

## NHS Pensions Update – October 2023

Welcome to the October 2023 NHS Pensions Employer Update.

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### Sharing our performance

*Table 1- Total Transactions (September 2023)*

Item	Volume
Total Transactions	71,748
First retirements	10,972
Estimates	9,036
Annual allowance	2,433
Ill health applications	750
AP/ERRBO/AVC	199
Bereavements	8,632
Transfers	1,577
Nominations	2,954
Pensions On Divorce	903
Protection of Pay	17
Refunds	2,209
Revised retirements	1,949
Service	1,310
Inbound processing	3,183
Data support	17,472

Pensioner admin	8,152
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*Table 2 - First Retirements and Pensioners (September 2023)*

Item	Volume
Applications Processed	10,972
On Time	97.99%
Amount paid in Lump Sums	£204,952,816.59
Amount of Pension Paid	£1,017,711,355.54
No. Pensioners in Payment	1,115,895

*Table 3 – Employer Helpline statistics (September 2023)*

Item	Volume
Total Volume Calls	3,242
Average Handling Time (s)	534
Average Speed of Answer (s)	89

*Table 4 - Member Helpline statistics (September 2023)*

Item	Volume
Total Volume Calls	32,625
Average Handling Time (s)	596
Average Speed of Answer (s)	124

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 26 November

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.

## **Redundancy estimates**

If there are more than 10 members in a redundancy exercise, we ask Employers to contact the Stakeholder Engagement Team [stakeholderengagement@nhsbsa.nhs.uk](mailto:stakeholderengagement@nhsbsa.nhs.uk) to start the process as soon as possible.

You will be provided with a spreadsheet to complete providing us with all the member details the estimates team will require to complete the request.

Once returned we will produce the estimates within our standard timeframes of 40 working days.

For volumes under 10 members, please continue to use the relevant AW295 estimate request form which can be found [on the following page](#).

## **Factor change for redundancy calculations**

Following a change to the discount rate used for public service pension schemes that HM Treasury announced on 30 March 2023, the factors used to calculate the capitalised cost for redundancy and interest of efficiency of the service have changed. These will be implemented for all members with a payable date of 1 November 2023 or later. The redundancy calculator on our website is currently being updated for this change and the calculator, alongside the updated factors will be available to view on our website shortly.

## **Partial retirement – October 2023 update**

### **Applications**

We have received a number of partial retirement applications where the AW8 is not fully complete or the employer has not signed the relevant sections.

If you are processing applications for partial retirement, please ensure the partial retirement supplementary form and AW8 are both completed as fully as possible and signed where relevant.

Forms not being completed fully could result in delays to benefits being paid to members, who will have reduced their pensionable pay.

We realise there is some duplication between the two forms. Once the new AW8 is available next year ready for the introduction of choice of retirement, this duplication will be reviewed.

### **Partial retirement calculator**

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, the Department of Health and Social Care (DHSC) commissioned the Government Actuary's Department (GAD) 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 available in October, but following extensive testing, we requested some changes from GAD to ensure the calculator gives accurate information clearly and concisely for members.

We're sorry that this has meant a delay before it's available, but we've been working closely with GAD and expect to be able to publish the calculator in **mid-November**.

We recognise that some members may have been waiting for the calculator before submitting their partial retirement application. Members will be able to retrospectively apply for partial retirement from 1 October 2023 and we will backdate payments to their chosen partial retirement date. Once the calculator is available, they just need to include the date they want it to start from, for example 1 October 2023 on the application form.

If members would like to submit their application before the calculator is available and they're affected by the Public Service Pension Remedy, also known as the McCloud Remedy, they may be able to use the McCloud Percentage Tool to help complete their application. It cannot give as much information as the Partial Retirement Calculator, but if a member was a fully protected member, it allows them to see what percentage of pension they can take to avoid having overpayments to repay when they make their McCloud choice later on.

Members can find more information on how to use this tool and the information they'll need to do this on our [partial retirement webpage](#).

### **Some members may need to ask us for an estimate instead**

The partial retirement calculator can help the majority of members who might consider partial retirement. But some members may have more complex circumstances, such as those explained in the bullets below, which mean the figures shown by the calculator will be less accurate than an estimate requested from NHS Pensions.

Members who should ask for an estimate rather than use the calculator include:

- Members affected by the McCloud remedy who moved to the 2015 Scheme before 1 April 2022
- Members of the 2008 Section
- Members who only have membership of the 2015 Scheme
- Members who have had any break from the pension scheme
- Members of the 1995 Section wanting to take partial retirement before age 55
- Members who are male nurses
- Members whose Added Years/Additional Pension contract payable dates are different from their normal retirement age
- Members who have mixed service between Mental Health Officer (MHO) and Non-MHO
- Members who have transferred in from another public service pension scheme
- Members who have had periods of time when they have received no pay due to unpaid sick leave or unauthorised absence, for example due to strike action
- Members with over 40 years' service before age 55
- Members working in more than one part-time role at the same time

To request an estimate, use the Partial Retirement Member Estimate form on our [getting an estimate of your pension webpage](#).

## **DHSC announce consultation on April 2024 scheme regulation changes**

The Department of Health and Social Care has announced a consultation on proposed amendments to the NHS Pension Scheme regulations to be introduced in April 2024.

The proposals are to:

- deliver phase 2 of the review of member contributions
- introduce a new employer pension contribution rate in line with the results of the 2020 scheme valuation
- permanently remove abatement for special class status (SCS) members in line with the Agenda for Change (AfC) pay deal for 2023 / 2024 which is currently suspended to 31 March 2025
- make further miscellaneous amendments

### **Partial retirement**

The miscellaneous amendments include proposed changes to:

- allow members of the 1995 who have breached the maximum service limits to partially retire
- clarify in the regulations that where a member enters into a salary sacrifice arrangement, this does not constitute an eligible change to their terms of employment for the purposes of taking partial retirement.

### **Member contributions**

The member contribution structure is currently being reformed following a comprehensive review in 2021 and the proposed changes to be introduced in April 2024 follow earlier changes in October 2022.

The changes outlined in this consultation are split into 4 sections:

- implementation of updated member contribution structure as agreed during the phase 1 consultation, with the additional proposed removal of the bottom tier
- futureproofing of the member contribution structure
- real-time re-banding
- changes to the pensionability of overtime up to whole time for members who work part time

### **How to submit your feedback and by when**

You can read more about the proposed changes via the government website:

<https://www.gov.uk/government/consultations/nhs-pension-scheme-proposed-policy-changes-for-april-2024>

If you wish to respond to the consultation you can respond online via the link above. **The consultation closes at 11.59pm on 7 January 2024.**

## **The HMRC Digital Service**

HMRC has introduced a new digital service that will enable members who have new annual allowance charges, or changes to annual allowance charges as a result 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 and 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 and 2021/22
- pay an annual allowance charge for 2022/23.

It will also apply to other tax charges such as lifetime allowance charges and unauthorised payments charges.

To use the service members will require a remediable pension savings statement.

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 members who are affected by rollback and annual allowance their remediable pension savings statement.

Members will receive one updated statement that will include their recalculated pension input amount for the remedy period tax years, plus any carry forward tax years that apply.

We'll be sending the majority of active or deferred remedy members their remediable pension savings statement from April 2024 onwards.

More information on [understanding the effect of rollback on annual allowance](#) is available via our website. This includes information on the HMRC Digital Service, remediable pension savings statements and 2021/22 and 2022/23 pension savings statements for members affected by the McCloud remedy.

We'll continue to share more information on McCloud and annual allowance via this webpage as this becomes available. We'll also be sharing more information on the NHS Cost Claim-back scheme which will allow eligible members to apply to claim back certain direct financial losses or tax losses linked to the McCloud remedy.

You can find all the latest information via [www.nhsbsa.nhs.uk/changes-public-service-pensions](http://www.nhsbsa.nhs.uk/changes-public-service-pensions)

## 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](mailto:stakeholderengagement@nhsbsa.nhs.uk). The Stakeholder Engagement Team run a series of events throughout the year providing regular updates and delivering educational training.

## **Administration foundation course dates for 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 November that are taking place can be found on the [employer events section](#) of the [Employer Hub](#).

## **GP Practice Manager training for 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 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 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