they're entitled to under each option, making it easier for them to make the right decision for their personal circumstances.

Where affected members have already retired or will retire before the introduction of the new legislation, we'll write to them and ask them to make their choice retrospectively. All payments will be backdated to the point where benefits became payable.

In some cases, it may be possible for us to offer this choice sooner but the legislation that allows schemes to do this is limited. We'll share more information on this once the process for supporting new retirees has been confirmed.

Reforming public service pension schemes for all members

To make sure all members are treated equally, from 1 April 2022 all active legacy scheme members, regardless of their age, will be members of the reformed scheme that many of our members are already part of. All legacy pension schemes will be closed, including the 1995/2008 NHS Pension Scheme.

Members of the 1995/2008 Scheme, will keep any service they have earned up until 1 April 2022 in the legacy scheme and they will be able to access these benefits in the same way and at the same time as they can now. Any pension benefits they earn on or after the 1 April 2022 will be in the reformed pension scheme.

This ensures the government's aims of rewarding hardworking public servants, as well as making sure schemes are sustainable and affordable in the future, are met.

We'll keep NHS Pension Scheme members updated

Following the consultation response, the government will be introducing new legislation and intends for the processes needed to support members to make a choice once they retire to be in place by 1 October 2023, or earlier if schemes are able to do so.

Helping members who are affected to make their choice of pension scheme benefits with confidence is our priority, and we're putting in place processes to help them to do this. Once this is completed, we'll share more information with employers and members on what's next.

For now, all our processes will remain the same and there is nothing you need to do. We'll share more information with you once it is available and we will contact affected members directly when they need to take action.

You can find more information in the [FAQs on our knowledge base](#).

For more information on the changes, please visit gov.uk.

Non Pensions Online (POL) annual update

All employing authorities (EAs) are required to submit end of year information to NHS Pensions on an annual basis.

Our Data Management Team will send the prepopulated spreadsheet to the main EA contact during the week commencing 15 March 2021.

This will be partially prepopulated and will include details for all members where we believe an annual update should be submitted. Organisations have until 31 May 2021 to submit this information to NHS Pensions.

If the information submitted has errors, our Data Management Team will work with employers to improve the accuracy of data before the cut off for the annual benefit statement, dates yet to be advised

Spreadsheets received after 31 May 2021 will be worked on a best endeavours basis. We are unable to commit to these being completed prior to the cut off. Comprehensive guidance notes will be made available to all employers.

NHS Pensions and Coronavirus Job Retention Scheme (CJRS) and the Annual Updates

1995/2008 Scheme officer benefit accrual – the amount of service accrued while in the CJRS will be less. Full time furloughed members become part-time and part-time furloughed members reduce their part-time hours for the furlough period.

For example: a full time member contracted to 37.5 hours a week will be classed as part-time and deemed to have worked 30 hours a week, 80% of the 37.5 hours during the furlough period.

Employers will have to submit the date the member went part-time (due to the furlough) when they complete the 2020/21 update and confirm the part-time hours deemed to have been worked during the furlough period. If they cease to be furloughed during 2020/21, they must then also submit the date they returned to full time.

For example: a part-time member contracted to work 30 hours/37.5 hours a week is deemed to have worked 24 hours a week, 80% of the 30 hours.

Employers will have to submit a 2020/21 update confirming the deemed hours worked during the furlough period along with the actual hours worked when not furloughed.

Employer top ups to furlough earnings

If an employer has topped up the furlough earnings to the member's normal pensionable earnings then for pension purposes they are treated as not being furloughed, and therefore do not need to be reported on the annual update

We are currently considering training events for organisations who may require help completing the year end spreadsheet. If you are unsure about completing this process in 2021, contact nhsbsa.stakeholderengagement@nhs.net and we will look at how we can support you.

Further information and updates will be provided in our Employer Update.

The email address for your pension queries is changing

From 1 April 2021 please send your pension queries to nhsbsa.pensionemployers@nhsbsa.nhs.uk. If you send your enquiry to the nhsbsa.pensionemployers@nhs.net account you will receive a response asking you to forward your enquiry to the new email.

More details about this will be published in next month's Employer Update.

Members seconded from their regular employment to assist with COVID vaccinations

We are receiving enquiries from employers in relation to staff members working on coronavirus (COVID-19) vaccinations and how this will impact pension contributions.

Members being seconded from their regular NHS employment e.g. from surgeries, hospitals or the community, to work within vaccination clinics for the primary care network will continue to be paid by their regular NHS employer. They may be being paid at a different rate to their normal salary (this may be higher or lower depending on their regular role).

The tiered contribution rate continues to be based on the members previous year's notional whole time equivalent (NWT) rate of pensionable pay. Therefore, if the member receives a temporary pay increase for less than 12 months their tiered rate is not reviewed even though they may be on higher pay.

Whole time (WT) members assisting with coronavirus vaccinations which is performed within their standard WT hours (e.g. not overtime) the temporary pay increase is pensionable. If the coronavirus work is performed in excess of the WT hours the additional income is not pensionable.

Part-time (PT) members assisting with coronavirus vaccinations which is performed within their standard PT hours the temporary pay increase is pensionable. If the coronavirus work exceeds their normal standard PT hours the additional income is only pensionable up to their standard WT working week for the role at the plain rate of pensionable for the secondment. Any income earned in excess of WT is not pensionable.

New members of staff

The NHS Pension Scheme is the default auto-enrolment scheme for employees who are eligible to join it. Therefore, access to the NHS Pension Scheme must be offered to any eligible new employees assisting with coronavirus vaccinations.

DHSC launches consultation on changes to the NHS Pension Scheme regulations

The Department of Health and Social Care is consulting on proposals to change the NHS Pension Scheme regulations.

The changes will make survivor benefits in the 1995 Section equal

There are two NHS Pension Schemes, the 2015 NHS Pension Scheme and the 1995/2008 NHS Pension Scheme. The 1995/2008 Scheme is divided into the 1995 and 2008 Sections

The proposed changes will make sure that male spouses and civil partners of female 1995 Section members are entitled to the same survivor benefits as female spouses and civil partners of male members, and same-sex spouses and civil partners of either gender.

There are no proposed amendments to the regulations for the 2008 Section or 2015 Scheme, as survivor benefits in the 2008 Section and 2015 Scheme are already equal.

These changes follow the employment tribunal decision in Goodwin v Secretary of State for Education.

This will be done by:

- Equalising the entitlement to survivor benefits for male survivors of female scheme members who would otherwise receive a lower pension under existing rules, following the employment tribunal decision in Goodwin v Secretary of State for Education.

- Further to the changes required following Goodwin v Secretary of State for Education, removing certain amendments to the 1995 Section Regulations made by the Civil Partnership (Opposite Sex Couples) Regulations 2019.

There are also a number of other proposed changes

These proposed changes will:

- Make sure that payments and allowances under the New to Partnership Payments Scheme introduced by NHS England and NHS Improvement in 2020, are treated as non-pensionable earnings for both GPs and non-GP providers.
- Reform the final pay control provisions of the 1995 Section Regulations following a review and recommendations by the NHS Pension Scheme's Scheme Advisory Board.
- Correct minor errors or omissions in the NHS Pension Scheme Regulations and the NHS Injury Benefits Scheme Regulations.

You can find more information on all of the proposed changes on the [consultation webpage](#).

The consultation is asking for views on the proposed changes

The Department of Health and Social Care welcomes any comments or views on its proposals.

It is also asking respondents to consider a number of questions outlined in section 2 of the [consultation information](#).

How to respond to the consultation

The consultation will close at midnight on 8 April 2021.

Comments on the proposals and draft legislation can be [submitted online](#) or by email to: nhspsconsultations@dhsc.gov.uk.

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

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.

If you have staff or families of staff who require this information in a different format like accessible PDFs, large print, easy read, audio recording or braille, you can contact us by email nhsbsa.accessibility@nhs.net

2015 Scheme age retirement applications

We have noticed an increase in 2015 Scheme retirement applications being submitted by employers with the reason for retirement given as 'age' and the member has not yet reached their State Pension Age.

To retire from the 2015 Scheme on age grounds the normal pension age is the same as a member's State Pension Age, or age 65 if that is later. Members must have attained their State Pension Age at their retirement date to be eligible for benefits without them being reduced.

Members can [check their State Pension Age online](#).

Please ensure you have checked the member is eligible to claim their 2015 Scheme benefits on age and has reached their State Pension Age before submitting the retirement application form.

Reminder for employers using the POLIA email account

A reminder for employers when using the polia3 email account, which is nhsbsa.polia3@nhs.net.

Please make sure you only use this email account for either:

- additional information we have requested from you
- any supplementary forms associated with the member's retirement application

We will accept the following supplementary forms to this email account:

- AW8 supplementary form (benefits payable from a later date)
- redundancy supplementary form
- ill health supplementary form - step back pensionable pay
- AW8 annex for 1995/2008 scheme member with protection of pay within 12 months of retirement
- concurrent pensionable employment AW343
- fixed protection benefits accrual declaration (FPBA)

All other forms must be sent to nhsbsa.pensionscanquery@nhs.net.

Claims for reimbursement of initial widows/widower pension

The NHS Pensions Finance team is now using a paperless system for processing claims for re-imbusement of initial widow/widowers pensions (IWP). Therefore, we now require the form to be sent in a PDF format for audit purposes with a view to eliminating fraud.

We have redesigned the FIN9 claim forms to meet the recent process changes and the revised FIN9EA and FIN9GP forms are now available on our website.

You can find the forms in the [Employer Forms](#) section of the employer hub in the 'Family Benefits & Life Assurance' section.

Please forward all claims for re-imbusement of initial widows/widowers pension by email, including the new FIN9 form saved in PDF format and any additional supporting information, to nhsbsa.eafinance@nhs.net.

Please do not email the FIN9 form with any bereavement forms, you should keep these separate. Forwarding your requests via postal services will incur a delay in making your repayment.

Please delete or destroy all previous versions of the form you hold.

The benefit to employers of this change is that it will reduce the time for the NHS Pensions Finance team to receive and process your claim and improve our service to both employers and members.

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 lection (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.