



NHS Pension Scheme (Scotland) 2015

Your pension scheme is changing

CARE about your future

sppa
SCOTTISH PUBLIC PENSIONS AGENCY

On 1 April 2015 a new NHS Scotland Pension Scheme will be introduced.

This means that on 31 March 2015, both the 1995 and 2008 sections of the current NHS Scotland Pension Scheme (NHS 1995 and NHS 2008) will close to new members, and a new pension scheme will be introduced – the NHS Pension Scheme (Scotland) 2015 (NHS 2015).

How does the new NHS 2015 scheme affect me?

Not everyone will have to move to the new NHS 2015 scheme. Members close to retirement will have their current pension provisions fully protected and will not move to the new scheme. Members slightly further from retirement will have what is known as tapered protection, meaning they can delay joining the NHS 2015 scheme until a specified date in the future. All other members will move to the new scheme on 1 April 2015.

SPPA's letter which accompanies this leaflet should confirm which category you fall into and therefore if, and when, you will move to the NHS 2015 scheme.

Alternatively, you can go to www.2015.sppa.gov.uk where you will find more information to help you assess how you will be affected.

How does the NHS 2015 scheme work?

The NHS 2015 scheme works on a Career Average Revalued Earnings basis, known as CARE. This is different to the Final Salary approach of both NHS 1995 and NHS 2008, where pensions are based on salary at, or close to, retirement.

The benefits you have earned up to the point you move to the NHS 2015 scheme are protected and these will continue to be worked out with reference to your Final Salary. This includes any benefits earned by Special Class members and Mental Health Officers.

In a CARE system, however, pensions are based on earnings in each year of scheme membership. From the point you move to the NHS 2015 scheme, you will earn a pension equal to 1/54 of your earnings in each scheme year.

When you retire, your pension from the NHS 2015 scheme will be based on 1/54 of the total amounts earned each year, revalued to take account of inflation. The illustration opposite explains this in more detail. If you are a General or Dental Practitioner, you are already earning benefits in a similar way.

When you come to retire, you can choose to exchange part of your NHS 2015 scheme pension for a tax-free lump sum. This is similar to arrangements currently in place for NHS 2008 members, but the provision of a lump sum is no longer automatic as it was for members of NHS 1995.

If you are a member of NHS 1995, your current normal pension age is 60 or 55 if you have Special Class or Mental Health Officer status. If you are in NHS 2008, your current normal pension age is 65.

In the new NHS 2015 scheme, your normal pension age will be the same as your State Pension age.

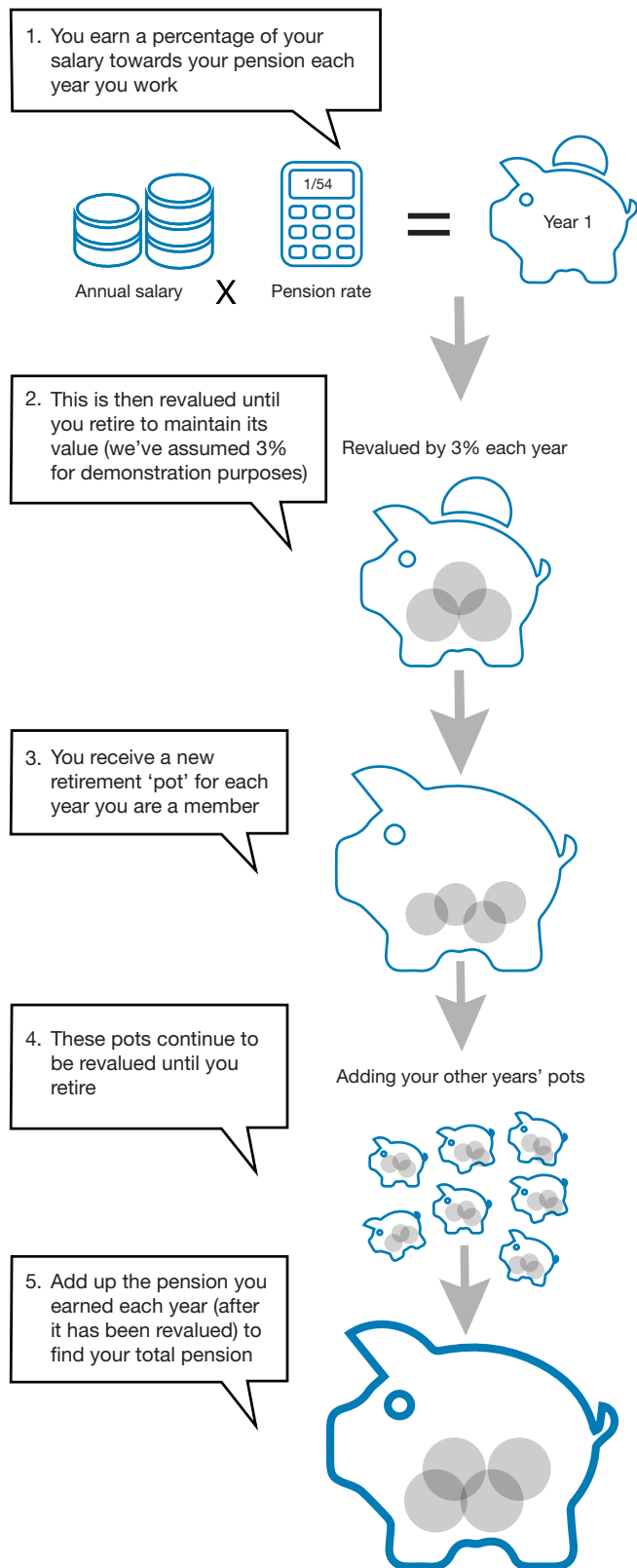
You can still take any benefits earned up to the point you move to the NHS 2015 scheme at your normal pension age under the previous scheme.

It is up to you whether you take both pensions at the same time or not, although if you take your 2015 benefits early (i.e. before your State Pension age) they will be reduced to reflect the fact that they will have to be paid out for longer.

You can find out what your State Pension age is by visiting www.gov.uk/calculate-state-pension

The NHS 2015 scheme also provides valuable benefits for your family. Full details on the range of benefits are available at www.2015.sppa.gov.uk

How the CARE scheme works



The parameters used here are purely illustrative and are not recommendations. This diagram has been prepared by Hymans Robertson LLP.

Coming soon – choice exercises

NHS 1995 members

If you were a member of the pension scheme when the 2008 section was introduced, you may recall that you were offered the opportunity to move your service from the 1995 section to the 2008 section.

Some NHS 1995 members may have made a different decision had they known that the changes represented by the NHS 2015 scheme were coming. It has therefore been agreed to give NHS 1995 members, who did not originally move and do not have full protection, a second opportunity to move their service to the 2008 section under what is known in Scotland as the 1995 Section Choice Exercise.

NHS 2008 members

Some members of NHS 2008 who have full or tapered protection may be better off forgoing this, and switching to the NHS 2015 scheme from 1 April 2015, depending on their personal circumstances and career plans. It has therefore been agreed to give NHS 2008 members who have full or tapered protection the option to forgo protection as part of what is known in Scotland as the 2008 Section Choice Exercise.

Members who decide to give up protection will have their benefits under the NHS 2015 scheme backdated to 1 April 2015.

Do I have to decide now?

No, you do not have to do anything now. SPPA will write to you during 2015 to explain this in more detail and provide information to help you make a decision.

Our commitment to you

We would like to issue all future communications to you electronically. Please write to the SPPA if you wish to opt out of this service and continue to receive paper communications.



Where can I find out more?

If you visit our dedicated website www.2015.sppa.gov.uk you can find - amongst other things - scheme guides, worked examples and a short animated film explaining the changes. Clicking on the 'What does this mean for me?' link should help you find information specific to your circumstances.



You can also login to MyPension online service, your secure online area, to:

- View or print out your latest annual statement
- Use the online calculators to estimate your pension and lump sum options
- Make requests and tell us if your circumstances have changed.

You can write to us at: Scottish Public Pensions Agency, 7 Tweedside Park, Tweedbank, Galashiels, TD1 3TE.

To speed up the process of replying, any enquiry about your pension should ideally include your name, date of birth and either your National Insurance or superannuation number.

Important note

We've used information from your employer to work out which section of the NHS Pension Scheme you joined and whether or not you qualify for protection. Any wrong or incomplete data could affect the accuracy of the information we have provided.