

Taking personal responsibility for your NHS Pension

A guide for general practice nurses

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Introduction

Our lives can be divided into several sections, commencing with our childhood, and moving through to retirement. Whatever else may be impossible to predict, ageing is inevitable. Without careful planning we can find ourselves in difficulty during our golden years, if we have failed to consider what our financial requirements will be in retirement and how we are going to meet them. We would ideally like to know we will be able to fund life's necessities.

CapitalNurse has commissioned the writing of this guide so that general practice nurses (GPNs) can be informed about their pensions throughout their career in general practice. It is intended to serve as a guide for those starting a career in general practice as well as those approaching and considering their retirement plans. Having information about pensions will help GPNs take control and manage their approach to retirement and may increase loyalty and job satisfaction.

Pensions and practice nursing an introduction to this guide.

In order to put your membership of the NHS Pension Scheme into perspective, it is helpful to give a little of the background to the scheme.

The NHS Pension Scheme was created in 1948. Although general Practitioners were and still are not technically NHS employees, they were allowed to be a part of the scheme. At that time there were no nurses working in primary care, but gradually we saw the introduction of Health Promotion Nurses and then Practice nurses. By the mid 1980's we saw the active recruitment of GP employed Practice nurses and by 1996 there were around 17,898 Practice nurses¹ working in general practice, most of whom were part-time. At that time Practice nurses and other primary care staff were still not allowed to join the NHS Pension Scheme as they were not seen as NHS employees. Nurses who moved from hospital service into primary care had to terminate their pension membership and many started contributing to private pension schemes, usually with no contribution from their GP employer.

Membership was finally extended to general practice employed staff in September 1997. From day one, all eligible staff should have been automatically brought into the NHS pension scheme, but some staff were either covertly or overtly discouraged from membership.

At that time there was a single scheme known as the 1995 Scheme. Since then, there have been a further two schemes called respectively the 2008 and the 2015 Schemes. The first two are now closed to new entrants and everyone without full transition protection will be or will soon become a member of the 2015 Scheme.

¹ The current figures are around 24,000 Practice Nurses - www.healthcareers.nhs.uk

Why does it matter which scheme I am in?

The benefits for each scheme are different and depending on when you joined the NHS Pension Scheme, how old you are and whether you have had any breaks of service of more than 5 years, you may be able to continue to receive 1995 scheme benefits when you retire.

Over the years there have been two NHS Pension Choice exercises. In the first, eligible members were given a one-off option to move all their membership from the 1995 Section into the 2008 Section. Then when the 2015 Scheme was brought in, many of you who had previously opted to stay in the 1995 Section, were again given the opportunity to move. Those Practice nurses without protection or tapered protection automatically transitioned to the 2015 Scheme. (For more information on 'protection' and 'tapered protection' see the information video on the NHS Pensions website called: "Which type of member am I?").

So, what are the primary differences between the 1995/2008 and 2015 schemes?

Probably the one that attracts the most attention is the 'normal retirement age' (NRA).

As a nurse you may qualify for 'special class' status (SCS). To receive full pension benefits from the age of 55 you must fulfil all of the following criteria:

- You were a member of the NHS Pension Scheme on or before 6th March 1995 in pensionable employment as a nurse (this therefore often excludes Practice nurses who were employed in general practice at that time).
- You have spent your last 5 years of pensionable employment as a nurse.
- You had not had a break in pensionable service of any one period of 5 years or more.

If in doubt about your current SCS status, speak to your Practice Manager or contact the NHS Pensions Employee Helpline.

1995

- 60 years of age (without loss of benefits).
- 55 years of age for 'Special Class' members.
- 50/55 years of age with sliding scale of benefit reductions.

2008

- 65 years of age (without loss of benefits).
- 55 years of age with sliding scale of benefit reductions depending on age.

2015

- Normal State Pension Age (which is increasing).

- 55 years of age with sliding scale of benefit reductions based on how many years early you retire.

What are the benefits I will derive from being a member of the NHS Pension scheme?

The scheme carries a number of benefits, including:

- When you retire – a pension is payable for life (fully guaranteed by the Government) and it will increase annually based on the Consumer Price Index (CPI).
- You will not pay tax on the pension contributions you make.
- Your employer will contribute 14.3% of your pensionable pay to help meet the needs of your benefits (plus a 0.08% administration fee) and the NHS will add a further 6.3% (figures current in 2020) – so the employer contributes 20.6% towards your retirement pension.
- You can choose to swap some of your pension pot for a one-off lump sum when you retire (this is usually up to 25% and tax-free).
- If you become too unwell to work you could take an early ill health retirement pension and if you sadly pass away, the scheme provides death benefits which include a pension for partners and dependent children.²
- Many staff are able to increase the value of their pension through Early Retirement Reduction Buy Out (ERRBO), Additional Pension arrangements or Money Purchase Additional Voluntary Contributions (MPAVC) (information available on the NHS Pensions website).
- Depending on your membership type there are flexibilities around taking your pension and continuing to work.³
- If you choose to retire before your normal NHS pension scheme retirement age, you can do so at a reduced rate.

So, the scheme is very flexible, and your Annual Benefit Statement will keep you up to date on how your pension benefits are accruing.

When you first join the NHS Pension Scheme, you will be allocated a membership number (SD number) and this will follow you throughout your NHS career regardless of whether you are working in primary, community or secondary care.

What if I have been told I cannot join the NHS Pension Scheme?

There are very few general practice staff who are not automatically enrolled in the NHS Pension Scheme.

² becomes available after 2 years' membership.

³ applies to specific schemes only.

Those who are not eligible to enrol include:

- someone already drawing a standard pension (not an ill health pension) under the 1995 NHS Pension Scheme and aged 50 years or over.
- someone over the age of 75 years.

If you are refused membership and/or encouraged to join an alternative scheme (such as NEST), you should contact the NHS Pensions Employee Advice Line to ensure your employer is acting legally.

Deciding to opt-out might seem like a good idea if finances are tight, but you do need to consider your financial future. Legislation does not allow your practice to give you financial advice, but if you are thinking of leaving the scheme, it is advisable to seek the advice of a Financial Conduct Authority (FCA) approved Independent Financial Adviser who is familiar with the NHS Pension Schemes. As a member of the RCN, you may be entitled to a complimentary financial review – check their website for further details.

If you are ineligible, but still under state retirement age, your practice are required to enrol you in an alternative pension scheme. These usually have a lower contribution rate, but do not usually offer the breadth of benefits. The scheme that is commonly used by practices is called the National Employment Savings Trust (NEST).

All companies in the United Kingdom were phased into the state Auto-Enrolment Scheme between 2012 and 2018. Most general practices had received their personal enrolment date by 2016. Since Auto-Enrolment became law, all practices must re-enrol their employed staff into a pension scheme every three years (in line with their specified auto-enrolment date). Individuals can however choose to opt-out again, but the practice cannot provide the opt-out forms. You can obtain these from the NHS Pensions website or the official website of whichever alternative scheme you are enrolled in if you are ineligible for the NHS Pension Scheme.

If you opt-out of the NHS Pension Scheme within 24 months of joining, you can choose to claim back your contributions, however the practice will lose all the money they have paid into the scheme on your behalf. Ideally you should make your decision before the first pay run.

You can decide to opt back into the appropriate pension scheme at any time up to the scheme or the state retirement age (whichever is the lower age).

How can I maximise my pension?

Depending on the particular Scheme you are in, there are a number of factors that will influence the value of your NHS Pension. Both the 1995 and 2008 Sections are classed as 'Final Salary' schemes, but they look at different indicators.

1995 Scheme

Final salary

Based on the best of the last 3 years' pensionable pay.

Length of pension membership

1/80th of pensionable pay per year and pro rata for any part year of membership.

Lump sum

3 x annual pension. Option to exchange part of your pension for more cash up to 25% of the capital value of your pension.

Nurses are sometimes misled into thinking that because this is a Final Salary scheme, it doesn't matter if they reduce their working hours in their last couple of years, as their pension can then be based on the year with the best income. However, only a full-time year of work buys one year's membership. Usually the whole-time equivalent hours (WTE) are 37.5 per week, so if someone only works 20 hours per week in year 2 of the last 3 years and 17.5 hours in the final year, these 2 years of service will only purchase 1 year of membership.

The larger the cash lump sum taken, the smaller the annual pension will be, but up to 25% is tax free, so this may be of value to for example, reduce any other types of interest charging debts.

2008 Scheme

Final salary

Based on the average of the best 3 consecutive years within the last 10 years

Length of pension membership

1/60th of reckonable pay per year and pro rata for any part year of membership

Lump sum

Option to exchange part of your pension for a lump sum up to 25% of the capital value of your pension.

This is still a Final Salary scheme but is based on pensionable income over a wider range of years. Again, part-time working significantly affects the final pension.

2015 Scheme

Final salary

Based on a proportion of the pensionable earnings in each year of membership.

Length of pension membership

1/54th of each years' pensionable earnings, re-valued each year in line with a rate set by the Treasury plus 1.5% whilst in active membership.

Lump sum

Option to exchange part of your pension for a lump sum up to 25% of the capital value of your pension.

It is a defined benefits pension scheme that is based on your Career Average Revalued Earnings (CARE) and not on your final salary. It looks at your earnings throughout your NHS pensionable employment and the sums earned are re-valued at the beginning of each following scheme year at a rate set by the Treasury plus 1.5%. As this rate is variable, it is not possible to forecast the final figure as accurately as with the previous two schemes. However, your pension will be linked to what you have earned and how many years you have been a contributing member.

So, for you to maximise your final pension you need to think about the proportion of full-time hours that you work and aim to maximise your salary where possible. As a part-time member of staff, you can increase your membership by working extra hours. Any additional hours worked up to the equivalent of a whole-time member of staff, will still be pensionable. It is worth checking how your particular employer calculates pensionable pay. They can choose to calculate it weekly, monthly, or even annually. The NHS Pensions Agency only look at the annual number of hours worked by part-time staff, to ensure they do not exceed WTE hours. Any overtime worked by a full-time member of staff is not pensionable. There are also some rules around differential hourly rates which means overtime at a higher rate will not be pensionable at that enhanced level.

Can I buy extra pension?

If you want to increase your pension still further and you are in good health, you can purchase Additional Pension in units of £250. There are maximum numbers of units you can purchase depending on which scheme you are in:

- £5,000 annual pension if you are a member of the 1995/2008 scheme.
- £6,500 annual pension if you are a member of the 2015 scheme (this limit may change in the future).

If you were originally in the 1995/2008 scheme and bought some extra pension at that time, then moved to the 2015 scheme, you can usually purchase additional pension in that scheme too.

You can choose to buy Additional Pension that covers dependants and further details are on the website.

You can also increase your pension using the Money Purchase Additional Voluntary Contributions (MPAVC) facility. These contributions are made into a separate retirement fund which is run on behalf of the NHS by two providers:

- Standard Life
- Prudential

There are specially negotiated NHS providers but as this money is invested with an external provider, the NHS Pensions Agency cannot guarantee the fund this money will produce. If this is of interest, you should contact the providers directly.

Another consideration if you are thinking of taking Early Retirement (i.e. before the specified Normal Retirement Age of your particular pension scheme), is to buy out the reduction using the Early Retirement Reduction Buy Out (ERRBO) scheme. This means you will not be penalised financially for retiring earlier than your scheme's retirement age, but there are still restrictions about minimum retirement ages.

Finally, there are limits to the amount of money you can invest in pensions over your lifetime without incurred tax charges. Currently this is £1.0731 million. For further information about the lifetime allowance and the potential tax implications visit the NHS Pensions website.

What if I have another pension?

When you are first eligible to join the NHS Pension Scheme, if you have another pension from a previous non-NHS employer, you have the opportunity to transfer it into the NHS scheme (you must be under normal retirement age and there are specific timescales within which this must occur). This gives the option of keeping all your non-state pension provision under a single provider.

1995 Section

- within 12 months of joining for the first time
- before normal retirement age.

2008 & 2015 Scheme

- within 12 months of becoming eligible to join the scheme for the first time
- before normal retirement age.

Transition Members⁴

- can transfer into the 1995 or 2008 Section.
- within 12 months of being eligible to join the 1995 or 2008 Section.

The provider of your original pension scheme will give you a Transfer Out figure and then when you apply to the NHS Pension Scheme, they will give you a Transfer In value. It is recommended to seek advice from an FCA approved Financial Adviser, to check whether making the transfer is the best financial option in your particular circumstances.

I don't think I can afford to stay in the NHS Pension scheme – what should I do?

It may sound as though you are contributing quite a lot of your salary, but the total contributions made are much higher. If you are thinking of leaving the pension scheme because you are finding the contributions unaffordable, you need to consider both the costs and the benefits.

Whether to remain in the scheme is your choice but bear in mind that the percentage contribution you make does increase in line with your salary. This is a government backed pension scheme. Another point to bear in mind is that if you choose to opt-out, your take home pay will not increase by the total amount of your pension contributions, as you will be paying extra Income Tax.

Below is an example of what it costs to be in the NHS Pension Scheme and how much is actually being contributed by you and your employer. Employee X is full-time (i.e., 37.5 hours per week) and is paid at the top of Band 6 on Agenda for Change Scales (i.e., £37,890 per annum). She has a Tax Code 1250L (standard code for 2020).

Annual Salary

With Pension £37,890.00

No Pension £37,890.00

Hourly Salary

With Pension £19.38

No Pension £19.38

Employee Pension Contribution Rate

With Pension £3,523.77

No Pension £0.00

⁴ A Transition Member is someone who is in the 2015 section and also is a member of the 1995/2008 scheme.

Employee National Insurance

With Pension £3,406.80

No Pension £3,406.870

Employee Tax

With Pension £4,373.25

No Pension £5,078.00

Annual Take Home Pay

With Pension £26,586.18

No Pension £29,405.20

Difference in Annual Take Home Pay £2,819.02

Although you are paying £3,523.77 into your pension, your take home pay is only reduced by £2,819.02 because pension contributions are tax free. Clearly the difference in your take home pay is significant – nearly £235 per month, but what is being paid into the scheme is considerably higher.

Total pension contributions

Employee annual contribution £3,523.77

Employer annual contribution⁵ £7,805.34

Total £11,329.11

This equates to nearly £950 per month of total pension contributions.

If you decide to opt-out of the NHS Pension Scheme you could of course pay into a Personal Pension Scheme, but your employer will not be contributing.

Something to bear in mind is that the State Pension is currently a maximum of £175.20 a week if you have paid sufficient years of full National Insurance contributions. So, in order to have a financially secure retirement, you are likely to need another source of income, either from savings or from a pension.

Before opting out, it is recommended to take advice from an Independent Financial Adviser. You can also later choose to opt back into the scheme if your financial situation changes.

I had a salary increase but my take-home pay is lower – how is this possible?

The NHS Pension Scheme Employee Contribution Rates are on a sliding scale according to your Whole Time Equivalent Salary (i.e., what you would earn per year,

⁵ this figure excludes the Employer's 0.08% Admin Fee.

if you worked full-time). This scale has remained static for several years but is due for review in 2021 (so check current rates). In 2020 the contribution rates are as follows:

Tier	WTE Pensionable Pay	Contribution Rate
1	up to £15,431.99	5.0%
2	£15,432.00 to £21,477.99	5.6%
3	£21,478.00 to £26,823.99	7.1%
4	£26,824.00 to £47,845.99	9.3%
5	£47,846.00 to £70,630.99	12.5%
6	£70,631.00 to £111,376.99	13.5%
7	£111,377.00 and over	14.5%

So, if your WTE salary rises from close to the top of one Tier, to the bottom of the next Tier, you are likely to find your take-home pay will be less. If you are on Agenda for Change pay scales, this hopefully will not happen, but of course GPs can choose to use their own Pay Scales and Terms and Conditions of Employment. If you are negotiating a pay increase, you might want to bear in mind whether it will move you into another Contribution Rate and the relative benefit this will bring to you.

Examples of factors that will affect the pension contributions payable by you and the practice.

There are several factors that may change the contributions made by you or your employer. Here we give two examples of situations that are likely to be encountered by Practice nurses in the course of their employment.

My practice only pays statutory sick pay – will this affect my contributions and/or pension?

If you received reduced pay whilst off sick, you pay your normal RATE of contribution, but only on the SICK PAY YOU RECEIVE. However, the practice has to pay contributions as if you were receiving full pay. If you do not receive any pay during a period of sickness (i.e., you have exceeded your practice and statutory sick pay allowance) then neither you nor the practice pay any contributions and those days do not count as pensionable days (these are called Disallowed Days and it is important that the practice keep a record of these and report them to the NHS Pensions (Business Services Authority) at the end of the year). If this is incorrectly handled, it will affect your final pension. The information below shows how this works.

Contributions payable (according to salary paid)

Practice nurse

Full Pay – Payable at rate appropriate to their WTE salary.

Reduced Pay – Payable on ACTUAL reduced pay only (but at normal % age rate).

SSP Only – Payable on SSP only (but at normal % age rate).

No Pay – All contributions stop. Membership no longer counts for benefits. These become 'Disallowed Days'.

Employer

Full Pay – Payable at standard Employer rate.

Reduced Pay – Payable on employee's NORMAL unreduced pay.

SSP Only – Payable on employee's NORMAL unreduced pay.

No Pay – All contributions stop. Membership no longer counts for benefits. These become 'Disallowed Days'.

I am going to be taking maternity Leave soon – will I still have to pay pension contributions?

Sometimes practice nurses are tempted to leave the pension scheme and then re-join when they return to work after their maternity leave because they feel they won't be able to afford to make contributions whilst on reduced pay. However, this will affect your final pension and you will lose all the other benefits. Of course, you hope that nothing will go wrong but if something did happen and you were unable to work again or worse, then you (or your family) would have lost all the potential financial support the pension scheme offers.

The way contributions work during Maternity, Paternity, Parental or Adoption Leave is different to the method for sick leave. If this is incorrectly handled, it will affect your final pension. Please see the information below.

Contributions payable (according to salary paid)**Practice nurse**

Full Pay – Payable at rate appropriate to their WTE salary.

Reduced Pay – Payable on ACTUAL reduced pay only (but at normal % age rate).

SSP Only – Payable on SSP only (but at normal % age rate).

No Pay – Based on pay immediately prior to unpaid leave.⁶

Employer

Full Pay – Payable at standard Employer rate.

Reduced Pay – Payable on employee's NORMAL unreduced pay.

SSP Only – Payable on employee's NORMAL unreduced pay.

No Pay – Payable on the employee's NORMAL unreduced pay.

⁶ Employee contributions during this period are usually collected when the Practice Nurse returns to work and most employers will allow you to pay it back over several months.

What happens if I become too ill to work?

One of the many benefits of being in the NHS Pension scheme is that it allows early Ill Health Retirement. In order to apply for this benefit, you must be leaving work because of permanent ill health. There are two tiers of benefit:

Tier 1

if you are permanently incapable of doing your NHS job because of physical or mental infirmity.

Tier 2

if you are permanently incapable of both your NHS job and permanently incapable of regular employment of a similar duration to your current NHS job because of physical or mental infirmity.

Note: 'similar duration' means regular employment for similar hours to your current job

There is no minimum age at which this benefit becomes available, and the pension received increases each April in line with the Consumer Price Index (CPI). The benefits are dependant on which NHS Pension Scheme you are a member of.

This is a relatively complex topic and if you believe it might apply to you at any point, download the latest guidance from the NHS Pension website.

Ill Health (Tier 1)

1995 - Built up benefits paid without reduction

2008 - Built up benefits paid without reduction

2015 - Built up pension paid without Reduction

Ill Health (Tier 2)

1995 - Tier 1 plus an additional 2/3rds of prospective membership to normal pension age

2008 - Tier 1 plus an additional 2/3rds of prospective membership to normal pension age

2015 - Tier 1 plus an enhancement of 1/2 of prospective pension to normal pension age

What happens if I die in service or after I have left the practice?

When you join any section of the NHS Pension Scheme, you can complete a Nomination Form, and this means that the person you have nominated would receive a lump sum benefit and an adult dependant's pension if you die whilst in service. The amount of the lump sum varies between the different schemes. You must have at least 2 years' membership at the time of your death to qualify for the

dependant's pension. Provision is also available to support your children. You can cancel or amend this nomination at any time.

If you are in good health at the time you make the application, you could also choose to give up part of your pension to someone else if you die. You must make this nomination before you retire, and you cannot amend your decision.

Lump sum on death

1995 - 2 x annual pensionable pay (or death gratuity if less than 2 years' membership)

2008 - 2 x reckonable pay (or death gratuity if less than 2 years' membership)

2015 - The higher of: 2 x relevant earnings in the last 12 months of pensionable service OR 2 x the revalued pensionable earnings for the scheme year, up to 10 years earlier, with the highest revalued pensionable earning (or death gratuity if less than 2 years' membership).

Adult dependant's pension for spouse/ civil partner/ nominated partner (must usually have at least 2 years' membership)

1995 - 50% of the notional Tier 2 ill health retirement pension if under 60 years of age, or 50% of notional age pension if over 60 years of age. (further rules apply). Pension payable at the rate of your pensionable pay for the first 6 months.

2008 - 37.5% of the notional Tier 2 ill health retirement pension if under 65 years of age, or 37.5% of notional age pension if over 65 years of age. (further rules apply). Pension payable at the rate of your pensionable pay for the first 6 months.

2015 - Either: 33.75% of the notional Tier 2 ill health pension if under normal retirement age OR 33.75% of the notional age pension if over normal pension age (further rules apply). Pension payable equal to the rate of pensionable earnings for the first 6 months.

Children's pension

1995 - 25% of notional Tier 2 ill health retirement pension for one child 50% shared equally if two or more children.

2008 - 18.75% of notional Tier 2 ill health retirement pension for one child 37.5% shared equally if two or more children.

2015 - 16.875% of notional Tier 2 ill health retirement pension for one child 33.75% shared equally if two or more children. Pension equal to the rate of pensionable earnings for the first 3 or 6 months.

Note: for more detailed information see the relevant sections on the NHS Pensions website

How do I know what my pension will be when I retire?

Every year your employer should complete an online SD55 form on the Pensions Online Portal by 31 May. This information is then processed and used to create an Annual Benefit Statement (ABS) which is usually available online around September. Nurses working in hospitals can access a Total Rewards Statement (TRS) but those working in small organisations (e.g., General practice) can access an Annual Benefit Statement. Both are through the Total Rewards Statement website (www.totalrewardstatements.nhs.uk).

You can access this statement by creating an account on GOV.UK Verify. In theory this should only take a matter of minutes, but often takes longer, so don't wait until you need a statement to register for the service. Once you have a Verify login, you can go onto the Total Reward Statement Portal and access your Annual Benefits Statement. This will outline your pension membership, contributions, and projected pension. If this does not provide the information you need, speak to the Practice Manager as they have access to some information on POL. If they cannot help, you can apply for an estimate using the form on the NHS Pension website.

How do I know if my pension is going to be correct?

In reality you don't, but there are some simple checks you can do to see whether your pension is being processed correctly.

- Firstly, check your Annual Benefit Statement (ABS) every year (and also remember to keep a copy of both your ABS and your P60 as they both contain valuable information about your annual earnings).
- Keep all your payslips, either as paper copies or electronically. You may well need to refer to them at retirement as most employers only keep records for 7 years.
- Randomly check that you are paying the correct percentage Employee Pension Contributions. By checking on the contribution chart in this booklet, you can multiply your pensionable pay by the percentage appropriate to your WTE annual pay rate. Remember – your pensionable pay is only hours that you have worked up to WTE hours (usually 37.5 hours per week – a maximum of 1955 per annum or 163 hours per month if your employer calculates WTE monthly). You will need to check whether your employer calculates full-time hours on a monthly or annual basis.
- Keep a note of any Unpaid Days, as these will need to be submitted to the NHS Pensions (BSA) by the practice at the end of the year, and sometimes

practices forget to do this. These might for example be unpaid sick days or unpaid annual leave. These are important when calculating your final pension as they are called 'Disallowed Days' and if not recorded correctly will affect your annual rate of pay as calculated by the NHS Pensions (BSA) from the data your practice provides, especially if you are part-time.

- If you have had some periods of reduced pay, e.g., half pay for sickness or reduced pay during maternity/paternity/parental or adoption leave, this will affect the rate of contributions that should be made by your employer (see the tables in those sections of this leaflet). You should notice that the employer contribution in those months is higher than 14.38% of the pay you received.
- Check what proportion of full-time hours you are working (for example: does your practice use the standard 37.5 hours per week as their standard full-time hours, if so what proportion of that are you working?). This has a significant effect on your pension, and sometimes practices forget to inform NHS Pensions that your working hours have changed, or they have originally given the wrong number of hours as that job's WTE.
- Ask your practice manager each year for a statement/report showing the pension contributions made on your behalf. Depending on which payroll system the practice use, and whether they outsource payroll to a company, they may automatically provide you with this information. However, many practices do not. If yours doesn't then you can ask for a copy of the SD55 information they are submitting. This does not create any extra work for the practice as they need to submit this information online by the 31st May each year. This includes full information about your salary and pension contributions for the year, e.g.:
 - Your personal details (including the category of job you are undertaking)
 - Whether you are full or part-time.
 - The percentage contributions you were making at the end of the year.
 - Your Pensionable Pay.
 - The contributions you have made during the year.
 - The contributions your employer has made during the year (including any additional payments made when you were receiving reduced pay).
 - Your Total Salary, which may be different to your Pensionable Pay (e.g., if you worked more than full-time hours).
 - Details of any additional voluntary contributions (AVCs).
 - Any 'Disallowed Days' (unpaid days).
 - Total Hours Worked (if you are part-time).
 - Any changes to your Contribution Rate during the year (e.g., if your pay changed from one tier to another).
 - Any changes in your Contracted Hours during the year (e.g., you changed from full to part-time, or vice versa, etc.).

If any of this information is incorrect, it will permanently affect the pension you later receive.

It is **VERY IMPORTANT** that you notify the practice of any changes to your personal details (e.g., change of address, name change, etc.), as this must be logged on the Pension website to ensure the Pensions Agency can contact you directly if required.

I have had a lot of different employers and am not sure how to sort out my pensions – what should I do?

If all your employers were NHS organisations and eligible to enrol you into an NHS Pension Scheme, then the system should have tied up all your contributions under a single SD Number (membership number). Sadly, not all employers with whom you were employed to provide nursing services were necessarily NHS Employers. For example, Confederations are usually NOT able to offer NHS Pensions. Also, as previously mentioned, GP practices were unable to offer NHS Pension Scheme membership until September 1997, so you may not have been part of the NHS Pension Schemes throughout the whole of your nursing career. Your Terms and Conditions of Employment should state clearly full details of any pension scheme you were offered, and your payslips will show any pension contributions both you and your employer contributed.

Firstly, check your Annual Benefit Statement to see what NHS Pension Scheme membership you have accrued, then try to find any paperwork you have relating to any private (i.e., non-NHS) pensions to which you have contributed over the years. For impartial advice on all aspects of pensions you can contact Pension Wise: www.pensionwise.gov.uk/en

If you do not have an Annual Benefit Statement available, you can ask your Practice Manager if they can provide you with an estimate of your NHS Pension and if they cannot, then contact the NHS Pensions Helpline directly (details at the end of the leaflet).

If am thinking about retiring soon – what do I need to do?

Firstly, in an ideal world you would have been thinking about your retirement well in advance of your proposed retirement date. You would have been consciously making sure that any queries or concerns that you have about your pension are addressed. Usually, it would be your Practice Manager that can deal with any

queries, but if they cannot give you the answers you need, you can contact the NHS Pensions Agency directly.

Whichever scheme you are in (i.e., 1995, 2008 or 2015), you will complete the same form (AW8). It is quite a long and complicated form, and you may feel you need a bit of help to fill it in. At the back of the form there are guidance notes. You should also read the Pension Guide. Ask your practice for both documents. They will provide the AW8 as a printed document and may email the Pension Guide as an attachment. The guide is quite long (41 pages) so you may want to read it in full but only print out those sections which are applicable to you. Once you have read both documents fully, you can begin to complete the AW8 form.

The NHS Pensions (BSA) want to receive your completed AW8 form 3 months before your intended retirement date. So, you need to ask for the form around 4 months before retirement. That will give you and the practice a month to complete the form and deal with any queries.

You only complete Sections 7 to 15 of the form and the practice complete Sections 1 to 6. Usually, the practice will provide you with a blank form to complete your sections and they then complete the other sections when you return it to them. If you have any concerns about whether the practice are administering the pension scheme correctly, you may like to ask them for a copy of the fully completed form. This then gives you a chance to look at the data the practice has entered and see if it matches the information you have on file.

If your pension application is incorrectly completed and submitted, then it is very unlikely that errors will be found at a later date, so this is your last chance to review the information which will determine what pension you receive.

If you are claiming your pension through the 1995 Scheme, then the practice will have to very carefully calculate your Pensionable Pay for the last 3 years. Each year is 365 days of pensionable membership – this means they need to have recorded accurately any unpaid days (Disallowed Days) and not count those as part of that 365 days, as this would incorrectly reduce your annual pay (for the purposes of pension calculation). For example, if you had 3 days of unpaid leave in the last year, then that year would consist of 368 days (a whole year plus 3 additional days to compensate for the unpaid days). This is where some practices struggle if they haven't kept accurate records of unpaid days. They will also have to show any Deemed Pensionable Pay in the highest paid of those 3 years (i.e., where you had reduced pay on which you paid contributions, but the practice paid contributions on your normal full pay). This both increases your deemed pensionable pay and the pensionable hours worked. For example, if you are part-time, they will also have to calculate your whole-time equivalent rate of pay on the day you are going to retire. Below is a table showing how this is calculated. You may not have all the information about your pay, so the examples show how to calculate using different data.

Example 1

Employee X

Hours per Week – 20

Annual Salary – not known

Hourly Rate of Pay - £16.00

Annual WTE Salary – not known

To calculate Annual part-time Salary:

- multiple hours per week by hourly rate by 52.143 (weeks in a year)
- $20 \times 16 \times 52.143 = \text{£}16,685.76$ per annum part-time salary

To calculate Annual WTE Salary (i.e., what it would be if they worked full-time):

- multiply hourly rate by 37.5 hours per week by 52.143 (weeks in a year)
- $16 \times 37.5 \times 52.143 = \text{£}31,285.80$

Example 2

Employee Y

Hours per Week – 32

Annual Salary – £32,000

Hourly Rate of Pay – not known

Annual WTE Salary – not known

To calculate Hourly Rate:

- divide the Annual Salary by 52.143 (weeks in the year) then divide that by 32 (hours per week)
- $35,000 / 52.143 / 32 = \text{£}20.98$ per hour

To calculate Annual WTE Salary:

- annual salary divided by hours per week, multiplied by 37.5 (full-time hours)
- $35,000 / 32 \times 37.5 = \text{£}41,015.63$

Remember: You are the person who will receive your PENSION FOR LIFE based on the figures submitted on your Retirement Application Form (AW8), so you need to be as confident as possible that it has been completed correctly.

You will need to answer questions about your employment, whether you want to allocate part of your pension to someone else when you die (this is on top of the survivor benefits already payable), how much Lump Sum (usually Tax Free) you want to take (think whether you have any interest charging debts you want to clear), your marital status and details of your partner (if any), details of any dependent children (if any), whether you have any other pensions, where you would like your pension to be paid (e.g. your bank/building society), etc. So please allow plenty of

time to pull together the necessary information and complete the form, otherwise you may end up having to delay your retirement date.

Can I return to work in the NHS once I am drawing my NHS pension?

Some Practice nurses would like to draw their pension, but still return to work in General practice. The majority of Practice nurses who are already taking their NHS Pension and return to work as a Nurse in the NHS will be eligible to be auto enrolled. Some will be able to re-join one of the Sections of the NHS Pension Scheme, whilst others will be enrolled into the practice's alternative scheme assuming they fulfil the auto-enrolment requirements (i.e., earning more than £10K per year and aged between 22 years and their State Retirement Age).

The legislation is quite complex so please see the 'NHS Pension – Retire and Return' guide on the NHS Pensions website to check whether your specific employment situation requires you to take 24- hour retirement (i.e., a break of 24-hours before re-commencing work). If you are a member of the 1995 Section you can work no more than 16 hours per week in the first calendar month following that 24-hour break, otherwise your pension will be suspended. (Please note: A special concession has been introduced for clinical staff only during the Covid-19 pandemic which allows them to return to their normal hours of work immediately after taking 24-hour retirement from the 1995 Section. This concession may be withdrawn at any time.)

If you are over normal pension age (i.e., 60 for 1995 scheme, 65 for 2008 scheme or normal state retirement age for 2015 scheme) then your pension will not be affected by returning to work whilst drawing your NHS Pension. However, in other circumstances your pension may be reduced – this is often referred to as 'abatement'. Again, this is a very complex area, and you should read the 'NHS Pensions – Returning to the NHS after retirement' leaflet on the website before making your final decision.

How can I keep up to date with any changes in the NHS Pension scheme?

The NHS Pension website has completely free and open access to most of the guidance, leaflets, videos, and updates. We would also recommend that you sign up for their Quarterly NHS Pension Member Newsletter. This is again applied for through their website.

Some areas of the country provide 'NHS Pension Pre-Retirement Workshops' for those NHS staff approaching retirement. If this is available in your area and is being provided by an organisation with in depth knowledge of the NHS Pension Scheme (not merely a generic Financial Adviser), they are a great way of looking at your

options and making sure you make the right decisions that will be most appropriate to your personal circumstances.

Final thoughts: Never underestimate the importance of your pension

Your pension is something you have worked for and contributed to, possibly over many years. This is what will provide you with an income to support your retirement lifestyle, so it makes sense to fully understand how it is calculated and what benefits are available to you.

Administering the NHS Pension Scheme is often a very small part of the Practice Manager's role, and they may only have to process a Practice nurse retirement a few times in their whole career, so taking the time to regularly check your pension statements and query anything that seems to be incorrect or which you don't understand, could make a huge difference to your final pension.

Take responsibility for your own pension and if in doubt, seek professional advice.

Useful links

NHS Business Services Authority

www.nhsbsa.nhs.uk/nhs-pensions

(select the 'Member Hub' from the three main options given – this is the definitive resource for information about the NHS Pensions Scheme)

Royal College of Nursing

www.rcn.org.uk

(use their search facility to look at articles and guidance on Pensions)

GOV.UK Verify

www.gov.uk/government/publications/introducing-govuk-verify/introducing-govuk-verify

(this gives information about how to create a 'Verify' account – which you will need to access your Annual Benefit Statement)

Pension Wise

www.pensionwise.gov.uk/en

(free and impartial government guidance about your pension options)

The Pensions Advisory Service

www.pensionsadvisoryservice.org.uk

(answers to a range of pension queries and signposts users to other regulated resources)

NHS Employers

www.nhsemployers.org

(some useful information on pensions)

Government Website

www.gov.uk/state-pension

(information on the State Pension and Auto enrolment)

Financial Conduct Authority (FCA)

www.fca.org.uk/consumers/finding-adviser

(advice on finding an independent financial adviser – it is essential that anyone offering you advice has thorough knowledge of the NHS Pensions Scheme as it is totally different to commercial pensions)

National Employment Savings Trust (NEST)

www.nestpensions.org.uk

(commonly used pension scheme if you are ineligible to re-join the NHS Pension and return to work after retirement)

The NHS MPAVC providers are:**Standard Life**

Dundas House, 20 Brandon Street,
Edinburgh EH3 5DP

www.standardlifepensions.com/nhs

Tel: 0800 333 306

Prudential

NHS AVC Dept, Prudential, Lancing BN15 8GB

www.pru.co.uk/nhs

Tel: 0800 678 3921

Pensions Agency

If you want to contact the Pensions Agency with a query, you can call the Helpline 08:00-18:00 Monday to Friday (excluding Bank Holidays) on 0300 330 1346. Ensure you have your NHS Pension Scheme Membership Number (SD number) – this will be on any of your pension statements, or you could ask your Practice Manager.

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CapitalNurse: Taking personal responsibility for your NHS Pension

A guide for General practice nurses Staff retention is the biggest single challenge facing the NHS and replacing experienced GPNs, given the current national shortage of nurses, is extremely difficult. CapitalNurse commissioned Jan Harley-Doyle, an Independent Primary Care Consultant and Coach, to produce this guide on pensions information for GPNs so that they can find information they need in one place and be better informed when planning their pensions.

For further information contact:

capitalnurse@hee.nhs.uk