

POLICY NOTE

THE NATIONAL HEALTH SERVICE SUPERANNUATION SCHEME (MISCELLANEOUS AMENDMENTS) (SCOTLAND) REGULATIONS 2017

SSI 2017/27

The above instrument was made in exercise of the powers conferred by sections 10 and 12 and schedule 3 of 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

Amendments to the National Health Service Superannuation Scheme (Scotland) Regulations 2011 (SSI 2011/117) and the National Health Service Superannuation Scheme (2008 Section) (Scotland) Regulations 2013 (SSI 2013/174)

Employee Contributions

The National Health Service Superannuation Scheme (Scotland) Regulations 2011 (1995 Section) and the National Health Service Superannuation Scheme (2008 Section) (Scotland) Regulations 2013 require members of the NHS Superannuation Scheme (NHSSS) to pay contributions to the Scheme as a condition of membership.

This instrument makes changes to the salary/earnings bands of the table in these regulations against which the employee contribution is set. Employees who are members of the scheme pay a percentage of their pensionable pay to the scheme dependent on the level of their pensionable earnings. It was agreed during scheme reform discussions the employee contribution percentage rates for period 1 April 2015 to 31 March 2019 would not change however the pay/earnings bands against which the contribution is assessed would be adjusted each year in line with national NHS pay awards in Scotland. The aim is to ensure that the bandings remain in line with annual increases in members pay. This SSI will therefore insert into the Regulations a revised employee contribution table to reflect the pay uplift from 1 April 2016 and which will apply to majority of members from 1 April 2017. The revised table will however be applicable with retrospective effect from 1 April 2016 for officer members changing employment within the scheme year 2016/2017, new starters, practitioners and non GP partners whose contributions which are based on current year income.

Other main amendments

The following amendments are also made to the 1995 and 2008 sections of the scheme regulations:

- consequential amendments in respect of the abolition of contracting out, increase in the guaranteed minimum pension and enabling the forfeiture of a spouse's or surviving civil partner's guaranteed minimum pension and where the beneficiary is convicted of murder or culpable homicide
- conversion of pension into lump sum allowed where the sums involved are trivial

- references updated in respect of “shared paternity leave” and the Pension Schemes Act 1993 and insertion of a cross-reference to the Public Service Pensions Act (Northern Ireland) 2014

1995 section only amendments

- to clarify administrative procedures in respect of opting out
- Makes an amendment to make clear that any buy-out policy purchased must satisfy the requirements of regulation 12(2) of the Occupational Pension Schemes (Transfer Values) Regulations 1996.

2008 section only amendments

- Covers the ban on the transfer of deferred benefits from unfunded public service pension schemes to schemes offering flexible benefits by closing an existing lacuna in the provisions of the scheme regulations

The National Health Service (Scotland) (Injury Benefits) Regulations 1998

Amendments are made to the Injury Benefit Regulations to ensure that a person in receipt of permanent injury benefit under the Regulations who was in receipt of certain social security benefits which were replaced by the social security benefit known as “employment support allowance”, is not detrimentally affected by that replacement where the amount of employment and support allowance is greater than the amount of replaced social security benefits the member was receiving.

The National Health Service Superannuation Scheme (Scotland) (Additional Voluntary Contributions) Regulations 1998

Amendments are made to the AVC Regulations to enable a member’s money purchase additional voluntary contribution pension pot to be taken as a lifetime allowance excess lump sum.

Consultation

To comply with the requirements of section 10(4) of the Superannuation Act 1972 a formal policy consultation took place from 8 September 2016 to 19 October 2016. In particular, representatives of NHS employers and employees, other Scottish Government interests and UK Government departments were consulted. No responses to the consultation were received.

Impact Assessments

An equality impact statement in respect of the NHS Pension Scheme (Scotland) reforms (including contribution rates) was prepared and is available at <http://www.gov.scot/Publications/2015/03/2855>

Financial Effects

The increase in pay bands on which contributions for members are based is beneficial to members

Business and Regulatory Impact Assessment

No Business and Regulatory Impact Assessment is necessary as the instrument has no financial effects on the Scottish Government, local government or business.

Scottish Public Pensions Agency
An Agency of the Scottish Government
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