

## NHS Pensions

### Unreduced Lump Sum Retiring Allowance (ULSRA) factsheet

#### ULSRA only applies to members who have membership prior to 25 March 1972

The lump sum is normally three times the pension but some members with membership prior to 25 March 1972 may get a smaller retirement lump sum for that membership. This is because membership before that date counts at one third of the value of later membership when the lump sum is calculated.

Arrangements can be made to pay additional contributions to secure a full three times lump sum for some or all of the membership prior to March 1972.

ULSRA applies to:

- Men who are or have been married, or have a civil partner or surviving nominated partner who they have nominated to receive a full dependants pension; or
- Women who are or have been married, or have a civil partner or surviving nominated partner who they have nominated to receive a full dependants pension.

The option to buy an ULSRA is not available to members who rejoin the Scheme before age 50 following ill health retirement.

Purchase can be made by a single payment but there are time limits for making an application:

- A married man must apply within 12 months of getting married, or if not then a member, within 12 months of first re-joining after getting married.
- For nominations to provide a full dependants pension, applications must be made within 12 months of making that nomination.

Alternatively payment can usually be made by additional contributions deducted from pay. There is a limit on contributions:

- If the standard membership contribution is 5% of pay, the maximum additional contribution is 10% of pensionable pay.
- If the standard membership contribution is more than 5% of pay, the maximum additional contribution is 9% of pensionable pay.

The contract must start from the members next birthday and run for a minimum of two years.

Tax relief is normally available for both methods of payment.

### **How much will it cost if payment is made by additional contributions?**

The price is set as a percentage of your pensionable pay, for each year of cover you want to buy. The percentage varies depending on your age and when you plan to retire, but is fixed at the outset so you will always contribute the same percentage of your pay. You will usually receive immediate tax relief on your contributions through PAYE.

### **How is an application for payment by additional contributions made?**

The application is made on form AB54. The members date of birth must be verified before sending the application to NHS Pensions. The contributions are deducted from the members pay at the same time as the standard membership contribution.

### **When will the additional contributions start and end?**

The contract must start from the members next birthday or a future birthday and run for a minimum of two years. Members can choose to complete the payments on their 60<sup>th</sup> or 65<sup>th</sup> birthday, but members of the special classes can also choose age 55.

### **How much will it cost if payment is made by lump sum contribution?**

There is a cost factor (in £'s) for each £100 of pensionable pay the member receives. The cost factor varies depending on their age when they apply, but is the same each year of cover purchased.

NHS Pensions will confirm the cost of any purchase by lump sum contribution.

### **How do members apply?**

By contacting the pension section at their employer who will supply any application forms that they require.

### **How is an application for payment by lump sum made?**

The application is made on form AB23 (full time staff) and AB24 (part time staff), which are available from NHS Pensions. The member must pay the employer the full gross cost and apply to HMRC for tax relief. Payment must be made within three months of the date on the application. The members date of birth must be verified by the employer before sending the application to NHS Pensions.

### **Is tax relief available on the contributions?**

HM Revenue and Customs allow tax relief on pension contributions up to 100% of relevant UK earnings for the tax year.

### **How do members apply?**

By contacting the Pensions Office at their employer where they will provide help and any application forms that are required.

### **Can an application be made whilst absent from work or when pay is reduced?**

No. An application cannot be made when absent from work or during a period when earnings are reduced or have ceased. The application will only be accepted if we are satisfied that the member is in good health and there is no reason why their health would prevent them from completing the payments.

### **Can a member cancel an ULSRA contract?**

A member will normally be expected to pay the extra contributions until their chosen end age. If payments change or stop before that age, the amount of ULSRA they are buying will normally be affected. Any request to stop making payments should be made in writing and sent to NHS Pensions for approval.

### **Can a member have an Additional Pension as well as purchasing an ULSRA?**

Yes, but the total contributions cannot exceed any limits set by the Scheme or HM Revenue and Customs.

### **Can a member who is buying added years purchase an ULSRA as well?**

Yes, this may be possible but the total contributions cannot exceed the Scheme limits mentioned earlier in this factsheet.

### **Does the employer pay any of the cost of buying an ULSRA?**

No, the cost of buying an ULSRA is met entirely by the member.