

# NHS Pensions

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# NHS Pensions Podcast

# NHS Pensions Podcast – Episode 1 – An introduction to the Scheme

## Video Transcript

0:00   
Hello and welcome to a new series of podcasts brought to you by the NHS Pensions team.

0:07   
Over the next few episodes we're going to be breaking down information about the NHS Pension Scheme, what that means for you and to help you make sense of the scheme and to plan for the future.

0:18   
My name is Verity and I'm the host of today's podcast and I'm joined today by an NHS Pensions expert, Angie, and also a new member of the Pension Scheme.

0:27   
Nicole.

0:29   
In today's episode, we're going to be giving you an introduction to the Scheme.

0:33   
This will include some background and some key facts that you'll need to know to help you plan for the future.

0:39   
So let's get to it.

0:41   
The subject of today's podcast is to give you an introduction and an overview to the Scheme.

0:46   
You might be somebody that's brand new to the NHS pension scheme, but you might be somebody that's been in the Scheme for a while and still wants to know some key information.

0:57   
Angie, let's start off with the basics.

0:59   
Could you give us a background to the NHS Pension Scheme?

1:02   
Yes, the NHS Pension Scheme is a Defined Benefit Scheme, meaning it's a type of workplace pension that gives you guaranteed income for life.

1:09   
This is different to a Defined Contribution Scheme, which is commonly found in the private sector workplace pension schemes.

1:15   
Now this depends on how much you and your employer pay in and the performance of the underlying investments.

1:21   
The NHS Pension Scheme is backed by the Treasury, meaning your pension is not invested and therefore risk free.

1:29   
It comes with a guarantee from the government that you'll receive it for the rest of your life, no matter how long you live.

1:35   
Your pension is uplifted each year so that it doesn't lose value due to cost

1:39   
of living rises.

1:41   
Great, so could you give us an overview on how the Scheme actually works?

1:46   
Yes, so the NHS Pension Scheme is a shared cost between employers and employees.

1:51   
Members of the Scheme pay a percentage of gross pension contributions into the scheme which is deducted straight from the pay each month and this varies between 5.2% and 12.5% based on how much you earn.

2:04   
Your contribution is then topped up by your employer's contribution of 23.7%.

2:09   
It is important to add here that there is tax relief on your pension contributions too, meaning your contributions are taken before tax so you don't pay any tax on it.

2:19   
Great.

2:19   
Thanks Angie.

2:20   
Because I often find members of the NHS pension scheme are sometimes confused about how their contributions affect or don't affect the pension that they receive at retirement.

2:31   
Yes.

2:31   
So Angie, you mentioned that the scheme is a Defined Benefit Scheme and not a Defined Contribution Scheme.

2:37   
So what is the difference?

2:39   
Well, these contributions are the cost of being in the Scheme.

2:41   
It's almost like paying a membership.

2:45   
The pension is defined as a Defined Benefit Scheme, meaning that factors such as how much you contribute and for how long help to determine the value of your pension at retirement.

2:55   
We're going to go through how pensions are calculated based on each Scheme in a future podcast episode.

3:02   
Great, let's move on now.

3:04   
Why don't we discuss enrolment and the different type of enrolments that there are?

3:11   
OK, so when I first joined the NHS, I was enrolled into the NHS Pension Scheme.

3:15   
So does this happen automatically?

3:17   
Yes, all NHS Employers have a contractual responsibility to enrol every eligible member into the NHS Pension Scheme from their first day of employment.

3:26   
This means you should be enrolled and made a member from the day you start or rejoin NHS employment, and that is known as contractual enrolment.

3:34   
OK.

3:34   
I also know of colleagues who have opted out of the scheme, but after a period of time they've been put back into the Scheme again.

3:41   
Can you tell me a little bit more about that?

3:43   
Yeah, so that's slightly different.

3:44   
That's something called auto enrolment.

3:45   
And auto enrolment is a government initiative that encourages workers to save for the retirement in addition to their state pension.

3:53   
If you choose to opt out, which means you don't want to be in the NHS Pension Scheme, you will be auto enrolled back into the Scheme every three years, dependent on your age and earnings.

4:02   
And you would need to opt out each time if you did not want to pay into the NHS Pension Scheme.

4:07   
Angie, it's my understanding that it's not just the NHS that have auto enrolment.

4:12   
Do all companies have to auto enrol?

4:14   
So a member might feel that that's familiar to them, that every three years they do get put back into a workplace pension?

4:20   
Yeah, it is all employers that have to apply the auto enrolment regulations that the government brought in a few years ago.

4:27   
So let's talk about membership.

4:29   
Who can be a member of the NHS Pension Scheme?

4:33   
To anyone aged between the age of 16 and 75, directly employed by the NHS or an approved organisationoffers the scheme can join the NHS Pension Scheme.

4:43   
When you join, it is the responsibility of your employer to provide you with the relevant scheme guide, which would be the 2015 Scheme Guide, and you can also  access that information via the NHS Pensions website.

4:57   
Great.

4:57   
Thanks, Anji.

4:59   
Now I really want to delve in now to the different pension schemes there are, because I know that there's more than one.

5:05   
So Nicole, have you got a question on that?

5:07   
Yeah, so as a relatively new employee of the NHS, I'm in the 2015 pension scheme.

5:14   
Am I right in thinking that there are other Schemes, and can you tell me a little bit more about them?

5:19   
Yeah, there is.

5:19   
In our next podcast we will be doing a full episode all about the different Schemes and how you calculate your pension.

5:25   
But in brief we have two different Schemes which are known as the 1995, 2008 and 2015 Scheme.

5:33   
Members who joined the NHS Pension Scheme today will be members of the 2015 Scheme, but members who have been in the Scheme for longer may have membership, in the 1995 or 2008 sections of the Scheme.

5:48   
So our next question is something that a lot of our members want to know.

5:51   
How do they keep track of their pension?

5:53   
Where can they find out more information about what it's worth and what personal details we hold for them?

6:00   
Yeah.

6:00   
So I was wondering, Ange, as a reasonably new member of the Scheme, what are the different ways that I can keep track of my pension?

6:08   
Yeah, so there's several ways that you can do that.

6:11   
Every member of the NHS Pension Scheme has access to a Total Reward or an Annual Benefit Statement, which is updated every year that provides you with a personalised summary of your NHS Pension benefits.

6:22   
Great, thank you.

6:23   
So NHS Pensions are rolling out a new online portal just for members.

6:29   
Could you tell us a little bit more about that, Angie?

6:32   
Yeah.

6:32   
So we're introducing a new tool to help you access information about your NHS Pension.

6:37   
And over the past year, we've been inviting members of the Scheme to register for our new secure online portal, My NHS Pension.

6:46   
This will allow you to access details about your pension, including personal information that we hold for you in one easy place.

6:53   
So on the My NHS Pensions portal, you can see a copy of your Annual Benefit or your Total Reward Statement.

6:59   
You can see the personal details that we hold for you.

7:02   
You can view your salary and your service employments, and you can provide additional contacts such as an e-mail address.

7:09   
There is also the option to add or amend your nominations and we will talk about nominations in a future podcast.

7:16   
There will be more features that we add as we roll out this in the future.

7:21   
We continue to roll out at the moment to all members.

7:24   
So if you haven't heard from us, we will be in touch soon to let people know how to get access and register to that portal.

7:31   
Great.

7:31   
So is this going to be something that they would have their own login and password to and they can access at any time just to make sure that all the information is correct and it gives them a clear idea of where their pensions at?

7:43   
Certainly.

7:43   
Yeah, it's where members will be able to self-serve,  see some information, update information themselves about their pension so they don't have to contact this directly, but also gives them access to that information whenever they want to see it.

7:55   
Perfect.

7:57   
So we're going to move on now to transferring in and to transferring out your pension.

8:02   
Nicole, I believe you had a question on this one.

8:04   
Yes.

8:04   
Angela, what I'd like to know is do I have an option to transferring pensions that I've built up in previous jobs?

8:11   
So yeah, you can do that if you meet the criteria.

8:14   
Important to remember though, if you're only moving employers between England and Wales, you don't need to apply to transfer those benefits and they will move around with you automatically.

8:22   
However, if you've got any NHS employment in the pension Scheme in Scotland or Northern Ireland, you do need to complete the transferring part and send that to us, and you need to do it within 12 months joining the NHS for the first time.

8:3   
OK, so is this option also available to people who have pensions outside of the NHS Pension Scheme?

8:42   
Yes, it is, yeah, as long as you meet the criteria.

8:44   
As I mentioned, you've got to apply within 12 months of being eligible to join the Scheme and you need to be under the normal pension age for the Scheme, which for the 2015 Scheme is your state pension age or age 65, whichever is later.

8:58   
There is a transferring guide, an application pack on the member hub of our website.

9:02   
So if you want to transfer your benefits in, complete the application pack and return that to your employer's pensions officer for them to complete theirs and send it into us.

9:12   
Yeah, that's great.

9:13   
So although I have just joined the NHS pension scheme, thinking more long term, could I potentially look at transferring those benefits out?

9:21   
Yeah, you do have the option to transfer out to an approved pension scheme.

9:25   
Again, there's some criteria that needs to be met.

9:28   
You need to be under your normal pension age and you need to join the new pension scheme within 12 months of leaving our Scheme.

9:34   
If you do want to do that, you need to read and complete the transfer Out guide, an application pack that you can find on the member hub of our website.

9:43   
OK, so other than transferring out then Angie, are there any other options that I could look at?

9:48   
There are.

9:48   
So if you don't want to transfer out and you've got more than two years of membership in the Scheme, your benefits can remain within the Scheme and you become a deferred member, which means you're no longer contributing to the Scheme, but you've got pension benefits in the Scheme.

10:01   
Or if you've got less than two years membership, you can apply for a refund of the contributions that you've made in those two years to be paid back to you.

10:10   
Great, thanks, Ange.

10:11   
What I really got from that was there's a lot of criteria for a transfer in and transfer out.

10:16   
So those time scales do seem quite important.

10:19   
And you mentioned as well working with your employer.

10:21   
So really somebody looking at doing this needs to have that conversation with their employer today before they need to submit these forms to us.

10:28   
They do, Yeah.

10:29   
And as I say, your employer needs to give you that Scheme guide on your very first day of employment.

10:33   
All of the information and guidance you need regarding transferring in and out will be found within that Scheme guide.

10:39   
But it's really important that you work alongside with the employer to get the information over to us so we can get the information to you so you can decide whether you want to transfer in or out of the Scheme.

10:48   
Great, thank you.

10:50   
So that is a really quick introduction into the NHS Pension Scheme.

10:54   
Nicole and I are going to go through some really commonly asked questions now just to help everybody answer the really key things you want to know about your NHS Pension Scheme.

11:04   
Yeah.

11:04   
So Angie, will my pension increase every year that I work for the NHS?

11:08   
So if you're actively paying into the Scheme, then yes, as you're, continuing to earn your pension.

11:13   
But if you opt out the Scheme or leave NHS employment, you will stop earning pension.

11:18   
However, your pension will still be subject to annual increases, which is similar to earning interest each year.

11:25   
Great.

11:26   
Now Louis has been on and he's asked, is there a minimum amount of time that you have to work for the NHS in order to be eligible to start paying into the Scheme?

11:35   
As long as you're eligible to be in the NHS Pension Scheme, your employer should enrol you on the very first day of your employment, so there's no waiting period.

11:42   
You should be in the Scheme from the very first day, unless you've chose to opt out the Scheme, of course.

11:48   
So Angie, if I was to move overseas, would I be able to claim my NHS Pension still?

11:53   
Yeah, you can do that.

11:54   
You don't need to be in the UK to claim your pension.

11:56   
There's a number of mandate forms on our website, for the countries where we can pay your pension benefits.

12:01   
You need to complete that relevant mandate form and send that into us at the time that you're claiming your pension benefits.

12:09   
Great.

12:10   
And finally, Ada's asked she only started working for the NHS Pension Scheme in December.

12:16   
So would it be worth transferring in any existing pensions into the NHS Pension Scheme?

12:22   
So whether you choose to transfer into the NHS Pension Scheme is entirely your choice.

12:27   
But the only criteria I must stress is you do need to apply within 12 months of first joining.

12:33   
You have to make sure you met that timeline.

12:35   
If you're after 12 months, we won't be able to accept any transfers in.

12:40   
As I mentioned earlier, if it's something you want to look at or explore, complete the transferring guidance application pack, on the member hub of our website, send that in to us and we will send you the details.

12:50   
Great, thanks.

12:51   
That time scale seems really strict as well.

12:53   
So they're very firm on that.

12:54   
Are they?

12:54   
Yeah, very, very important.

12:55   
12 months, you won't be able to do it after that date.

12:58   
Great, Lovely.

13:00   
So that brings us to the end of today's episode.

13:03   
Just to recap the sort of things we've been talking about.

13:06   
We started off with who is eligible to join the pension scheme.

13:10   
We've loosely touched on how the scheme works, what the contributions are and the type of scheme everybody's paying into, which is the 2015 scheme.

13:20   
We've had a look at somebody's options when they join the scheme.

13:22   
Can they transfer in a pension?

13:25   
If they left, could they take a pension out with them?

13:27   
And we've also discussed where you as a member can find more information about your NHS Pension scheme and that's the My NHS Pensions portal, which really sounds like a one stop shop for everything that you need to know about your pension and how it's growing.

13:44   
If you have any feedback about the podcast that you've just listened to or any ideas on topics of future podcasts that you'd like to hear, please e-mail us at: [stakeholderengagement@nhsbsa.nhs.uk](mailto:stakeholderengagement@nhsbsa.nhs.uk)

14:00   
And don't forget to hit subscribe at wherever you listen to your podcasts for more information and more episodes.

14:06   
Thank you for joining us today.

14:07   
Bye.

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