

NHS Choice Exercise

FACTSHEET – MEMBERS WITH SERVICE AS A DENTAL, MEDICAL OR OPHTHALMIC PRACTITIONER

Introduction

This factsheet provides some additional information on the Choice Exercise for members with service as a Medical, Dental or Ophthalmic Practitioner.

Choice exercise for Practitioners

For members with practitioner service there are some areas of the NHS Pension Scheme that are different. These difference must be taken into account for the Choice exercise therefore these members are being dealt with separately from members with only non-practitioner (officer) service. ***Choice statements for Practitioner members will not be issued before March/April 2010.***

What are the differences?

Practitioner membership is earned when you work as a general practitioner (GP), a dentist or an ophthalmic practitioner. Officer membership is earned when you work in any other NHS post, for instance registrar, house officer, senior house officer or as a medical consultant.

Practitioner membership is treated differently than officer membership within the NHS Pension Scheme. Officer membership is based on your final year's pensionable pay known as the final salary method. Practitioner membership is based on your earnings throughout your career. Each year's earnings are re-valued by a factor and the total uprated (dynamised) earnings are used to calculate your pension. This is known as the CARE (career average) method.

You may also have some membership as an officer that is earned on the final salary method. This can be treated in a number of ways depending on how long and when you worked as an officer. The ways that it can be treated are known as "flexibilities". The most advantageous method for you is automatically used when we work out your pension benefits.



Table of differences for practitioner members

Standard Benefits	1995 Section	2008 Section
How are practitioner pension benefits worked out?	An annual pension of 1.4% of your uprated earnings plus a lump sum which is normally 3 times your annual pension.	An annual pension of 1.87% of your uprated earnings minus the amount needed to pay for the minimum lump sum. (See below)
How is my total pension and lump sum at normal pension age worked out?	An annual pension based on 1.4% of your uprated earnings plus a standard lump sum which is normally three times your annual pension plus any pension and lump sum due from any remaining officer membership after flexibilities have been applied.	An annual pension based on 1.87% of your uprated earnings minus the amount needed to pay for the minimum lump sum. Pension and lump sum may also be due from any remaining officer membership after flexibilities have been applied.
Lump sum paid if you die whilst employed and a member of the Scheme	2 x your annual average earnings. You may also be employed as an officer; if so, you would be entitled to a lump sum of twice your actual annual pensionable pay from that officer position.	2 x your annual average uprated earnings. You may also be employed as an officer; if so, you would be entitled to a lump sum of twice your actual reckonable pay.
Option to take a larger lump sum	The maximum lump sum you can take is generally 5.36 times your pension, including your standard lump sum.	The maximum lump sum you can take is generally 4.28 times your pension before the reduction to pay for the minimum lump sum.

Transferring your membership to the 2008 Section

Under age 60 on 1 October 2009

If you were under age 60 on 1 October 2009 and transfer to the 2008 Section you will be given a 'day for day' credit for your membership in the 1995 Section.

Age 60 or over on 1 October 2009

If you were 60 or over on 1 October 2009 and transfer to the 2008 Section, you will get less than 'day for day' credit for your officer membership. A reduction will also apply to your uprated earnings. The size of the reduction is worked out using the factors set by the Government Actuary and these are available on the SPPA website www.sppa.gov.uk/nhschoice

