

POLICY NOTE

THE NATIONAL HEALTH SERVICE PENSION SCHEME (SCOTLAND) (ADDITIONAL VOLUNTARY CONTRIBUTIONS) REGULATIONS 2018

SSI 2018/124

The above instrument was made in exercise of the powers conferred by sections 10 and 12 and schedule 3 of the Superannuation Act 1972. The instrument is subject to negative procedure

Policy Objectives

These regulations largely re-enact the National Health Service Superannuation Scheme (Scotland) (Additional Voluntary Contributions) Regulations 1998 with consolidation of all amendments to that instrument. There is no new policy introduced by this instrument.

The regulations constitute the statutory basis for the NHS (Scotland) Pension Scheme's Money Purchase Additional Voluntary Contribution (MPAVC) facility which was first introduced on 1 February 1991.

The MPAVC facility is administered on behalf of the scheme by Standard Life Assurance Ltd and offers a tax-efficient and flexible method of supplementing the benefits paid by the pension scheme. Members can pay AVCs to increase their own income in retirement, to provide or increase pensions for their dependants or to provide a lump sum payable in the event of death in service. Unlike the main NHS scheme benefits AVC benefits can also be taken in cash under the pension flexibilities introduced from April 2015. Contributions are deducted from salary by the employer and paid directly to Standard Life where they are subsequently invested.

The regulations also provide a facility for NHS employers to pay AVC contributions on behalf of employees as part of workforce management flexibilities. Contributions paid by employers are invested by Standard Life on behalf of the member.

Consultation

To comply with the requirements of section 10(4) of the Superannuation Act 1972 a formal policy consultation took place from 24 November 2017 to 19 January 2018. In particular, representatives of NHS employers and employees, other Scottish Government interests and UK Government departments were consulted. There were no responses to this consultation.

Impact Assessments

As this is a consolidation of regulations already in force no impact assessment has been carried out.

Financial Effects

The Cabinet Secretary for Finance and the Constitution confirms that no BRIA is necessary as the instrument has no financial effects on the Scottish Government, local government or on business.

Scottish Public Pensions Agency
An Agency of the Scottish Government
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