

# NHS Pensions

# Member factsheet

**NHS Pensions – Annual allowance – Scheme pays recovery factors**

If we pay your annual allowance charge this amount is recorded as a notional negative defined contribution (DC) account on your pension record. In basic terms this is similar to NHS Pensions ‘loaning’ you the money now to pay your tax bill, which you must repay with interest when you retire or transfer out.

When you retire the balance owing, including interest, is converted into an amount that will be permanently deducted from your NHS benefits. The reduction is calculated using factors provided by the Scheme Actuary.

## Table SP1 - Retirement – normal health (age, early and late)

| **Age last birthday** | **1995 Section** | **2008 Section** | **2015 Scheme** |
| --- | --- | --- | --- |
| 50 | 30.95 | Not applicable | Not applicable |
| 51 | 30.41 | Not applicable | Not applicable |
| 52 | 29.85 | Not applicable | Not applicable |
| 53 | 29.29 | Not applicable | Not applicable |
| 54 | 28.72 | Not applicable | Not applicable |
| 55 | 28.15 | 25.15 | 25.15 |
| 56 | 27.56 | 24.56 | 24.56 |
| 57 | 26.97 | 23.97 | 23.97 |
| 58 | 26.37 | 23.37 | 23.37 |
| 59 | 25.77 | 22.77 | 22.77 |
| 60 | 25.15 | 22.15 | 22.15 |
| 61 | 24.53 | 21.53 | 21.53 |
| 62 | 23.91 | 20.91 | 20.91 |
| 63 | 23.28 | 20.28 | 20.28 |
| 64 | 22.65 | 19.65 | 19.65 |
| 65 | 22.01 | 19.01 | 19.01 |
| 66 | 21.36 | 18.36 | 18.36 |
| 67 | 20.72 | 17.72 | 17.72 |
| 68 | 20.06 | 17.06 | 17.06 |
| 69 | 19.41 | 16.41 | 16.41 |
| 70 | 18.75 | 15.75 | 15.75 |
| 71 | 18.09 | 15.09 | 15.09 |
| 72 | 17.43 | 14.43 | 14.43 |
| 73 | 16.78 | 13.78 | 13.78 |
| 74 | 16.12 | 13.12 | 13.12 |
| 75 | 15.47 | 12.47 | 12.47 |

## Table SP2 - Retirement – ill health

| **Age last birthday** | **1995 Section** | **2008 Section** | **2015 Scheme** |
| --- | --- | --- | --- |
| 20 | 33.60 | 30.60 | 30.60 |
| 21 | 33.36 | 30.36 | 30.36 |
| 22 | 33.13 | 30.13 | 30.13 |
| 23 | 32.91 | 29.91 | 29.91 |
| 24 | 32.67 | 29.67 | 29.67 |
| 25 | 32.44 | 29.44 | 29.44 |
| 26 | 32.20 | 29.20 | 29.20 |
| 27 | 31.96 | 28.96 | 28.96 |
| 28 | 31.73 | 28.73 | 28.73 |
| 29 | 31.50 | 28.50 | 28.50 |
| 30 | 31.27 | 28.27 | 28.27 |
| 31 | 31.05 | 28.05 | 28.05 |
| 32 | 30.82 | 27.82 | 27.82 |
| 33 | 30.60 | 27.60 | 27.60 |
| 34 | 30.37 | 27.37 | 27.37 |
| 35 | 30.14 | 27.14 | 27.14 |
| 36 | 29.91 | 26.91 | 26.91 |
| 37 | 29.68 | 26.68 | 26.68 |
| 38 | 29.43 | 26.43 | 26.43 |
| 39 | 29.18 | 26.18 | 26.18 |
| 40 | 28.92 | 25.92 | 25.92 |
| 41 | 28.65 | 25.65 | 25.65 |
| 42 | 28.38 | 25.38 | 25.38 |
| 43 | 28.10 | 25.10 | 25.10 |
| 44 | 27.80 | 24.80 | 24.80 |
| 45 | 27.50 | 24.50 | 24.50 |
| 46 | 27.20 | 24.20 | 24.20 |
| 47 | 26.88 | 23.88 | 23.88 |
| 48 | 26.55 | 23.55 | 23.55 |
| 49 | 26.21 | 23.21 | 23.21 |
| 50 | 25.86 | 22.86 | 22.86 |
| 51 | 25.49 | 22.49 | 22.49 |
| 52 | 25.11 | 22.11 | 22.11 |
| 53 | 24.71 | 21.71 | 21.71 |
| 54 | 24.30 | 21.30 | 21.30 |
| 55 | 23.87 | 20.87 | 20.87 |
| 56 | 23.43 | 20.43 | 20.43 |
| 57 | 22.98 | 19.98 | 19.98 |
| 58 | 22.51 | 19.51 | 19.51 |
| 59 | 22.04 | 19.04 | 19.04 |
| 60 | Not applicable | 18.54 | 18.54 |
| 61 | Not applicable | 18.03 | 18.03 |
| 62 | Not applicable | 17.51 | 17.51 |
| 63 | Not applicable | 16.98 | 16.98 |
| 64 | Not applicable | 16.43 | 16.43 |
| 65 | Not applicable | Not applicable | 15.88 |
| 66 | Not applicable | Not applicable | 15.31 |
| 67 | Not applicable | Not applicable | 14.73 |

## Scheme pays recovery examples

### Example 1: 1995 Section

Helen elected for scheme pays to pay her annual allowance charge of £26,000 and is retiring on her 60th birthday. With interest her total negative DC account balance at age 60 is £35,200.

This means her 1995 Section age pension will be reduced by £1,399.60 (£35,200 / 25.15) and her lump sum by £4,198.80 (£1,339.60 x 3).

### Example 2: 2008 Section

Mark elected for scheme pays to pay his annual allowance charge of £18,000 and is retiring because of ill health on his 53rd birthday. With interest his total negative DC account balance at age 53 is £20,633.

This means his 2008 Section ill health pension will be reduced by £950.39 (£20,633 / 21.71). There is no reduction to his lump sum, even if he chose to move from the 1995 Section to the 2008 Section as part of the Choice exercise.

### Example 3: 2015 Scheme

Paul elected for scheme pays to pay his annual allowance charge of £47,000 and is retiring on his 72nd birthday. With interest his total negative DC account balance at age 72 is £63,000.

This means his 2015 Scheme late retirement age pension will be reduced by £4,365.90 (£63,000 / 14.43). There is no reduction to his lump sum.

### Example 4: Member of both the 1995/2008 and the2015 NHS Pension Schemes

Sarah elected for scheme pays to pay her annual allowance charge of £12,500; £10,500 was paid from the 1995/2008 Scheme and £2,000 from the 2015 Scheme. She is retiring from the 1995 Section at age 62 and taking her 2015 Scheme pension early with an actuarial reduction.

With interest her total negative DC account balance at age 62 in the 1995 Section is £12,000. This means her 1995 Section age pension will be reduced by £501.88 (£12,000 / 23.91) and her lump sum by £1,505.64 (£501.88 x 3).

With interest her total negative DC account balance at age 62 in the 2015 Scheme is £3,000. This means her 2015 Scheme actuarial reduced pension will be reduced by £143.47 (£3,000 / 20.91). There is no reduction to her lump sum.

### How we use your information

The NHS Business Services Authority – NHS Pensions will use the information provided for administering your NHS Pension Scheme membership and processing payment of your NHS pension benefits. We may share your information to administer and pay your NHS pension, enable us to prevent and detect fraud and mistakes, for debt collection purposes, or as required by law. For more information about who we share your information with and how long we keep your personal data and your rights, please visit our website at [www.nhsbsa.nhs.uk/yourinformation](http://www.nhsbsa.nhs.uk/yourinformation)

**NHS Pensions**

**Annual Allowance-Scheme Pays Recovery Factors**

**www.nhsbsa.nhs.uk/nhs-pensions**