

Explanation of The National Health Service (Superannuation Scheme (Additional Voluntary Contributions and Injury Benefits) (Scotland) Amendment Regulations 2008

Consultation on consequential changes arising from revised NHS Superannuation Scheme (Scotland) 1995 and NHS Pension Scheme (Scotland) 2008 regulations

AVC Scheme amendments

Regulation 1

Sets the context for the amending regulations and names the regulations as the “The National Health Service (Superannuation Scheme (Additional Voluntary Contributions) and Injury Benefits) (Scotland) Amendment Regulations”. The amending regulations will make consequential changes to the NHS AVC and IB schemes from 1 April 2008, to reflect the introduction changes to the NHS Superannuation Scheme (Scotland) 1995 regulations and the 2008 pension Scheme regulations.

Regulation 2 (1)

Introductory

Regulation 2 (2)

Interpretation - updates and replaces definitions used in the AVC regulations-

The replacement definitions make a number of changes to adapt the NHS AVC scheme to the new position of having members covered by both the 1995 and 2008 pension scheme regulations, and inserts cross references to relevant 2008 regulations.

In addition, the definitions now reflect ‘nominated partners’, in line with changes to the main NHS Pension Scheme.

Finally, the definitions now recognize a ‘normal benefit age’, which accommodates both the current age 60 benefits environment for 1995 NHS AVC members, and the new age 65 environment for 2008 NHS AVC members.

Regulation 2 (3)

Reflects the introduction of the 2008 pension scheme regulations alongside the 1995 pension regulations for existing members.

Regulation 2 (4)

This regulation amends AVC regulation 3 (Making and acceptance of elections), which continues to describe the basic conditions for the making of an election to pay NHS AVCs. The amendment regulations extend regulation 3’s coverage to members who will be covered by the 2008 regulations and the opportunity is taken to ‘tidy up’ by removing a redundant reference to regulation 4 (4) in regulation 3 (5) (a).

The amendments also revise regulation 3 (6), so that the provision for lump sum death benefit cover to be extended in certain circumstances beyond normal benefit age 60 under the 1995 regulations is extended in like manner to normal benefit age 65 under the 2008 regulations.

Regulation 2 (5)

Amends AVC regulation 4 (Payment and amount of additional voluntary contributions) to extend coverage to members covered by the 2008 pension regulations and better adapt the provision to practitioner members of the scheme, who may pay NHS AVCs based on their pensionable earnings, not their ‘salary’.

Regulation 2 (6)

This regulation makes a ‘tidying’ amendment to AVC regulation 5 (2) (a) (Variation and cancellation of elections) removing the reference to redundant regulation 4 (4).

Regulation 2 (7)

This regulation amends AVC regulation 6 (Circumstances in which elections cease to have effect) in a number of places, to extend it to members covered by the 2008 pension regulations and to add relevant cross references to those regulations.

Regulation 2 (8)

Amends AVC regulation 10 (Outward transfers) in a number of places, to extend its coverage and regulation cross references to members covered by the 2008 pension regulations.

Regulation 2 (9)

Amends AVC regulation 11 (Retirement and dependant’s pensions) so that its rules for the payment of AVC benefits when main scheme pension and dependant’s benefits are due, are extended to members covered by the 2008 pension regulations with appropriate benefit cross-references.

Regulation 2 (10)

Amends AVC regulation 14 to extend its rules for repayment of AVC investments to contributors in certain cases to members covered by the 2008 pension regulations.

Regulation 2 (11)

Amends AVC regulation 15 (3), to extend its provisions for payment of lump sums in certain circumstances to members covered by the 2008 pension regulations and extend the ‘survivor’ definition there to include ‘nominated partners’, in line with changes made to the

main NHS pension scheme. Finally, the changes make provision to reflect the revised regulation E2A (7) of the 1995 regulations (commuted benefits on grounds of serious ill health) and corresponding provisions in the new 2008 regulations.

Regulation 2 (12)

Amends AVC regulation 19 (offset for crime, negligence or fraud) to provide equivalent measures under the new 2008 pension regulations.

Regulation 2 (13)

Amends AVC regulation 20 (Loss of rights to benefits) to provide equivalent measures under the new 2008 pension regulations.

Regulation 2 (14)

Amends AVC regulation 22 (Tax) to bring it into line with equivalent tax provisions in the main pension scheme regulations by identifying the 'Scheme Administrator' for Finance Act 2004 purposes.

Regulation 2 (15)

Amends AVC regulations schedule 2 (Pension sharing on divorce or nullity of marriage or dissolution or nullity of civil partnership) to extend the benefit references to the 1995 pension regulations there, to equivalent provisions in the new 2008 pension regulations. In addition the amendment updates the commutation of trivial pension's provision, in line with its equivalent in the 1995 regulations and increase the flexibility for payment of lump sums in line with regulation F5 of the 1995 pension regulations. Finally, the amendment provides for equivalent, pensions on divorce, 'offset for crime, negligence or fraud' and 'loss of rights to benefits' provisions under the new 2008 pension regulations.

IB Scheme amendments

Regulation 3 (1)

Introductory.

Regulation 3 (2)

Interpretation - updates and replaces definitions used in the IB regulations. The replacement definitions make a number of changes to adapt the NHS IB scheme to the new position of having members covered by both the main 1995 and new 2008 pension scheme regulations and inserts cross references to relevant new 2008 regulations. The replacement definitions also bring the IB scheme definitions up to date and in line with the equivalent definitions in the main pension scheme regulations.

Regulation 3 (3)

Inserts in IB regulation 2 (2) equivalent provision for 'child pensions' under the 2008 new regulations.

Regulation 3 (4)

Amends IB regulation 4 (Scale of benefits) by introducing the term 'normal benefit age' to provide for members covered by the age 65 2008 pension regulations.

Regulation 3 (5)

This amendment revises IB regulation 7 (Widow's, widower's or surviving civil partner's allowance) to provide for the introduction of 'nominated partners', in line with the changes to the main NHS pension scheme regulations.

Regulation 3 (6)

This amendment revises IB regulation 8 (Child's allowance) to provide for the introduction of 'nominated partners', in line with the changes to the main NHS pension scheme regulations. The amendment also provides cover for members under the 2008 pension regulations.

Regulation 3 (7)

Amends IB regulation 9 (Dependent relative's allowance) to provide for the introduction of 'nominated partners', in line with the changes to the main NHS pension scheme regulations.

Regulation 3 (8)

Amends IB regulation 11 (1) (Lump sum payment on death) to provide for the introduction of 'nominated partners', in line with the changes to the main NHS pension scheme regulations.

Regulation 3 (9)

Amends IB regulation 12 (3) (Incidental provisions) to provide for the introduction of 'nominated partners', in line with the changes to the main NHS pension scheme regulations.