

POLICY NOTE

THE NATIONAL HEALTH SERVICE PENSION SCHEME (SCOTLAND) (MISCELLANEOUS AMENDMENTS) (NO. 2) REGULATIONS 2017

S.S.I. 2017/433

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 so that no member should have to pay a higher contribution as a result of their annual pay rise. This SSI will therefore insert into the Regulations at the appropriate points a revised employee contribution table to reflect the pay uplift from 1 April 2017. The revised table will be applicable with retrospective effect from 1 April 2017 for officer members changing employment within the scheme year 2017/2018, 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 2018.

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 (SG/2017/281) was laid before the Scottish Parliament on 8 December 2017.

Other Amendments to the 2015 Regulations

Other amendments are made to correct or to make clearer existing scheme provisions. These include clarification that members have the opportunity to take out an election to buy out the actuarial reduction once in respect of each period of pensionable service. Amendments to Schedule 7 are made to include circumstances not adequately provided for in the current regulations in respect of a member’s pension account.

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

Amendments are made to provide that the credit of earnings for added years being purchased under transitional arrangements by practitioners transitioning to the CARE scheme to be correctly uprated. Also Paragraph 28 has been updated to ensure that survivor benefits are paid at the correct rate if the member dies before reaching the old scheme normal pension age.

Consultation

To comply with the requirements of the Act, a formal policy consultation took place from 28 September 2017 to 30 October 2017. In particular, representatives of NHS employers and employees, other Scottish Government interests and UK Government departments were consulted. One response to the consultation was received. The comments were on technical matters and amendments have been incorporated where appropriate.

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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