

## NHS Pensions Update – January 2023

Welcome to the January 2023 NHS Pensions Employer Update.

### Sharing our performance

*Table 1- Total Transactions (December 2022)*

Item	Volume
Total Transactions	63,030
First retirements	9,958
Estimates	7,947
Annual allowance	1,374
Ill health applications	514
AP/ERRBO/AVC	46
Bereavements	6,117
Transfers	1,705
Nominations	1,629
Pensions On Divorce	672
Protection of Pay	42
Refunds	1,412
Revised retirements	47
Service	1,041
Inbound processing	2,407
Data support	17,218
Pensioner admin	10,901

*Table 2 - First Retirements and Pensioners (December 2022)*

Item	Volume
Applications Processed	9,958
On Time	99.85%
Amount paid in Lump Sums	£208,810,060.57
Amount of Pension Paid	£908,506,133.59
No. Pensioners in Payment	1,088,432

*Table 3 - Employer Helpline statistics (December 2022)*

Item	Volume
Total Volume Calls	2,148
Average Handling Time (s)	435
Average Speed of Answer (s)	13

*Table 4 - Member Helpline statistics (December 2022)*

<b>Item</b>	<b>Volume</b>
Total Volume Calls	21,420
Average Handling Time (s)	577
Average Speed of Answer (s)	8

From May 2021 we have amended the way in which 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.

## **Introducing proposed retirement flexibilities**

In December the Department of Health and Social Care announced proposals to change the NHS Pension Scheme regulations to enable NHS staff to work flexibly up to and beyond retirement age.

We included details of the DHSC's proposals in our December issue of the Employer Newsletter, including proposals to make it simpler for all members to take partial retirement and enabling members who have 1995 Section benefits to return to NHS employment after retirement and build up further pension benefits in the 2015 Scheme.

### **The DHSC is currently consulting on the proposals**

You can read more about the consultation and submit your views on the [Department of Health and Social Care's website](#).

After the consultation closes on 30 January 2023, the Department of Health and Social Care will publish the outcome of the consultation.

### **We'll be starting to inform members soon**

Under the disclosure regulations that our Scheme is subject to, we will be required to write to all members to inform them of the changes.

To make sure members who are close to retirement age have a chance to consider the proposed changes before finalising their retirement plans, the Department of Health and Social Care has asked that we start writing to those closest to their normal pension age from mid-January 2023.

Once letters have been sent to those closest to normal pension age, we will then gradually send letters to all members. We expect to finish sending letters by June 2023.

You can view a copy of the letter that will be sent to all members [here](#).

We have also added more information on the proposed changes to our website:

- A [new webpage on the proposed retirement flexibilities](#)
- Amends to our webpages on [applying for your pension](#) and [re-employment](#).

## **We'll continue to update you on the proposed changes**

Once the outcome of the consultation is published by the Department of Health and Social Care, we will update our website with more information on how and when the changes will be introduced and what this will mean for you as an employer.

We will also continue to share updates with you via our Employer Newsletter.

Please encourage any members who are interested in partial retirement, or returning to work and continuing to build pension benefits after having taken their pension benefits to continue to check our retirement flexibilities webpage for updates. This is where we will share updates for members.

You can read further information on the proposed changes via our [retirement flexibilities webpage](#) and the [DHSC's consultation webpage](#).

## **Changes to the RE08 document**

Following the Department of Health and Social Care's (DHSC) announcement that rules regarding retire and return are to be relaxed long term (until the 31 March 2025), we intend to remove the RE08 (re-employment form) from the retirement notice letter for all types of retirements, except for those which are still subject to abatement (Ill health and interests of efficiency).

We hope this removal will take place during a systems release in February. In the meantime, there is no requirement to return the RE08, except in the cases stated above.

Closer to the end of the relaxation of the regulations, we will contact all those who have confirmed on their AW8 that they are re-employed to ask them if their employment has continued and to provide them with an earnings margin, if required.

This means that NHS Pensions will no longer be double checking that a 24-hour break has been taken before the member returns to work after retirement. This requirement is the responsibility of the employer.

## **Data errors – 2022/23 year end preparation**

Urgent action is needed to cleanse data in readiness for the 2022/23 year end updates.

There are currently 250,000 errors allocated to employers in Pensions Online (POL) error handling.

Over 93,000 are year-end updates for 2022 or earlier years.

This means that these members do not have up to date annual benefit or annual allowance statements available. This will also create a further 93,000 errors at year end 2023 if the records are not updated before the end of March.

Please check 'Error Handling Employer Allocated Errors' and 'Non-updated Years' in Pensions Online (POL), clear errors and submit any missing updates to 2022. Acting now will reduce errors at year end.

In early 2023, NHS Pensions will be contacting the Pensions Officers and Finance Directors of larger NHS organisations with information about data errors on hand.

## **Pensions Online (POL) downtime**

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

- Sunday 22 January
- Saturday 18 February
- Sunday 26 February

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.

## **Escalation processes**

The Stakeholder Engagement Team email account is only to be used for escalations of serious ill health cases. For all other escalations, please contact the employers email account or helpline in the first instance.

If they are not able to resolve your issue, they will refer directly to the relevant team or finally to Stakeholder Engagement to resolve.

The Stakeholder Engagement Team are still able to be contacted for:

- Meetings and forum requests
- Educational needs
- Website information and Ask Us clarification

## **Employer queries on member contribution changes**

Following our recent Pay and Contributions Event organised by the Stakeholder Engagement Team and a number of queries raised about the member contributions introduced on 1 October, we have compiled information on the most common queries in this article.

This guidance supports the information contained in our payroll provider requirements issued to employers, with the updated version also included in our [November employer newsletter](#) article on contribution rates for part time members. The 10 most common queries we have received from you are:

## **When to assess the tiered contribution rate**

Where there is a significant change to members pensionable pay which takes them into a different contribution tier, either up or down.

You must assess the tiered contribution rate from the 1 October 2022 when the changes were introduced.

From April 2023 (and each subsequent year) you must check if a members contribution tier to see if it requires revision.

For completeness – *Definition a significant change in pensionable pay is one that causes a member to move to a different contribution tier either up or down.*

## **Use the previous year's total pensionable pay (TPP) for contributions from 1 October 2022 unless there has been a significant change**

From the 1 October 2022 you should use the previous years' total pensionable pay (TPP) unless there has been a significant change. A significant change could be as a result of a pay award, a permanent decrease or increase in hours or promotion etc.

If there has been a significant change, the contribution rate needs to be assessed and calculated using the member's new estimated annualised pay.

## **When a member has a pay award**

If there has been a significant change then the contribution rate will need to be assessed and calculated using the member's new estimated annualised pay.

For example, if a member receives a pay award on 1 October 2022, then their contribution rate should be calculated on the new estimated annualised pay from this date.

When the change in member contributions was implemented from 1 October 2022, the AfC pay award for 2022/23 had already been announced and backdated to 1 April 2022.

The tiers introduced on the 1 October 2022 were in line with the 2022/23 AfC pay rises. All pay awards on or after the 1 October 2022, including promotions, require the contribution rate to be re-assessed to confirm if the award takes the member into a new contribution tier.

## **Assessing the contribution rate where there are enhancements for unsocial hours**

Enhancements for unsocial hours are pensionable regardless of whether the member is part or whole time.

For example, if the enhancement (e.g. in April) causes the member to change contribution tier, then you must re-assess the tier and apply that from the next month (May). The pay for next month (May) remains higher (due to Bank Holidays) so there is no change. If the pensionable pay in a subsequent month (e.g. June when there are no Bank Holidays) falls to a lower level tier, then from July the tier must be changed to the lower tier.

Guidance on secondments to Coronavirus (COVID-19)/flu vaccination clinics [can be found on the Employer Hub.](#)

## **Assessing the tiered contribution rate for bank staff if they have only worked a few sessions/hours**

From the 1 October 2022 you should use the previous years' total pensionable pay (TPP) unless you do not have any previous years pensionable earnings to base the contribution rate on for existing bank members.

If you have a new member (brand new to the bank) and you do not know what hours they are likely to work, you should initially, use the default rate of 6.1%. However, you must continue to check to see if you are able to establish a consistent working pattern and adjust the tier accordingly. If the working pattern remains erratic, then they remain on the default percentage rate (6.1%).

Alternatively, if the new bank member will be working an established pattern e.g. four afternoons per week, you must work out the contribution tier accordingly.

## **Reassessment the tiered contribution rate for additional hours for part-time staff**

For part-time members additional hours up to whole time are pensionable provided they are paid at their plain rate. Any additional hours paid at a high rate than the plain time rate is non-pensionable with the exception of the enhancements described in item four.

If the member is paid a different plain rate of pay, then these should be recorded separately to allow the calculation of the notional whole time (NWT).

For example, if the additional hours (e.g. in April) causes the member to change contribution tier, then you must re-assess the tier and apply that from the next month (May). The pay for next month (May) remains higher but within the same tier (due to the same additional hours worked) there is no change. If the pensionable pay in a subsequent month (e.g. June when there are no additional hours worked) then falls to a lower level tier, then from July the tier must be changed to the lower tier. This process must be repeated, if there is a change in the members working pattern.

## **Assessing the contribution rate where there is more than one post**

If you are assessing the contribution rate where there is more than one post the contribution rate should continue to be calculated individually for each post. The rate should be calculated using the actual annualised pensionable pay figure.

## **Treatment of annual leave when assessing the tiered contribution rate**

Annual leave is pensionable and must be reflected in the members pensionable membership, pay and for part-time members their pensionable hours. Therefore, payments for annual leave are included when assessing the tiered contribution rate.

## **Assessing the tiered contribution rate for different types of leave**

Special leave – maternity, paternity & adoption leave:

Members can continue to pay pension contributions throughout a period of special leave.

The members pension contributions will be based on the level of pay they are actually receiving. For example, full pay/half pay (contributions are payable) equal to the month immediately prior to any period of no pay or statutory maternity pay.

Pensionable pay to determine the tier should be based on their actual (reduced) rate of pay and contributions should be deducted from the actual amount of (reduced) pay they receive.

Sick leave:

Again, the members pension contributions will be based on the level of pay they are actually receiving. For example, full pay/half pay sick (contributions are payable) equal to the month immediately prior to any period of no pay sick.

The rules for deemed pay have not changed with the introduction of these changes.

Disallowed days due to unpaid sick leave or strike days are not pensionable.

### **Re-assessment if there is a significant change for less than 12 months**

Any significant change to pensionable pay must be reassessed regardless of the length of change.

## **Disclosure of senior managers' remuneration - Greenbury 2023**

Requests for disclosure information should be received by NHS Pensions between 4 January 2023 and 28 February 2023 to enable us to provide you with the necessary disclosure information to meet your reporting timescales.

### **Who should employers request Greenbury figures for**

The Department of Health and Social Care Group Accounting Manual (GAM) 2022-23 states that the remuneration report must disclose information on those persons in senior positions having authority or responsibility for directing or controlling major activities within the group body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments.

The GAM states that the chief executive or accounting/ accountable officer must be asked to confirm whether this covers more than the executive and non-executive directors. It is usually considered that the regular attendees of the entity's board meetings are its senior managers.

The NHS Foundation Trust Annual Reporting Manual (ARM) defines senior managers as 'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS foundation trust. The ARM goes on to say, 'such persons will include advisory and non-executive board members.'

### **Information NHS Pensions will provide**

NHS Pensions will provide disclosure information for executive directors and other senior managers, as confirmed by the Chief Executive. We will not carry out any calculations for non-executive directors because they do not receive any pensionable remuneration.

### **Where an executive director is also a medical General Practitioner (GP)**

Disclosure information will only be provided where the GP is an employed senior manager or executive director. If the GP is employed (i.e. contract of service) as a senior manager or executive director and pays pension contributions then they will be classed as an officer for pension purposes and Greenbury disclosure will apply.

If the GP is also engaged under a contract for services arrangement (i.e. self-employed) then Greenbury disclosure will not apply to this element of their work. Under this arrangement the GP is afforded practitioner status which is not included in the calculation of the accrued pension, lump sum and cash equivalent transfer value (CETV).

Where NHS Pensions is asked for disclosure information for a GP and their pension record holds practitioner membership only then we will assume they are a non-executive director, and no information will be provided. It is important for employers to check that the pension records of their senior managers are completely updated.

NHS Pensions will provide information based on calculations using NHS staff (officer) membership only.

This exercise only relates to remuneration in public bodies which means GP practices and most direction bodies are not required to take part.

### **How to submit disclosure information requests for the 2023 exercise**

1. Employers must request Greenbury senior manager remuneration disclosures for the 2022/23 financial year via Pensions Online (POL).
2. These screens will also be used by NHS Pensions to return the requested pension, lump sum (where applicable) and CETV to each employer.
3. Employers will only be able to view their own disclosure requests.

Employers will need to nominate a user and allocate Greenbury access to that user before disclosures can be requested. Employers will be able to use the previous year's user and password details. If you have any queries about registering a user on POL, please visit [www.nhsbsa.nhs.uk/employer-hub/pensions-online](http://www.nhsbsa.nhs.uk/employer-hub/pensions-online)

The Greenbury screens will also support:

- communication between employers and NHS Pensions concerning Greenbury queries
- requests for re-calculation of Greenbury disclosures
- comparison of this year's disclosure figures with last year's figures

Full guidance on how to register and use the POL system to make your requests is now available on our website at: <http://www.nhsbsa.nhs.uk/Pensions>

You should avoid using the comments box on POL unless necessary as this prevents cases running through the system automatically. If a member was part of the exercise last



year, the previous year's figures will be provided. Employers do not need to request this information via the comment box.

Reducing comments will mean more submissions will run through automatically and therefore speed up the process.

## Ill health retirement applications – new forms

NHS Pensions has updated the ill health retirement forms, making the question on life expectancy mandatory for all applications. If this is not completed, an application form will be returned causing potential delay for the members application.

Please destroy any old paper versions of the form(s) you may have.

You can find the new versions of the application form(s) on the website:

- Consideration of entitlement to ill health retirement benefits (AW33E) version 19 is available on the [Employer Forms webpage of the Employer Hub](#)
- Consideration of entitlement for early payment of deferred benefits due to ill health (AW240) is available on the ['Applying for your pension' webpage of the Member Hub](#)

## Stakeholder Engagement events

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

Please see our [Employer Events page on 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: [nhsbsa.stakeholderengagement@nhs.net](mailto:nhsbsa.stakeholderengagement@nhs.net)

## 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 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

You can find links to [register for the member events up to March 2023 here](#).