



# Your Guide

to the **NHS** Pension Scheme (Scotland) 2015

**CARE** about your future

**sppa**  
SCOTTISH PUBLIC PENSIONS AGENCY

For members who joined before  
1 April 2015 (1995 section)

# NHS Pension Scheme (Scotland) 2015

For members of the 1995 section.

This leaflet gives a brief overview of how the new NHS Pension Scheme (Scotland) 2015 works and has information about the special arrangements that are in place for members approaching retirement.

Please read this leaflet alongside the other resources available on our website.

## Your pension scheme is changing

On 31 March 2015 the NHS Superannuation Scheme (Scotland) 1995 section (NHS 1995) closed and on 1 April 2015 most staff automatically joined the NHS Pension Scheme (Scotland) 2015 (NHS 2015).

### Why is the scheme changing?

It is recognised that public sector pension schemes should be affordable, sustainable and fair. The NHS 2015 scheme balances this need while still rewarding public servants with a high-quality pension scheme that offers guaranteed benefits based on service and earnings.

### What does this mean for you?

The benefits you have earned so far will remain in the NHS 1995 section and will be paid to you when you retire using your final pensionable pay. Special arrangements are in place for staff approaching retirement.

#### Members who were in the scheme on 1 April 2012 and were within 10 years of their normal retirement age

If on 1 April 2012 you were within 10 years of your normal pension age (60 or 55) or you had already worked passed your normal pension age, you will stay in the NHS 1995 section and not join the NHS 2015 scheme.

This is known as full protection.

#### Members who were in the scheme on 1 April 2012 and were more than 10, but less than 13 years and 5 months, from normal pension age

You will join the NHS 2015 scheme from a date determined by your age.

This is known as tapered protection. If you qualify for tapered protection we will write to tell you when you will join the NHS 2015 scheme. Or you can look up the tables on our website: [www.2015.sppa.gov.uk](http://www.2015.sppa.gov.uk)

#### Which section am I in?

You are in the 1995 section if you joined the NHS Pension Scheme before 1 April 2008 and the 2008 section if you joined after that date. If you took a career break of less than five years, you will have re-joined your original section. You can find out which section you are in by clicking on the 'My Pension online' tab on the website.

### Most members automatically joined the NHS 2015 scheme on 1 April 2015.

**The benefits you have earned so far will remain in the NHS 1995 section and be paid to you when you retire using your final pensionable pay.**

## People like you

Here we look at two fictional members of staff in different situations to see how their benefits will be worked out in future. You can find more case studies on the website at [www.2015.sppa.gov.uk](http://www.2015.sppa.gov.uk). Susan and Danny are both officers in the NHS 1995 section.

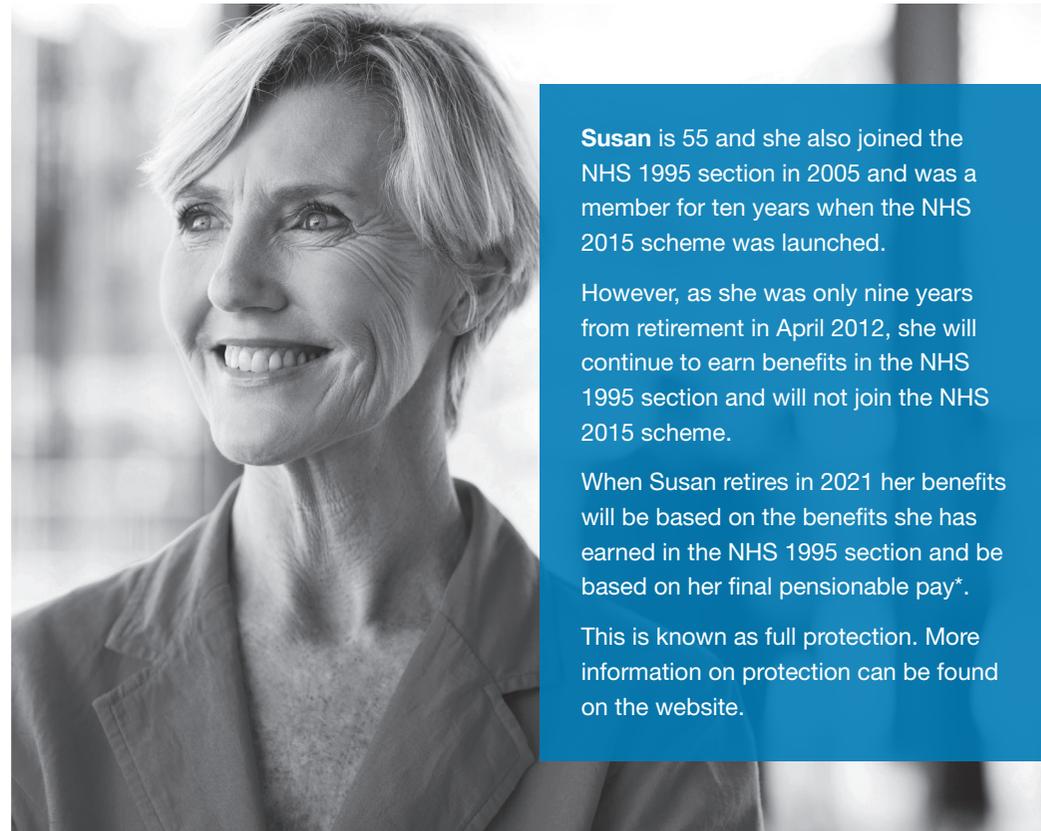
**Danny** is 45 and joined the NHS 1995 section in 2005 – he was a member for ten years before moving to the NHS 2015 scheme. He has no breaks in his membership (of five or more years) and will retire at age 60 in 2030.

His benefits will be paid in two parts:

1. The benefits he earned in the NHS 1995 section between 2005 to 2015 which will be based on his final pensionable pay\* in 2030.
2. The benefits he earns in the NHS 2015 scheme between 2015 and 2030. During this time he will build up an annual pension at the rate of 1/54 of his earnings each year which will be revalued every year at a rate of 1.5% above inflation.

His 2015 pension benefits are payable in full at his State Pension age so would be reduced if taken early.

More information about how Danny's benefits are calculated from 1 April 2015 is given overleaf.



**Susan** is 55 and she also joined the NHS 1995 section in 2005 and was a member for ten years when the NHS 2015 scheme was launched.

However, as she was only nine years from retirement in April 2012, she will continue to earn benefits in the NHS 1995 section and will not join the NHS 2015 scheme.

When Susan retires in 2021 her benefits will be based on the benefits she has earned in the NHS 1995 section and be based on her final pensionable pay\*.

This is known as full protection. More information on protection can be found on the website.

\* This is normally equal to your final pensionable pay. However, we will use your pensionable pay in one of the two preceding years if this gives a higher figure.

**More information about how you earn benefits in the NHS 2015 scheme is given in the member guide which is available to download from our website along with a series of factsheets and a list of frequently asked questions. You can also find a high-level overview of the scheme by watching our short video. In the meantime we give a summary in the table on the next page.**

# The NHS 2015 scheme

Membership of the 2015 scheme offers a guaranteed income for life in retirement as well as valuable protection for your family. It also offers financial support if you are unable to work due to ill health. However, the way your benefits are worked out is different and your normal pension age will be the same as your State Pension age (although you will be able to retire earlier if you wish).

Your benefits from 1 April 2015 will be worked out on a Career Average Revalued Earnings basis. This arrangement is often referred to as a CARE scheme.

If you are a practitioner, you are already earning benefits in this way. The main differences are shown in the table below – a more detailed version of this table can be found on our website at [www.2015.sppa.gov.uk](http://www.2015.sppa.gov.uk). All pensions are index linked and the current index applied is the Consumer Prices Index (CPI). CPI is a measure of inflation set by the UK Government.

The scheme design shown in column three only applies to benefits earned from 1 April 2015 (or later if you have tapered protection). Remember, if you were paying into the scheme on 1 April 2015 and within 10 years of your normal retirement age, you will not join the NHS 2015 scheme but remain in the 1995 section.

	NHS 1995 section	NHS 2015 scheme
Type of scheme	Final Salary. Your pension is based on your final pensionable pay and the length of time you have been in the scheme	Career Average. You earn benefits based on your earnings each year. These benefits are revalued every year to keep pace with inflation
How your benefits build up	Officers: 1/80 of your final pensionable pay Practitioners: 1.4% for each year	1/54 (about 1.85%) of pensionable pay for each year
Revaluation	Officers: None Practitioners: 1.5% above CPI a year	1.5% above CPI a year
Revaluation for members who have left the scheme but not retired	In line with inflation (currently CPI)	In line with inflation (currently CPI)
Normal pension age	60 (55 for special classes)	Your individual State Pension age
Increases to pensions in payment	Pensions increase in line with inflation (currently CPI)	Pensions increase in line with inflation (currently CPI)
Member contributions	Tiered according to earnings	Tiered according to earnings
Tax-free cash* at retirement	Automatic lump sum of 3 times your pension plus; An option to reduce pension for a higher lump sum. £12 of lump sum for every £1 of pension given up	No automatic lump sum Can exchange some pension for a lump sum at rate of £12 of lump sum for every £1 of pension given up

\* Subject to limits set by HM Revenue & Customs (currently 25% of your pension fund).

## How much will you pay?

Contributions are tiered according to earnings – the amounts you pay are shown in the table below. Remember, your contributions will attract tax relief and so the cost to you will be less.

Pensionable pay (whole-time equivalent)	% of pensionable pay
Up to £15,828	5.2%
£15,829 to £21,601	5.8%
£21,602 to £27,089	7.3%
£27,090 to £49,967	9.5%
£49,968 to £71,337	12.7%
£71,338 to £111,376	13.7%
£111,377 or more	14.7%

## Next steps

More information can be found on our website ([www.2015.sppa.gov.uk](http://www.2015.sppa.gov.uk)) including an interactive tool to help you understand how you might be affected by these changes to the way you earn your benefits.

You can also find more useful information in the member guide and the various factsheets hosted on the website. You can also watch our short video which explains the changes in a simple and straightforward way.

## Contact us

NHS Scotland pensions are administered by the Scottish Public Pensions Agency (SPPA).

To contact the SPPA you can:  
Go to [My Pension Online](#) Member Services.

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

We have taken great care to ensure that all information is correct at the time of production. Please be aware that this guide does not give a complete or legally binding statement of the law and the regulations governing the scheme.

Nothing in this guide overrides the Pension Scheme Regulations which set the conditions of entitlement and determine the rate at which scheme benefits are payable. In the event of any conflicting information, the Scheme Regulations will prevail.