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## 1. Developments in scheme policy – Public Service Pension Reform

Decisions on the third increment of employee contribution increases, which the UK Government has previously announced it expects to apply from April 2014, are expected in the coming months.

As outlined in our March newsletter, reforms of all of the main public sector pension schemes in the UK are to be introduced from April 2015. These comply with the terms of the [Public Service Pensions Act 2013](#), which received Royal Assent on 24 April this year. Key changes include setting scheme members' Normal Pension Ages at their State Pension Age and moving from Final Salary terms to new Career Average Revalued Earnings (CARE) pension schemes.

The main features of the new NHS Scotland Pension Scheme design have now been set out in a [Framework Document](#).

The NHS Scottish Pensions Group (SPG), the partnership policy advisory group representing government, employer and staff side interests around the NHS scheme, has also agreed a set of [frequently asked questions](#) (FAQs) about the new 2015 scheme, protection arrangements and a further Choice exercise to help explain these changes to current NHS scheme members and employers.

STAG, the partnership Scottish Technical Advisory Group for the reformed NHS scheme, meets regularly to consider the detailed scheme rules that will govern the 2015 scheme. Further details will be provided once that process has concluded

Next steps: Work will shortly begin on considering new scheme governance arrangements which will apply from April 2015. These changes are being introduced as a result of the Public Service Pensions Act 2013. The SPPA will also continue to work with SPG around a programme of future communications on the reformed scheme and implementation plans. Further details will also appear on our [website](#) and in subsequent employer newsletters.

## 2. My Pension - Online Member and Pensioner Services

The number of registered members continues to increase by approx 1000 per month. 15 % of current NHS members who have qualified for pension benefits have registered. We have also recently added online forms for active members and members should expect to receive a reply within 15 days to the following:



- nomination for death grant
- additional pension preliminary application (request for quotation)
- additional pension application form

We are processing data from employers for the year end 31 March 2013 and will notify employers when 2013 annual statements are available.

Following the success of a recent pilot exercise, we have launched Pensioner Online Services for retired members of the Scottish Teachers' and National Health Service schemes. Pensioners can notify a change of address or bank details, contact us with any pension enquiry and can also access the following:

- monthly pension payment advice notices (payslips)
- end of year certificate (P60)
- annual pension increase notification
- annual pensioner newsletter



We would like to take this opportunity to thank you for your help in cascading awareness of our online services for members and pensioners. If you have any enquiries about web services, you can contact the team by email at [sppamypension@scotland.gsi.gov.uk](mailto:sppamypension@scotland.gsi.gov.uk) or by calling 01896 893000 (ask for web services).

## 3. Auto Enrolment

Data on membership participation levels, including around the impact of automatic enrolment, remains important policy information and will continue to play a key part in future partnership consideration of the NHS Pension Scheme in Scotland.

A number of employers have already Auto Enrolled their staff which has resulted in a backlog of Opt Out forms being received. We are currently looking into finding a solution to ease this for both employers and SPPA. We will issue a circular when details have been clarified. Further information on Auto Enrolment is available on the [Auto Enrolment section](#) of our website

## 4. Finance

SPPAs Senior Management Team has seen another change with the departure of Chris Fenton as Finance Director in April 2013 and his replacement by Ian Waugh FCCA in that role. Ian has a background with another Agency in Scottish Government (Fisheries Research Services) and more recently working with NHS colleagues as Head of Capital Planning.



The Finance team consists of Jane Murray CA who joined the organisation in June 2012 as Deputy Director supported very ably by a dedicated team of 12 staff who manage SPPAs and the NHS and Teachers' Superannuation Schemes' day to day finance business.

Good working relationships are in place and new ones are constantly being fostered between SPPA and employer partners to provide an excellent service and the Finance Directorate has a key part to play in delivering that service.

### Key functions carried out by finance include:

- contribution collection - ensuring that members' contributions have been received on time and are allocated to the employers' accounts correctly. Processing these items timeously is essential to accurately account for income and for forecasting scheme income and expenditure.
- employer Recharging - invoicing employers for early retirement costs

Finance will have its part to play in pension reform as changes are made and the Directorate will continue to explore new processes including IT and web functionality to help improve the services we provide.

In that vein we are looking forward to going 'live' in November with the employers' contributions web interface. Once bedded-in, the system promises to make the job of collecting contributions much easier to manage and will deliver a more robust set of processes to this critically important function.



## 5. Going back to work in the NHS

Members who return to NHS employment after retirement, may have their pension suspended or reduced.

There is a [factsheet](#) on the SPPA website with full details. Members must contact our Payroll section if they intend to return to work after retirement, who can advise on the “earning limit”.



Any overpayment of pension due to re-employment will have to be repaid.

## 6. Final earnings

Following a recent examination of NHS pension awards by Scottish Government Audit, we were asked to review the processes in place to establish, that revised earnings figures are being received for pension awards calculated on provisional earnings figures, provided at the initial retirement application stage.

**Please notify SPPA  
of any changes to  
pensionable earnings  
for recently retired  
members**

We examined a sample of cases which were calculated on provisional earnings figures and where subsequently no final earnings figures were received.

No significant differences were found between the provisional earnings figures and the earnings figures provided by annual return/leaver information. However, as part of the audit follow up action it was agreed that we would remind NHS Payroll Departments that it is important that they have procedures in place to notify SPPA of any changes to pensionable earning figures for recently retired members.

SPPA and NHS staff depend on Payroll Departments to provide this information to ensure the correct pension entitlement is in payment.

## 7. Lifetime Allowance (LTA), Protection and Annual Allowance (AA)

We have previously advised employers about members who we have identified as possibly being effected by the reduced LTA.

We will carry out this exercise again in November 2013 to identify members and notify employers and members accordingly.

As HMRC have announced that from 6 April 2014, the LTA will be reduced to £1.25 million, we will write out to those who are within 85% of £1.25m. A new form of protection called 'fixed protection 2014' has been introduced for those who have built up a pension of more than £1.25m but no more than £1.5 million. Members can now apply for fixed protection 2014 on the [HMRCs website](#) and must do by 5 April 2014.

Further information is available on the HMRC's [Lifetime Allowance Checking Tool](#)

In addition, members must tell HMRC if they are subject to the AA charge. We will shortly be writing to those members that will be affected this year. From April 2014 the annual allowance reduces to £40,000.



## 8. Annual returns Exercise

The collection of annual returns exercise has gone well this year with:

- all NHS returns received and loaded with a 92.6% success rate, which is 9% up on last year. All GP practice data has been loaded

We would like to express our thanks for the efforts made by all employers to submit their returns to us to meet HMRCs July deadline. We are aware that this has been a huge task for employers and your efforts are appreciated.



## 9. NHS Retirement form

The NHS RET form is available on the web and should be used for all age, VERA, premature and partial retirements. Applications received after 30 September on old style forms will be returned.

Employers are reminded that they should verify the date of birth and indicate this on the form.

A separate section was added for employers to record earnings for 2008 section members.

Guidance for completing the application is available on our [website](#)

The ill health and death in service forms are currently being updated.



Applications  
received after 30  
September on old  
style forms will  
be returned

## 10. Recently issued circulars

### [Circular 2013/09: Issued 27 August 2013](#)

The purpose of this circular is to inform NHS employers that the initial pay period for opting out of the scheme has been extended from one month to three months

### [Circular 2013/08: Issued 25 July 2013](#)

The purpose of this circular is to inform employers of recent changes to the Regulations which govern the NHS Superannuation Scheme (Scotland).

### [Circular 2013/07: Issued 23 May 2013](#)

The purpose of this circular is to clarify the pensionable position of absent staff in respect of the NHS Superannuation Scheme and auto-enrolment.

### [Circular 2013/06: Issued 20 May 2013](#)

The purpose of this circular is to advise you about a new combined retirement application and ask that you confirm your employee's date of birth

## 11. How to contact us

<b>By telephone</b>	01896 893 000
Monday-Thursday	9.00am to 5.00pm
Friday	9.00am to 4.30pm
<b>Fax</b>	01896 893 214
<b>Website</b>	<a href="http://www.sppa.gov.uk">www.sppa.gov.uk</a>
<b>Email</b>	retirements <a href="mailto:NHSawards@scotland.gsi.gov.uk">NHSawards@scotland.gsi.gov.uk</a>
	Data enquiries <a href="mailto:rmtspga@scotland.gsi.gov.uk">rmtspga@scotland.gsi.gov.uk</a>
	Service <a href="mailto:nhsservice@scotland.gsi.gov.uk">nhsservice@scotland.gsi.gov.uk</a>
	Transfers <a href="mailto:NHStransfers@scotland.gsi.gov.uk">NHStransfers@scotland.gsi.gov.uk</a>
<b>Post</b>	SPPA 7 Tweedside Park Tweedbank Galashiels TD1 3TE