

POLICY NOTE

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

S.S.I. 2017/28

The above instrument was made in the exercise of powers conferred by section 1(1) and (2) (e) and paragraph 5(b) of schedule 2 of the Public Service Pensions Act 2013 (“the Act”). The instrument is subject to negative procedure.

Policy Objectives

Amendments to the National Health Service Pension Scheme (Scotland) Regulations 2015 (SSI 2015/94)

Employee Contributions

The National Health Service Pension Scheme (Scotland) Regulations 2015 (“the 2015 Regulations”) require that members of the NHS Pension Scheme pay contributions to the Scheme as a condition of membership.

This instrument makes changes to the salary/earnings bands of the employee contribution tables in these Regulations. It was agreed during scheme reform discussions the employee contribution rates for period 1 April 2015 to 31 March 2019 would not change however this was on the basis that the pay/earnings bands set out in each tier would increase each year in line with national NHS pay awards in Scotland. The aim is to ensure that the tiering remains 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. The revised table will 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. For all other members the revised bandings will be applied from 1 April 2017.

Additional Information

In terms of section 22 of the Act, the Scottish Ministers are required to provide a report to the Parliament where they propose to make regulations changing (prior to 31st March 2040) a protected element of the scheme. Section 22(5) of the Act lists members’ contribution rates as one of the “protected elements”. This report was laid before the Scottish Parliament on 21 December 2016.

Other Amendments to 2015 Regulations

Amendments are made:

- as a consequence of the abolition of contracting out and increase in the guaranteed minimum pension
- to enable the forfeiture of a spouse’s or surviving civil partner’s guaranteed minimum pension where the beneficiary is convicted of murder or culpable homicide
- to allow conversion of pension into lump sum where the sums involved are trivial.
- to update references to the Pension Schemes Act 1993

- to reflect shared parental leave.
- to amend the provisions relating to pensions for a surviving spouse or surviving civil partner
- to amend the provisions relating to the amount of child pension so as to exclude from its calculation any upper tier ill-health pension
- to amend the provisions relating to opting-out and re-joining the scheme so as to enable a person with two employments to opt out of one but continue as an active member of the scheme in respect of the other

Amendments to the National Health Service Pension Scheme (Transitional and Consequential Provisions) (Scotland) Regulations 2015

Amendments are made to:

- insert a new regulation 10A to deal with the effect of recommencing pensionable service following a break in employment and its effect on the calculation of, where appropriate, an ill-health pension or a death in service benefit
- make a technical amendment to the lifetime allowance condition so that it mirrors the provisions of the 2015 Regulations
- amend the table in regulation 38 to ensure that the correct proportion of a child's pension is payable in the event of the death of a transitional member within 12 months of deferment of his pension

Consultation

To comply with the requirements of the Act, 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 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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