

NHS Pensions Update – September 2023

Welcome to the September 2023 NHS Pensions Employer Update.

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Sharing our performance

Table 1- Total Transactions (August 2023)

Item	Volume
Total Transactions	58,138
First retirements	10,276
Estimates	5,967
Annual allowance	2,243
Ill health applications	739
AP/ERRBO/AVC	130
Bereavements	7,076
Transfers	1,573
Nominations	2,366
Pensions On Divorce	918
Protection of Pay	20
Refunds	1,767
Revised retirements	5
Service	918
Inbound processing	3,244

Data support	14,476
Pensioner admin	6,420

Table 2 - First Retirements and Pensioners (August 2023)

Item	Volume
Applications Processed	10,276
On Time	98%
Amount paid in Lump Sums	£208,071,550.64
Amount of Pension Paid	£1,015,344,528.28
No. Pensioners in Payment	1,113,457

Table 3 – Employer Helpline statistics (August 2023)

Item	Volume
Total Volume Calls	2,987
Average Handling Time (s)	607
Average Speed of Answer (s)	102

Table 4 - Member Helpline statistics (August 2023)

Item	Volume
Total Volume Calls	31,732
Average Handling Time (s)	606
Average Speed of Answer (s)	271

From May 2021 we have amended the way we report transactional values to include all events across the Scheme and all transactions completed for each function, up to and including the actual event itself. This change has been made to provide a more comprehensive overview of transactional volumes on a month-by-month basis.

Pensions Online (POL) downtime

POL will be available throughout October between 7am and 7pm apart from the following dates when there will be downtime for scheduled system maintenance:

- Sunday 22 October

If we do need to bring POL down at short notice for urgent maintenance, we will advise you as soon as we can in advance via the POL homepage.

Updated partial retirement supplementary form and factsheets now available

Since the last newsletter we have made updates to the partial retirement factsheet and form based on feedback.

You can download the updated partial retirement supplementary form from the [Employer](#)

[forms section of our Employer hub](#)

The changes to the pension benefits section of the form make it clearer what percentage of benefits a member wishes to claim. This will enable more claims to be processed first time without the need for further information. Claims submitted using an earlier version of the form will still be processed.

Both the member and the employer partial retirement factsheets have also been updated in response to feedback. You should read the partial retirement factsheet before completing the form.

- The updated member factsheet is available on the [partial retirement page of the Member Hub](#)
- The updated Employer factsheet is available in the [retirement section of our Technical Guidance page on the Employer Hub](#).

The employer factsheet now contains guidance on:

- members who have more than one employment
- pay protection for members who decide not to take 100% of their 1995 Section pension through partial retirement
- how partial retirement may affect the benefits payable to dependants in the event of death

Partial retirement calculator coming soon

Since changes to partial retirement were announced earlier this year, we've been working hard to make sure our processes, tools, and guidance are updated to support members and employers. As part of this work, Government Actuary's Department (GAD) has been commissioned by DHSC to develop a calculator to help members plan how much of their pension to take at partial retirement.

The intention was for this calculator to be ready by 1 October, but amendments are currently being finalised following extensive user testing. We want to be sure the calculator provides accurate information to help members with their decision, so we're sorry to say there will be a short delay before we can make it available. We don't expect this delay to be long and we will publish the calculator as soon as it is ready in October.

We recognise that some members may have been waiting for the calculator before submitting their partial retirement application. Members are able to retrospectively apply for partial retirement from 1 October 2023 and we will backdate payments to their chosen retirement date where needed.

An update on the Public Service Pensions Remedy (McCloud)

Last year the Department of Health and Social Care (DHSC) published their consultation response and regulations to support the first phase of the Public Service Pension Remedy (McCloud Remedy) which:

- closed the legacy public service pension schemes on 31 March 2022

- ensured equal treatment for all public service pension scheme members by moving all active members into the reformed public service pension schemes on 1 April 2022.

On 8 September, DHSC published the second part of the consultation response to the regulations to introduce the remedy: [McCloud remedy part 2: proposed changes to NHS Pension Scheme Regulations 2023 - consultation response - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/mccloud-remedy-part-2-proposed-changes-to-nhs-pension-scheme-regulations-2023)

The second and retrospective part of the remedy will remove the effect of the transitional protections. For NHS Pension Scheme members affected by McCloud, the second part of the remedy will:

- return members who moved to the 2015 scheme back into the legacy scheme for their pensionable service (the 'remediable service') affected by the discrimination during the remedy period, from 1 April 2015 to 31 March 2022, which is referred to as 'rollback'
- offer a choice of whether to receive legacy scheme benefits or equivalent 2015 scheme benefits for their remediable service, both of which are payable from the legacy scheme

Rollback

Rollback is going ahead as planned in time for the legislative deadline of 1 October. Members with continuous service during the remedy period, which is from 1 April 2015 until 31 March 2022, will be automatically moved back into their legacy scheme. In the NHS this is the 1995/2008 Scheme.

We have had processes in place internally to ensure that any applications before 1 October have been processed with the correct service.

We are adding more information to our website on three elements of the remedy linked to rollback:

1. Remediable Service Statements

Members who are affected by the Public Service Pension Remedy, will receive their first remediable service statement by April 2025. The statement will show two sets of figures showing the value of their pension benefits to date with their membership for the remedy period (1 April 2015 – 31 March 2022) in the 1995/2008 Scheme, or in the 2015 Scheme.

Each year, members will receive an updated remediable service statement as part of their annual benefit statement to help keep them informed ahead of the choice they'll make when they retire between 1995/2008 Scheme and 2015 Scheme remedy period benefits.

As a result of the significant number of records being rolled back in October, and work to prioritise development of remediable service statements, it won't be possible for us to undertake a mid-year refresh of annual benefit statements this year. We will be sharing messaging on this with members via our communication channels shortly, as well as more information on remediable service statements and what these will include.

All members retiring from April 2024 will be provided with the information as part of their

retirement application process to enable them to make their choice of remedy period benefits on retirement. Therefore, any members retiring before the first remediable service statements are issued will still receive this information.

You can find more information on our website about when members will be able to make a choice on retirement www.nhsbsa.nhs.uk/changes-public-service-pensions/when-youll-make-your-decision-about-your-nhs-pension-benefits

2. Contingent decisions

A contingent decision is a decision a member made or didn't make because of (actual or perceived) implications of the 2015 Scheme reforms. A member may have acted differently if they knew they would be remaining in the 1995/2008 Scheme for the remedy period.

We're working on putting in place the processes needed to support this and once we can we'll contact affected members directly about the following contingent decisions:

- Voluntary contributions and additional pension
- Early Retirement Reduction Buy-out (ERRBO)
- Choice 2

Further information about contingent decisions, as well as the impact of McCloud on transfers, divorce and ill health retirement benefits will be available soon on our website via the [Changes to public service pensions hub](#).

3. Members affected by annual allowance

Many members affected by rollback won't see any change to their pension tax position. However, members who paid an annual allowance charge for one or more tax years in the remedy period may see a change to their pension tax position.

The HMRC Digital Service:

HMRC is introducing a new digital service that will enable members who have new annual allowance charges or changes to annual allowance charges, because of rollback to:

- reassess any previous annual allowance charges during the remedy period tax years
- make an application for a refund of any previously overpaid annual allowance charges for tax years, 2019/20, 2020/21, 2021/22
- make an application to claim compensation for any previously overpaid annual allowance charges for tax years 2015/16 to 2018/19
- pay any underpaid annual allowance charges for tax years 2019/20, 2020/21, 2021/22

The HMRC Digital Service will also apply to other tax charges such as lifetime allowance charges and unauthorised payments charges.

To use the digital service, members will need to have updated pension savings statements for the remedy period, which will provide them with the updated pension input amount or growth in pension for each year of the remedy period.

We're recalculating the pension input amounts for members affected by rollback and

annual allowance charges for each remedy period tax year, and 2022/23. Once this is complete, we'll send affected members an updated pension savings statement, also known as a 'remediable pension savings statement.'

Further information about the HMRC Digital Service will be available on our website soon via the [Changes to public service pensions | NHSBSA](#).

Updated 'pension savings statements' for the remedy period:

If a member is affected by rollback and annual allowance charges, we'll send them a remediable pension savings statement for the tax years in the remedy period.

Members will receive one updated statement that will include their recalculated pension input amount for the remedy period tax years, and confirmation of the pension input amounts for the three tax years before, 2014/15, 2013/14 and 2012/13.

We'll be sending the majority of active or deferred remedy members their remediable pension savings statement by October 2024. And we'll send a remediable service pension statement to remedy members already receiving pension benefits if their choice means they need one, in the months after they've told us their choice.

More information is available via: www.nhsbsa.nhs.uk/changes-public-service-pensions/understanding-effect-rollback-annual-allowance

When members can expect their McCloud choice communications

We recognise that members affected by the remedy want to know when they'll be given their choice of pension benefits for their pensionable service for the remedy period.

Information for members is available via our website www.nhsbsa.nhs.uk/changes-public-service-pensions/when-youll-make-your-decision-about-your-nhs-pension-benefits

The regulations for the McCloud remedy come into effect on 1 October this year, and we are working to offer eligible active members their choice at the point they retire from April 2024.

It will take time to contact eligible members who have already retired, and we'll do this in phases, beginning with members who retired on ill health grounds from October 2023.

For eligible members who retired based on their age and the beneficiaries of members who have died since retiring, we'll begin contacting them in stages from April 2024.

For the majority of pensioner members, the choice is straightforward, so we'll write to them first. This means we expect to have given around 70% of pensioner members and beneficiaries their choice by the end of 2024.

We expect to have contacted the vast majority of retired members by April 2025.

Everyone affected will be offered their choice automatically and if needed, we'll backdate all payments to their date of retirement.

We've been developing and testing our choice communications in collaboration with trade

unions, employer and staff representatives, a variety of members and the Department of Health and Social Care (DHSC) over the last year to ensure they're as clear and helpful as members need them to be. We expect that in the vast majority of cases, this communication will be all members need to make an informed decision, and they won't need to pay for professional support to get their remedy.

New ill health resources for employers and members

Having recently reviewed our ill health retirement processes, we have published a number of new resources to help support members applying for ill health retirement benefits. These include:

- [A new dedicated ill health retirement benefits webpage for members](#)
- [A member guide to ill health retirement benefits and how to apply which is available on the webpage](#)
- [A new checklist for employers to help clarify the forms that should be submitted](#)

We've also:

- Introduced named contacts for members with terminal illness where life expectancy is less than 12 months – once the member's application is received, we're getting in touch to provide a named contact who can help support the member during the application period
- Worked with our medical advisers to introduce new templates for their ill health retirement decision letters

We're continuing to develop more guidance and resources. Our next focus is on:

- Refreshing our employer guide
- Updating our Knowledge Base / Ask us articles
- Developing training sessions for employers
- Creating a member information session

We'll continue to keep you updated as these new resources and updates are shared.

Reminder of new email address for the Pension scanning and allocation team

If you're submitting documents to our Pension Scanning and Allocation department, our new email address is pensionscanquery@nhsbsa.nhs.uk.

If you are submitting attachments with emails, try to limit the size of any attachments to 3MB.

ESR fatal errors

Prior to NHS Pensions processing data received from ESR, checks are made to determine that the data is in the required format and meets the criteria provided to enable successful processing and updating of member records.

If data is not in the acceptable format, it will be rejected and will be reported to employers as a 'fatal error'.

NHS Pensions have noticed that there has been an increase in some fatal errors and remind employers to check and resolve these as failure to do so will result in data not being updated to the member record.

Fatal errors are not reported through Pensions Online error handling and employers should check their rejected NHS Hub Pensions Interface Reports, accessed via: <https://esrnshub.mhapp.nhs.uk/cgi-bin/PenFileManager/ManagerBasic.pl> for their individual reports. Employers will need to use their logins to ESR Hub to access these reports. Fatal errors are also not available to NHS Pensions.

You will also receive an automated email from ESR advising when you have any fatal errors.

A guide on how to correct fatal errors can be found on our [website](#).

Stakeholder engagement events

The Stakeholder Engagement Team run a series of events throughout the year providing regular updates and delivering educational training.

Please see the [employer events section](#) of the [Employer Hub](#) for upcoming events. These events are free of charge and some include CPD accreditation. The NHSBSA does not endorse any other third-party training events.

If your organisation would like to request training or attendance directly from the Stakeholder Engagement Team, please complete the [event/meeting request form](#) and email the team for consideration: stakeholderengagement@nhsbsa.nhs.uk.

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Administration foundation course dates for August to November 2023

The Foundation course has been developed following feedback from our GP practice manager employer training events.

This course is available to all new local administrators of the NHS Pension Scheme who are less than 12 months in post and provides an overview of what is expected of you as an NHS Pension Scheme administrator throughout a Scheme year.

The course could also be used as a refresher course for anyone restarting in local NHS Pension Scheme administration. The details for the next available courses throughout August to November that are taking place can be found on the [employer events section](#) of the [Employer Hub](#).

GP Practice Manager training for August to November 2023

Further dates are available for the Level 1 and Level 2 GP practice manager events, which include educational training tailored for practice managers, delivered virtually via Microsoft Teams.

Practice managers need to attend the whole training session to receive a Continued Professional Development (CPD) accreditation.

Level 1 GP Practice Manager events

This session includes information on the NHS Pension Scheme website, Annual Benefit Statements, roles and responsibilities, Pensions Online (POL), the AW8 and the member journey.

Details for the next available courses from August-November are on the [employer events section](#) of the [Employer Hub](#).

Level 2 GP Practice Manager events

These sessions include roles and responsibilities, flexible retirement, leave overview, ill health, and family benefits.

Details for the next available courses from September-November are on the [employer events section](#) of the [Employer Hub](#).

NHS Pensions member events

The NHS Pensions member events aim to help members understand everything they need to know about their NHS pension and how to navigate through the Scheme.

We have a number of events planned throughout the year to help them which includes:

- Understand what the NHS Pension Scheme is
- Find out all they need to know about their Total Reward Statement and Annual Benefit Statement
- Explore their retirement options