

## National Health Service Superannuation Scheme (Scotland)

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Our ref: NHS/01/36  
16 December 2014

Dear Colleagues

### Addendum to the Consultation on “The National Health Service 2015 Pension Scheme (Scotland) Regulations” and “The National Health Service (Scotland) Superannuation Scheme (Miscellaneous Amendments) Regulations 2015”

This letter is to advise you about additional information to be included in the consultation on draft regulations for the new NHS pension scheme for Scotland which will be introduced from 1 April 2015. **This Consultation will run from 16 December 2014 to 11 January 2015.**

The NHS Scotland Framework Document (available on the SPPA website at [http://www.sppa.gov.uk/index.php?option=com\\_content&view=article&id=839&Itemid=1531](http://www.sppa.gov.uk/index.php?option=com_content&view=article&id=839&Itemid=1531)) sets out that member contributions for the scheme will be on a tiered basis and produce a total yield of 9.8% of total pensionable pay. Using the rates being introduced in England and Wales as a starting point a number of options have been considered by the Scottish Pension Group (SPG) regarding the rates and structure for member contributions to be introduced in Scotland from April 2015. SPG is the tripartite group used to advise on the terms of the NHS scheme in Scotland and includes members representing employers, trade unions and the Scottish Government. Following its meeting on 9 December SPG concluded that its preferred option was as follows:

Tier	Whole time pensionable pay	Contribution (gross) 2014/15	Contribution (gross) 2015/16	Increases on 2014/15
1	£15,828 or below	5.0%	5.2%	+0.2%
2	£15,829-£21,601	5.6%	5.8%	+0.2%
3	£21,602- £27,089	7.1%	7.3%	+0.2%
4	£27,090-£49,967	9.3%	9.5%	+0.2%
5	£49,968-£71,337	12.5%	12.7%	+0.2%
6	£71,338-£111,376	13.5%	13.7%	+0.2%
7	£111,377 or more	14.5%	14.7%	+0.2%



The rates are 0.2% higher than those being applied in England and Wales for the following reasons:

- The pay bands set out in each tier will increase each year in line with national NHS pay awards in Scotland. This will ensure that the tiering remains in line with annual increases in members pay and;
- In tier 4 the maximum pay band is retained at its current limit of £49,967. If the lower England and Wales tier 4 maximum band of £47,845 were to be applied this would see up to 1,000 members earning between £47,845 and £49,967 moving into a higher tier resulting in a gross increase of 3.3% for those affected.

SPPA is currently consulting on legislative changes to the NHS scheme regulations to provide for the introduction of the reformed scheme from April 2015 and the continuation of the current 1995 and 2008 sections for those who are eligible for protection. Comments are requested by 4 January for those consultations and full details of the consultations can be found on the SPPA web site at [www.sppa.gov.uk](http://www.sppa.gov.uk) or via the following link:

[http://www.sppa.gov.uk/index.php?option=com\\_content&view=article&id=713&Itemid=484](http://www.sppa.gov.uk/index.php?option=com_content&view=article&id=713&Itemid=484)

Both previous consultation letters issued in November confirmed that a further consultation would be undertaken when details of the member contributions were known and the draft regulations include a section for member contribution rates both for the 2015 scheme and for those who will remain in the current 1995 and 2008 section from 1 April 2015. This letter acts as an addendum to both consultations and the attached annexes set out revised extracts of the draft regulations to include the proposed rates as set out above. Any comments you have **should be made by 11 January 2015 as part of the main consultations.**

We intend to publish a summary of consultation responses in due course and would like to be able to include any response you make in that summary. However, if you ask us not to publish your response to this consultation we will regard it as confidential, and we will treat it accordingly.

Respondents should also be aware that the SPPA is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and will have to respond appropriately to any relevant request made to the Agency under that Act for information concerning this consultation exercise.

Yours faithfully



**Chad Dawtry**  
**Director of Policy**

#### **Addressees**

HR Directors NHS Boards  
Finance Directors and Payroll managers  
Scottish NHS Pensions Group (SPG)  
Scottish Terms and Conditions Group

SPPA Technical Working Group  
NHS Trade Unions and Professional Organisations  
Scottish General Practitioners Committee  
Institute of Health Service Management  
Scottish Practice Nurse Association  
Women's National Committee  
SGHD Directorate of Primary Care  
SGHD Health Workforce Directorate  
SGLD Finance  
NHS Retirement Fellowship  
Home Office, Police and Firemen's Pension Schemes  
Department of Health and Social Services, Northern Ireland  
NHS BSA Pensions Division  
Department for Children, Schools and Family  
Cabinet Office  
Department for Communities and Local Government  
DWP  
GAD (for information)  
HM Treasury  
SGLD  
SPPA (Senior Managers, Policy and Technical Team)



## Extract from the National Health Service Pension Scheme (Scotland) Regulations 2015

### “30. Members’ contributions: employees

—a) This regulation applies in relation to an active member (M) who belongs to group A, B, C, or D in regulation 27(1).

M must make contributions to this scheme (“members’ contributions”)—

in respect of M’s pensionable earnings;

at M’s contribution rate for the scheme year in question.

Where paragraph 2 of Schedule 10 (determination of pensionable earnings for the purposes of setting a contribution rate for members) applies, M’s contribution rate for the scheme year 2015/16 is the percentage specified in column 2 of the following table in respect of the corresponding pensionable earnings band specified in column 1 into which M’s pensionable earnings fall.

Table: Scheme Year 2015/16

<i>Column 1</i> <i>Pensionable earnings (WTE) 2014-2015</i>	<i>Column 2</i> <i>Contribution percentage rate</i>
Up to £15,828	5.2%
£15,829 - £21,601	5.8%
£21,602 - £27,089	7.3%
£27,090 - £49,967	9.5%
£49,968 - £71,337	12.7%
£71,338 - £111,376	13.7%
£111,377 and above	14.7%

The Scottish Ministers, with the consent of the Treasury, must determine the pensionable earnings bands and contribution percentage rates in the tables set out in this regulation in respect of each subsequent scheme year.

M’s employing authority must deduct member contributions from M’s pensionable earnings and pay them to the scheme manager not later than the 19<sup>th</sup> day of the month following that in which the earnings were paid to M.

If M’s employing authority has failed to deduct contributions pursuant to paragraph (5), the scheme manager may recover the amount of unpaid contributions by deduction from benefit payable to, or in respect of, M if the scheme manager has notified M of an intention to do so.

### 31. Members’ contributions: practitioners and non-GP providers

—b) This regulation applies to an active member (M) who belongs to group E in regulation 27(1).

M must make contributions to this scheme (members’ contributions)—

in respect of M’s pensionable earnings;

at M’s contribution rate for the scheme year in question.

M’s contribution rate for the scheme year 2015/16 is the percentage specified in column 2 of the table in paragraph (9) (the Table) in respect of the corresponding pensionable earnings band specified in column 1 of the Table into which the M’s pensionable earnings fall.

The Scottish Ministers must—

with the consent of the Treasury; and

having considered the advice of the scheme actuary,

determine the pensionable earnings bands and contribution percentage rates specified in the Table in respect of each subsequent scheme year.

In determining members contributions payable in accordance with this regulation, A contracting health board (or in the case of a dentist or ophthalmic medical practitioner, the health board with which they have an arrangement to provide general dental services or general ophthalmic services) employing authority or someone appointed to act on their behalf must take account of pensionable earnings from all practitioner service.

An employing authority that is not a Contracting Health Board must, in respect of pensionable earnings it pays to M, take advice from a relevant Contracting Health Board (or someone appointed to act on its behalf) in determining the contributions payable in accordance with this regulation.

If M is engaged under a contract of service or for services by an employing authority or is a partner or shareholder in an employing authority that is not an OOH provider, the authority must—

deduct contributions due under this regulation from any pensionable earnings it pays to M, and

if it is not also the Contracting Health Board, pay the contributions to the Contracting Health Board (or someone appointed to act on its behalf) not later than the 7<sup>th</sup> day of the month following the month in which the earnings were paid.

In any other case, M must pay members contributions to the Contracting Health Board or someone appointed on its behalf.

The Table—

**Table: Scheme Year 2015/16**

<i>Column 1</i>	<i>Column 2</i>
<i>Pensionable earnings (Actual) 2015/2016</i>	<i>Contribution percentage rate</i>
Up to £15,828	5.2%
£15,829 - £21,601	5.8%
£21,602 - £27,089	7.3%
£27,090 - £49,967	9.5%
£49,968 - £71,337	12.7%
£71,338 - £111,376	13.7%
£111,377 and above	14.7%

Regulations 38 and 39 make provision supplementary to this regulation and references in those regulations to the Table must be construed in accordance with paragraph (3).”

## Extract from the National Health Service Superannuation Scheme (Scotland) (Miscellaneous Amendments) Regulations 2015

### Amendment of 2011 Regulations (1995 Section)

#### “Amendment of regulation D1

In regulation D1 (contributions by members), for paragraph (2) substitute—

“(1A) A member’s contribution rate for the scheme years 2015-2016 is the percentage specified in column 2 of the following table in respect of the corresponding pensionable pay band specified in column 1 of that table into which the member’s pensionable pay falls.

Table: Scheme Year 2015/16

<i>Column 1</i> <i>Pensionable earnings (WTE) 2014-2015</i>	<i>Column 2</i> <i>Contribution percentage rate</i>
Up to £15,828	5.2%
£15,829 - £21,601	5.8%
£21,602 - £27,089	7.3%
£27,090 - £49,967	9.5%
£49,968 - £71,337	12.7%
£71,338 - £111,376	13.7%
£111,377 and above	14.7%

#### Amendment of Schedule 1

In Schedule 1 (medical and dental practitioners), for sub-paragraph (2) of paragraph 14 (contributions to this Section of the scheme) substitute—

“(2) For the purposes of this paragraph, the “relevant table” means—

- (a) in respect of the 2014-2015 scheme year, table 1;
- (b) in respect of the 2015-2016 scheme year, table 2.

**Table 1**

#### **Scheme Year 2014-2015**

<i>Column 1</i> <i>Pensionable Earnings Band</i>	<i>Column 2</i> <i>Contribution Percentage Rate</i>
Up to £15,828	5%
£15,829 to £21,601	5.6%
£21,602 to £27,089	7.1%
£27,090 to £49,967	9.3%
£49,968 to £71,337	12.5%

£71,338 to £111,376	13.5%
£111,377 to any higher amount	14.5%

**Table 2: Scheme Year 2015-2016**

<i>Column 1</i> <i>Pensionable Earnings Band</i>	<i>Column 2</i> <i>Contribution Percentage Rate</i>
Up to £15,828	5.2%
£15,829 - £21,601	5.8%
£21,602 - £27,089	7.3%
£27,090 - £49,967	9.5%
£49,968 - £71,337	12.7%
£71,338 - £111,376	13.7%
£111,377 and above	14.7%

## Amendment of the 2013 Regulations (2008 Section)

### **Amendment of regulation 2.C.2**

In regulation 2.C.2 (contribution rate for members other than non-GP providers)—  
for paragraph (2), substitute—

“(2) A member’s contribution rate for each of the scheme years 2015-2016 inclusive is the percentage specified in column 2 of the following table in respect of the corresponding pensionable pay band specified in column 1 of that table into which the member’s pensionable pay falls.

**Table : Scheme Year 2015-2016**

<i>Column 1</i> <i>Pensionable Pay Band(WTE)</i>	<i>Column 2</i> <i>Contribution Percentage Rate</i>
Up to £15,828	5.2%
£15,829 - £21,601	5.8%
£21,602 - £27,089	7.3%
£27,090 - £49,967	9.5%
£49,968 - £71,337	12.7%
£71,338 - £111,376	13.7%
£111,377 and above	14.7%

omit paragraph (3).

### **Amendment of regulation 2.C.4**

For paragraph (20) of regulation 2.C.4 (contribution rate and determination of pensionable earnings for non-GP providers), substitute—

“(20) For the purposes of this paragraph, the “relevant table” means—

- (a) in respect of the 2014-2015 scheme year, table 1;
- (b) in respect of the 2015-2016 scheme years, table 2.



**Table 1**  
**Scheme Year 2014-2015**

<i>Column 1</i> <i>Pensionable Earnings Band</i>	<i>Column 2</i> <i>Contribution Percentage Rate</i>
Up to £15,828	5%
£15,829 to £21,601	5.6%
£21,602 to £27,089	7.1%
£27,090 to £49,967	9.3%
£49,968 to £71,337	12.5%
£71,338 to £111,376	13.5%
£111,377 to any higher amount	14.5%

**Table 2**  
**Scheme Year 2015-2016**

<i>Column 1</i> <i>Pensionable Earnings Band</i>	<i>Column 2</i> <i>Contribution Percentage Rate</i>
Up to £15,828	5.2%
£15,829 - £21,601	5.8%
£21,602 - £27,089	7.3%
£27,090 - £49,967	9.5%
£49,968 - £71,337	12.7%
£71,338 - £111,376	13.7%
£111,377 and above	14.7%

### Amendment of regulation 3.C.2

For paragraph (13) of regulation 3.C.2, substitute —

“(13) For the purposes of this paragraph, the “relevant table” means—

- (a) in respect of the 2014-2015 scheme year, table 1;
- (b) in respect of the 2015-2016 scheme years table 2.

**Table 1**  
**Scheme Year 2014-2015**

<i>Column 1</i> <i>Pensionable Earnings Band</i>	<i>Column 2</i> <i>Contribution Percentage Rate</i>
Up to £15,828	5%
£15,829 to £21,601	5.6%
£21,602 to £27,089	7.1%
£27,090 to £49,967	9.3%
£49,968 to £71,337	12.5%
£71,338 to £111,376	13.5%
£111,377 to any higher amount	14.5%

**Table 2**  
**Scheme Year 2015-2016**

<i>Column 1</i>	<i>Column 2</i>
<i>Pensionable Earnings Band</i>	<i>Contribution Percentage Rate</i>
Up to £15,828	5.2%
£15,829 - £21,601	5.8%
£21,602 - £27,089	7.3%
£27,090 - £49,967	9.5%
£49,968 - £71,337	12.7%
£71,338 - £111,376	13.7%
£111,377 and above	14.7%

