

EXECUTIVE NOTE TO

**THE NATIONAL HEALTH SERVICE SUPERANNUATION SCHEME
(ADDITIONAL VOLUNTARY CONTRIBUTIONS, INJURY BENEFITS AND
COMPENSATION FOR PREMATURE RETIREMENT) (SCOTLAND)
AMENDMENT REGULATION 2008
SSI/2008/225**

1. The above instrument is made in exercise of the powers conferred by sections 10, 12 and 24 of, and Schedule 3 to, the Superannuation Act 1972. These powers have been transferred to the Scottish Ministers by virtue of the Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc.) Order 1999 (S.I. 1999/1750). The instrument is subject to the negative resolution procedure.

Background

2. In December 2002, the UK Government published a Green Paper entitled “Simplicity, security and choice: Working and saving for retirement” (CM5677). Following on from this, in June 2003, “Working and saving for retirement – action on occupational pensions” (Cm 6111) made recommendations that all public service pension schemes should be reviewed to reflect improved longevity and to ensure future arrangements were affordable and sustainable. In common with other public service schemes; the NHS Pension Scheme for Scotland has been under review since 2003.
3. The terms of the review and the resulting recommendations agreed by the Scottish Ministers was undertaken by the Scottish Pensions Review Group (SPensiR)¹. As a result amendments to the NHS pension scheme for Scotland have been made by the National Health Service Superannuation Scheme (Scotland) Amendment Regulations 2008, for those members covered by the National Health Superannuation Scheme (Scotland) Regulations 1995 (S.I. 1995/365), and by the National Health Service Pension Scheme (Scotland) Regulations 2008 which covers those members recruited from 1st April 2008.

Policy Objectives

4. The National Health Superannuation Scheme (Scotland) (Additional Voluntary Contribution) Regulations 1998 (S.I. 1998/1451) and the National Health Service (Scotland) (Injury Benefits) Regulations 1998 (S.I. 1998/1594) contain references to the National Health Service Superannuation Scheme (Scotland) Regulations 1995. As part of the pension reform outlined above those references need to be updated to take account of the corresponding references in the National Health Service Pension Scheme (Scotland) Regulations 2008 which outline the terms of the NHS pension scheme for members who are recruited from 1st April 2008.

¹ A partnership between employers, trade unions/professional organisations for the NHS in Scotland and the Scottish Government.

5. Regulations 2 and 3 of this instrument insert corresponding references to regulations in the National Health Service Pension Scheme (Scotland) Regulations 2008. These amendments do not effect any changes to entitlement.
6. Regulation 4 of this instrument amends regulation 4 of the National Health Service (Compensation for Premature Retirement) (Scotland) Regulations 2003 (S.S.I. 2002/1311). Transitional arrangements for the phased withdrawal of provisions that awarded additional service on redundancy to members covered by the National Health Service Superannuation Scheme (Scotland) Regulations 1995 were introduced from December 2006. This amendment provides for the earnings cap to continue to apply in respect of the amount of pension for the additional service if a member was subject to the cap before 1st April 2008.
7. The earnings cap was removed for service from 1st April 2008 as part of the pension reforms made to the NHS pension scheme.

Sensitivity

8. The Regulations are not contentious.

Consultation

9. Given that the changes are primarily consequential and to ensure that the regulations were finalised along side those covering the main pension reform detailed above a short consultation period of 3 weeks was provided for the period 22nd February to the 14th March. One response to the consultation was received simply agreeing to the amendments being proposed.

Financial implications

10. The changes in this instrument are consequential on the changes made under the pension reform and do not introduce any separate financial costs.
11. A Regulatory Impact Assessment has not been prepared for this instrument as it has no adverse impact on business, charities or voluntary bodies.

Scottish Public Pensions Agency
June 2008