

## Your NHS Pension is changing – here's what it means for you

Dear Member,

From **1 April 2022**, every member of the NHS Pension Scheme will build up their pension benefits in the same scheme – the 2015 Scheme. The change means you'll automatically move from the 1995/2008 Scheme and start building up benefits in the 2015 Scheme. In this letter, we've explained how this affects you, why this is happening and where you can find more information.

### You'll keep all the benefits you've built up so far

When you move into the 2015 Scheme, both the 1995 and 2008 Sections of the 1995/2008 Scheme will close on 31 March 2022 – but you won't lose any of the pension benefits you've already built up in this scheme. They'll make up part of your benefits when you retire, and the rest will be made up of any you earn from 1 April 2022 onwards.

- ✓ You'll still be able to claim your 1995/2008 Scheme benefits at the same time as you can now,
- ✓ and the practitioner benefits you've built up will be protected at retirement using arrangements equivalent to a final salary link, as long as you don't have a break in membership of more than 5 years.
- ✓ Pension benefits you earn from 1 April 2022 will be in the 2015 Scheme.

Any 2015 Scheme benefits you earn won't be linked to your final salary - instead they'll be calculated using a career average revalued earnings (CARE) model. You can find out more about this and the benefits you'll earn from 1 April 2022 at [nhsbsa.nhs.uk/member-hub/scheme-benefits](https://nhsbsa.nhs.uk/member-hub/scheme-benefits)

## Why you're moving to the 2015 Scheme

On 1 April 2015, the government made changes to public service pension schemes. These changes didn't apply to every member, and people who were closest to retirement could stay in their existing final salary pension scheme. The Court of Appeal later found that this discriminated against younger scheme members who couldn't remain in a final salary pension scheme. So, to put it right for the NHS Pension Scheme, every member will earn pension benefits in the 2015 Scheme from 1 April 2022.

As you were one of the members allowed to stay in the 1995/2008 Scheme for longer, we'll also ask you to choose between 1995/2008 Scheme and 2015 Scheme pension benefits for your pensionable service between 1 April 2015 and 31 March 2022 – this is the period when any discrimination could have applied.

## When you'll be given a choice between pension benefits

The way you make your choice between pension benefits will be different depending on when you retire.

- If you retire **from October 2023** onwards, we'll ask you to make your choice at the time.
- If you retire **before October 2023**, your pension may be made up of any 1995/2008 Scheme benefits you've built up by 31 March 2022 **and** any you earn in the 2015 Scheme from 1 April 2022.

The ages that you can take these benefits without any reduction for early retirement are different for each scheme – so you could choose to claim your 1995/2008 Scheme benefits immediately when you retire, and your 2015 Scheme benefits at a later date to avoid any reduction.

We'll then write to you after your retirement to ask you if you'd like to change the benefits you want to receive for your pensionable service between 1 April 2015 and 31 March 2022. Due to the significant number of members who have retired since 1 April 2015, please be aware that it may be a few years before you are given your choice.

When we write, we'll explain how your decision could affect the benefits you're receiving at the time. If your choice means you're owed extra pension benefits, we'll backdate them to the date you retired and pay you the difference with any tax you owe deducted.

You can keep up to date with the latest information about your choice at [nhsbsa.nhs.uk/changes-public-service-pensions](https://nhsbsa.nhs.uk/changes-public-service-pensions)

## Speak to your employer about your options for flexible retirement

Many people are now choosing to retire gradually rather than all at once, and after you've taken your pension, you can return to work if you'd like to. To understand your options, talk to your employer or visit [england.nhs.uk/flexibleretirement/](https://england.nhs.uk/flexibleretirement/)

## How moving to the 2015 Scheme may affect the pension tax you pay

If you are affected by the annual allowance, we'll send you two pension savings statements for the tax year 2021/2022, so you can see how each part of your pension has grown. One statement will

cover your pension growth in the 1995/2008 Scheme, and the other will cover any pension you earn in the 2015 Scheme between 1 April 2022 and 5 April 2022.

If you have any lifetime allowance protection agreed with HM Revenue & Customs (HMRC), this may be affected when you move into the 2015 Scheme. If you have enhanced or fixed protection, you should consider this carefully before 31 March 2022 because HMRC's rules say you can't keep these types of protection once you start contributing to another registered pension scheme. Visit [nhsbsa.nhs.uk/member-hub/lifetime-allowance](https://nhsbsa.nhs.uk/member-hub/lifetime-allowance) to find out more.

### **If you have Special Class or Mental Health Officer (MHO) status**

The 2015 Scheme doesn't have an MHO or Special Class provision. But if you have MHO or Special Class status now, it will be protected for any 1995 Section benefits you have for as long as you stay within the qualifying rules - and you'll still be able to claim your 1995 Section benefits from age 55 without any reduction. You can find out if you qualify for MHO and Special Class status at [nhsbsa.nhs.uk/member-hub/membership-nhs-pension-scheme](https://nhsbsa.nhs.uk/member-hub/membership-nhs-pension-scheme)

### **Additional Voluntary Contributions for additional pension or added years**

If you currently pay additional voluntary contributions, your payments will continue after you move to the 2015 Scheme from 1 April 2022. You can still pay additional contributions until the end of the contract, the day before a 12-month break begins, or the day you retire – whichever date is earliest.

If you're currently a 1995 Section member and your chosen birthday has passed or is less than 6 months after you moved to the 2015 Scheme, we'll write to you within 3 months of 1 April 2022 to explain how you could elect to have your AVC benefits paid without having to retire. You'll then have 3 months to tell us what you'd like to do. You can find out more at [nhsbsa.nhs.uk/member-hub/increasing-your-pension](https://nhsbsa.nhs.uk/member-hub/increasing-your-pension)

### **How the changes affect applications for ill health retirement**

If you apply for ill health retirement by **31 March 2022** and you're still an active member of the pension scheme from 1 April 2022, your application will be considered against the qualifying rules for both the 1995/2008 Scheme and the 2015 Scheme. But if your application is received after 31 March 2022, it will only be considered against the 2015 Scheme criteria.

You can find out more about ill health retirement and how to apply at [nhsbsa.nhs.uk/member-hub/applying-your-pension](https://nhsbsa.nhs.uk/member-hub/applying-your-pension)

If you have any questions about this letter or need any help, please visit [nhsbsa.nhs.uk/changes-public-service-pensions](https://nhsbsa.nhs.uk/changes-public-service-pensions) for useful information and answers to common questions. To help us make sure our phone lines are available for those who need help the most, please check our online support first.

Yours sincerely,

NHS Pensions Team