

POLICY NOTE

THE NATIONAL HEALTH SERVICE (SUPERANNUATION SCHEME AND PENSION SCHEME) (SCOTLAND) AMENDMENT REGULATIONS 2013

SSI 2013/70

The above instrument was made in exercise of the powers conferred by section 10 of, and Schedule 3 to, the Superannuation Act 1972. Functions under that Act as regards Scotland have been executively devolved to the Scottish Ministers. The instrument is subject to negative procedure.

Policy Objectives

The Instrument make changes to the NHS Superannuation Scheme, as set out in the National Health Service Superannuation Scheme (Scotland) Regulations 2011 (SSI 2011/117) and the National Health Service Pension Scheme (Scotland) Regulations 2008 (SSI 2008/224). The Scheme requires members to pay contributions as a condition of membership. Although the Scottish Ministers have responsibility for the NHS pension scheme in Scotland the wider policy for occupational pensions is reserved to the UK Government. The 2010 UK Spending Review set out the UK Government's intention to increase members' contribution rates in public service pension schemes by 3.2 per cent of pay by April 2014 with the increases spread across three years. The first increase was applied from 1 April 2012. Contributions have been applied proportionately across earnings tiers so that lower earners are protected and that higher earners receiving larger scheme benefits generally pay a higher rate of contributions. Following further consideration of this policy and whether there were any available alternatives, Scottish Ministers determined to apply the second round of increases. The above instrument makes provision for changes to the salary/earnings bands and increases to the members' contributions from 1 April 2013.

Consultation

To comply with the requirements of section 10(4) of the Superannuation Act 1972 a formal policy consultation took place from 20 December 2012 to 12 February 2013. In particular, representatives of NHS employers and employees, other Scottish Government interests and UK Government departments were consulted. Trades Unions continue to oppose contribution rises. 904 responses to the consultation were received and a summary of the responses will be made available on the Scottish Public Pensions Agency's website www.sppa.gov.uk.

Impact Assessments

An equality impact statement is being finalised for this instrument which builds on the assessment undertaken for the first year of members' contribution increases and will be published when finalised.

Financial Effects

The increases, as designed, are expected to raise in the region of an additional £56 million a year for HM Treasury from 1 April 2013. This will add to the additional yields arising from the increases introduced from April 2012.

No Business and Regulatory Impact Assessment has been prepared because no impact on the private or voluntary sector is foreseen.

Scottish Public Pensions Agency
An Agency of the Scottish Government
26 February 2013