

## NHS Pensions Update – February 2024

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The Employer Charter has been temporarily removed whilst it undergoes an update and a revision. We will republish the updated version as soon as possible. Thanks for your understanding.

## Sharing our performance

*Table 1- Total Transactions (January 2024)*

Item	Volume
Total Transactions	125,805
Apply Annual Increases	2,147
Buy Additional Pension	913
Buy AVCs	49
Buy ERRBO	57
Calculate and Pay Retirement Benefits	9,373
Claim Protection of Pay	27

Complaints	113
Death Benefits Calculated and Paid	8,208
Defer Benefits	918
Determine Continuing Entitlement	52
Elect for Scheme Pays	270
Make Enquiry	69,690
Manage Complaint	1,128
Manage Data	14,448
Manage Ongoing Payments	1,540
Manage Overpayment	62
Nominate or Change Beneficiary	2,356
Pension Share/Pensions on Divorce	970
Recalculate Retirement Benefits	3,498
Receive Estimate of Benefits	6,037
Receive Savings Statement	588
Refund of Contributions	1,459
Transfers	1,902

*Table 2 - First Retirements and Pensioners (January 2024)*

<b>Item</b>	<b>Volume</b>
On Time	98.22%
Amount paid in Lump Sums	£288,377,956.76
Amount of Pension Paid	£1,031,212,269.39
No. Pensioners in Payment	1,132,638

*Table 3 – Employer Helpline statistics (January 2024)*

<b>Item</b>	<b>Volume</b>
Total Volume Calls	3,231
Average Handling Time (s)	442
Average Speed of Answer (s)	74

*Table 4 - Member Helpline statistics (January 2024)*

<b>Item</b>	<b>Volume</b>
Total Volume Calls	40,062
Average Handling Time (s)	468
Average Speed of Answer (s)	72

Please note, from May 2021 we amended the way we report the number of transactions shown in these tables. The number provided for each function, now records all items of work or transactions we have undertaken within that service area, including the handling of calls, emails and support work. 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 February and March between 7am and 7pm apart from the following dates when there will be downtime for scheduled system maintenance:

- Sunday 25 February
- Saturday 16 March
- Sunday 17 March
- Sunday 24 March

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.

## **New postal address**

From 20 February 2024 our postal address changed to:

**NHS Pensions**

**PO Box 683**

**Unit 5**

**Newcastle upon Tyne**

**NE5 9EE**

Don't worry if you've sent any correspondence to our Bolton address, post will be automatically redirected to our new address.

## **Contributions to the NHS Pension Scheme are changing**

In 2022, the Department of Health and Social Care (DHSC) proposed changes to the amount members pay for their NHS Pension benefits. We wrote to members at the time and explained that some changes would take effect on 1 October 2022, while others would happen later.

The DHSC launched a further public consultation in October 2023 to set out the proposals for the second phase of these changes to member contributions. In February this year, the DHSC confirmed that some of the proposed changes will go ahead on 1 April 2024.

## ***Changes that apply to all members***

### **Contribution rates may change**

The following changes to contributions confirmed by DHSC are the second and final phase of reforms informed by the latest review.

The amount many members pay will stay the same, and some will pay less. For members who will pay higher contributions, the maximum increase from 1 April 2024 is 0.8%, which means the difference to contribution amounts is likely to be small.

The table over the page shows the new contribution rates for each salary range.

Pensionable salary range	Contribution rates from 1 April 2024, based on actual annual pensionable pay
Up to £13,259	5.2%
£13,260 to £26,831	6.5%
£26,832 to £32,691	8.3%
£32,692 to £49,078	9.8%
£49,079 to £62,924	10.7%
£62,925 and above	12.5%

### **Employers will contribute more**

From 1 April 2024, the amount employers pay towards members' pensions will go up from 20.6% to 23.7% of pensionable pay.

The transitional approach that has operated since 2019/20 for employer contributions will continue in 2024/25. This means that from 1 April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, we will continue to collect 14.38% from you under your normal monthly payment process to the NHS Pension Scheme. **You should ensure that your payroll provider continues to apply an employer contribution rate of 14.38% for 2024/25.**

**For NHS organisations**, employers should carry on paying pension payments as normal:

- we will continue to collect 14.38% from employers and organisations should plan on this basis
- central payments will be made by NHS England for the remaining 9.4%.

**For organisation currently invoiced separately**, you will continue to receive invoices:

- DHSC invoices will increase to account for the additional 3.1% contribution rate for Local Authorities (including County Councils), Ministry of Defence – People, Pay & Pensions Agency and for 2.64% of the 3.1% rate for University Medical Schools costs
- Local Authorities (including County Councils) and Ministry of Defence – People, Pay & Pensions Agency invoices will remain the same
- University Medical School invoices will increase to take into account the remaining 0.46% of the 3.1% rate. This split has been determined to account for the fact that University Medical Schools are commissioned both centrally (through Government and the NHS) and externally
- DHSC Arms-length bodies invoices will increase to account for the additional 3.1% rate, and funding will be provided accordingly.

### **Changes to the way contribution tiers are reviewed each year**

Contribution tiers will be automatically reviewed in line with the % increase in the Consumer Price Index (CPI) on 1 April every year, with the exception of the lowest tier.

This rate already anticipates that members' earnings in this tier may not be high enough to benefit from tax relief on their pension contributions. If the Agenda for Change pay award for England that is announced later in the year is higher than the increase in CPI, contribution tiers will be updated to reflect the higher pay award.

### ***Changes that only affect some members***

#### **Overtime is pensionable for part-time workers except where a member has recently taken partial retirement**

Overtime/additional hours for part-time members counts as pensionable pay up to their full-time equivalent pay, unless they have taken partial retirement in the previous 12 months. For these members, any additional hours worked above their contractual hours won't count towards pensionable pay during the 12-month period after partial retirement.

#### **'Abatement' rules will be removed for good**

The rules for how a pension might be reduced for Special Class and Mental Health Officer (MHO) members who retire on age grounds but return to work before age 60, have been suspended since March 2020. These rules will be removed permanently.

So, from age 55, Special Class and MHO members can take up to 100% of their pension benefits, stay in work, and continue to build up pension benefits in the 2015 Scheme – without having their pension reduced or stopped.

### **1995 Section members with maximum service will be able to apply for partial retirement**

The existing regulations do not let members of the 1995 Section take partial retirement if they have reached their maximum service limit. These members can now apply for partial retirement from 1 April 2024, if they have the support of their employer.

### **Lifetime allowance (LTA) charges will no longer apply**

HM Treasury announced in March 2023 that the LTA would be removed. DHSC has confirmed updates to the relevant Scheme regulations which will make sure these rules continue to work as intended once the LTA is removed on 6 April 2024.

### **Carer's leave will count towards pensionable service**

In line with the Carer's Act 2023, members who take carer's leave will continue to build up pension benefits during this time away from work. Employers will continue to pay contributions based on their pensionable pay, and members will pay any contributions they owe when they return to work.

### **ESR real-time re-banding**

There will be a delay to the implementation of ESR real-time re-banding that was due to commence from 1 April 2024.

This means that you should continue to use the current arrangements.

We'll provide further information as soon as we can.

## **Additional Pension Calculator update**

The Additional Pension Calculator has been removed from the website. We are currently working on a new calculator which will be made available soon. In the meantime, if a member is wanting to apply for Additional Pension they would need to email the AVC team: [apavcreferrals@nhsbsa.nhs.uk](mailto:apavcreferrals@nhsbsa.nhs.uk)

For reference the information that the member needs to include within their email is:

- How they would like to purchase, in multiples of £250 up to a maximum of £8036.20.
- If the member wants to do this via instalments or a lump sum.
- If they choose to purchase in instalments, tell us over how many years they would like to do this.
- If this is for personal cover only, or personal and dependants.

A message has been added to the website advising on the above, however if you do receive any queries please apologise for the inconvenience and advise the member to email the AVC team who will provide them with a quote providing the team receives the above information from the member.

## Data Management

The Data Management inbox ([datamanagement@nhsbsa.nhs.uk](mailto:datamanagement@nhsbsa.nhs.uk)) is not for general queries and should only be used in the following urgent cases:

- To clear errors
- If you've been unable to make a change on POL and the POL helpdesk has been unable to assist

If an error occurs after you've made a change on POL, only contact us if this will enable us to update the record and clear the error for you.

You should provide as much detail as possible so that we can investigate and resolve the issue, this can take up to four weeks. It's also important to provide a full response if we contact you regarding exceptions on records. This prevents any delay in members receiving estimates, refunds, transfers, or payments.

If you have access to POL, you should submit updates, joiners, and amendments to prevent any delay for the member.

If you don't have access to POL and would like to provide an update you should email [directionbodies@nhsbsa.nhs.uk](mailto:directionbodies@nhsbsa.nhs.uk)

If you have a general query, you can:

- contact the Employer helpline on 0300 330 1353
- email us at [nhsbsa.pensionemployers@nhsbsa.nhs.uk](mailto:nhsbsa.pensionemployers@nhsbsa.nhs.uk)

## A reminder on maximum service / maximum pension age membership and McCloud

Following regulations for the McCloud remedy which came into effect on 1 October 2023, we are working to offer eligible active members their choice at the point they retire from Summer 2024.

Although maximum service / maximum pension age members are eligible for their remedy choice at retirement, this does not change the position of their membership.

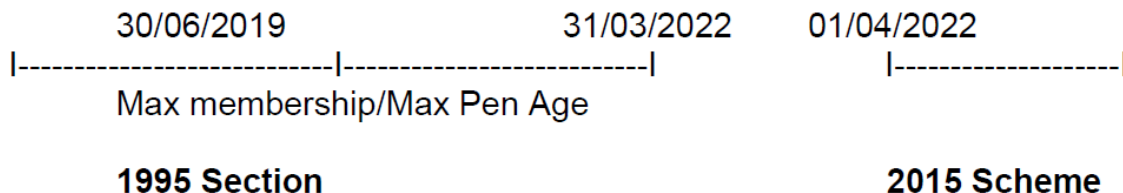
This is because members who achieved maximum membership or maximum pension age were not eligible to transition to the 2015 Scheme, and contributions should have ceased on the date they attained maximum service / maximum pension age.

Therefore, regardless of the member's remedy decision membership in the remedy period (01/04/2015 to 31/03/2022) will always be subject to the regulations of the 1995/2008 Section. If the member chooses 2015 Scheme benefits for the remedy period, it is an equivalent pension that is being paid and the membership does not move.

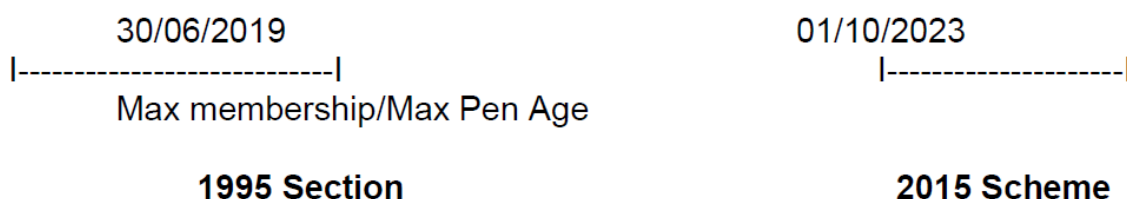
This means that maximum service / maximum pension age members can only rejoin the 2015 Scheme from 1 October 2023.

**Illustration of how a member who attained maximum service / maximum pension age on 30 June 2019 should be correctly implemented:**

### Current (incorrect) Position



### Correct Position



**Non-POL updates – end of year information**



On an annual basis all employing authorities (EAs) are required to submit end of year information to NHS Pensions. You must submit this information to NHS Pensions by 24 May 2024.

If you use Pensions Online (POL) you should submit this year end information via POL.

For non-POL employers, the Data Management Team will send a prepopulated spreadsheet to the main EA contact week commencing 11 March 2024.

The spreadsheet will be partially prepopulated for all members where an annual update should be submitted. Once the spreadsheet has been received, employers will receive an email from the Data Team to confirm receipt, which will be sent within five working days. Employers should add members who are eligible for the scheme but are missing from the list by using the member's NI number and this will be looked into.

If you don't receive the confirmation email, you should contact the employer helpline on 0300 3301 353. The Data Team will then contact you directly to resolve the issue and work with you to resolve any errors arising from the annual update, before the annual benefit statement cut-off date, which is still to be confirmed.

Spreadsheets incorrectly completed will be returned for correction and the data will not be processed until the amended information is received. Any spreadsheets received after the 24 May 2024, will be worked on a best endeavours basis. The Data Team are unable to commit to these being completed prior to the cut off. Comprehensive guidance notes will be made available to all employers.

The Stakeholder Engagement Team will be hosting a virtual training event via Microsoft Teams for all Non-POL employers and we'll contact non-POL employers directly with further details.

## **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 you 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](mailto:stakeholderengagement@nhsbsa.nhs.uk).

## Administration foundation course dates

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.

At the end of the course, you will have a high-level understanding of the actions required to enable you to administer the NHS Pension Scheme at a local level. The course could also be used as a refresher course for anyone restarting in local NHS Pension Scheme administration. The next available course is:

- Tuesday 5 March, 10am to 11am

## GP Practice Manager training

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. The next available course is:

- Thursday 21 March, 10am to 1pm

### Level 2 GP Practice Manager events

These sessions include roles and responsibilities, flexible retirement, leave overview, ill health, and family benefits. The next available course is:

- Thursday 4 April, 10am to 1pm

## 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 several events planned throughout the year to help them which includes:

- Understand the NHS Pension Scheme

- Find out all they need to know about their Total Reward Statement and Annual Benefit Statement
- Explore their retirement options.