

NHS Pensions Update – March 2021

Welcome to the March 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 (February 2021)

Item	Volume
Total Transactions	11,010
First Retirements	3,586
Revised Retirements	1,530
Estimates	1,690
Re-Employment Cases	1,028
Transfers In	258
Transfers Out	129
5 Year-Rejoiners	48
Pensions on Divorce	16
Life Assurance Lump Sums	217
Partner Pensions	624
Child Allowance	70
Refunds	1,814

Table 2 - First Retirements and Pensioners (February 2021)

Item	Volume
Applications Processed	3,586
On Time	99.41%
Amount paid in Lump Sums	£141,056,888.47
Amount of Pension Paid	£813,472,726.80
No. Pensioners in Payment	1,011,143

Table 3 - Employer Helpline statistics (February 2021)

Item	Volume
Total Volume Calls	2,460
Average Handling Time (s)	472
Average Speed of Answer (s)	308

Table 4 - Member Helpline statistics (February 2021)

Item	Volume
Total Volume Calls	27,764
Average Handling Time (s)	580
Average Speed of Answer (s)	297

Member contribution rates for 2021/22

We can confirm that the current member contribution rate tiers up to 31 March 2021, will be extended to 31 March 2022. So for the upcoming scheme year there will be no changes to the member contribution rate tiers.

Annual leave payments and payments in lieu

We are still seeing enquiries from employers seeking clarification in relation to annual leave payments and payment in lieu of notice.

Firstly, to confirm there has been no change to NHS Pension Scheme regulations. Payments for annual leave should be treated as pensionable. Payments made in lieu of notice should be treated as non-pensionable. Therefore:

- For staff who have untaken annual leave at their last day of membership, either due to termination of employment, or death in service, their leaving date is extended by the number of days outstanding annual leave which is pensionable.
- For staff who are being paid a compensatory payment (payment in lieu of notice) usually due to their contract being terminated through redundancy or dismissal, their leaving date is not extended and this payment is treated as non-pensionable.

Electronic Staff Record (ESR):

The pension leaving date should reflect the date that the annual leave is paid up to. In ESR this should be recorded by using the 'Override Pen End Date' field in the 'Pension NHS' element. This will ensure that the date will be submitted via the IAT process and will enable the system to add the correct date to the 'Override Pen Start Date' field on the employee's record in the new organisation, consequently preventing overlapping service errors.

The IAT process has been enhanced so that if the 'Override Pension End Date' field on the 'Pension NHS' element of an employee's primary assignment has been populated then this value will be transferred into the 'Override Pension Start Date' field of the 'Pension NHS' element of the primary assignment at the Target VPD + 1 day.

For example:

Source Trust:

Override Pension End Date = 05-May-2020

Target Trust (after IAT)

Override Pension Start Date = 06-May-2020

Post retirement scheme pays elections

If a member has an annual allowance charge they can either pay the charge directly to HMRC or share the responsibility for the payment with the NHS Pension Scheme using the scheme pays facility.

This is known as a scheme pays election. The NHS Pension Scheme offers both mandatory and voluntary scheme pays facilities.

If a member is about to retire, they should try to submit their scheme pays election before they retire. This allows us to consider their election for payment under the mandatory scheme pays facility or a combination of the mandatory and voluntary scheme pays facilities.

When paid through the mandatory scheme pays facility, the NHS Pension Scheme is responsible for paying their tax charge to HMRC by their deadline.

You can find more information about mandatory and voluntary scheme pays facilities on our [annual allowance webpage](#).

If it isn't possible for the member to submit their scheme pays election before they retire, we have recently changed our processes to accept scheme pays elections after retirement.

Members can now submit a scheme pays election after they have retired, as long as their election is received before the relevant scheme pays deadline for the tax year in question.

So for example, if a member would like to make a scheme pays election for 2019/20 this must be received by 31 July 2021.

Any scheme pays elections submitted after retirement will only be considered under the voluntary scheme pays facility.

If an election is accepted after retirement the member will remain responsible for the charge and any interest charges if the payment is received by HMRC after its tax bill deadline of the 31 January (for 2020/21 this is 31 January 2022). We may also need to put in place arrangements to recover any pension overpayments that have been caused because of the scheme pays election being accepted after retirement.

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

Reminder: 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.

GP practice manager virtual training events

NHS Pensions are going to be setting up GP practice manager training events which will start from next month. Please note that these will be virtual, using MS Teams. Further information on how to register for these events will be provided in our Employers Update in April.

Reminder: SD502 paper forms

In May 2019 as part of the 'Sharing our Performance' update, we confirmed that there is no longer a need for you to send us paper SD502's when one of your employee's opts out of the scheme. Although paper SD502 forms are no longer required to be submitted you should still retain a paper copy for your records under your retention policy.

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

In 2015 the government made changes to reform the majority of public service pension schemes. These reforms did not apply to those members closest to retirement, who remained in their legacy schemes with 'transitional protection'. The Court of Appeal later found this to be discriminatory against younger members.

The government has been working to fix this and has recently published the outcome of its consultation on how it will address the age discrimination. You can read more about the consultation response and changes on our website.

We have also shared a [news article for members](#) and [FAQs](#) that you may wish to share. We will be sharing more information once this is available.

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.

Pensions scan query email account

During COVID-19 we have introduced a number of measures and easements to support employers at this time. One of these was a new email account for employers to send certain forms to where other methods are no longer suitable.

Recently the team managing the nhsbsa.pensionscanquery@nhs.net email account have noticed an increase in employer queries being sent to the account rather than forms. Please continue to send queries directly to nhsbsa.pensionemployers@nhs.net

From 1 April the email address for your pension queries is changing. Please keep reading for more information.

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From 1 April 2021 please send your pension queries to
nhsbsa.pensionemployers@nhsbsa.nhs.uk

If you send your enquiry to the current nhsbsa.pensionemployers@nhs.net email account you will receive a response asking you to forward your enquiry to the new email and your email will be deleted. This account will be closed from 1 April 2021.