

Guidance notes for **OPTING OUT/CEASING ACTIVE MEMBERSHIP**

You should detach and retain these for future reference

These guidance notes are for members of the National Health Service (Scotland) pension schemes.

As a scheme member you are entitled to:

- a guaranteed index linked monthly pension
- a significant contribution towards your pension from your employer
- tax relief on your contributions
- give up some of your pension for a tax free lump sum
- apply to receive your benefits early if you become too ill to work
- purchase additional pension to increase the amount due at retirement
- apply to transfer in service from another scheme (subject to certain conditions)

If you die before you retire we will:

- pay a lump sum to your spouse, registered civil partner, non legal partner or to your nominee(s) if you have completed a nomination form
- pay a pension to eligible children and dependants if you have qualified for benefits when you die

The schemes

The NHS pension schemes administered by SPPA are qualifying schemes and all eligible members will be contractually included from the first day of their employment. Your employer has, therefore, enrolled you into the scheme. However, ongoing membership of the scheme is not compulsory and you can choose to opt out at any time.

Opting out/ceasing active membership

You may wish to seek independent financial advice or seek advice from your union or employer before making a decision about your future membership if you are considering opting out of the scheme. You may also wish to compare the benefits offered by alternative pension providers before you make your decision. You should note that you will **not** be able to pay for the period you have opted out of at a later date. You will also cease to have any further cover for a death in service lump sum from the scheme. Please consider your options very carefully. Processing of your opt out form can take up to four months dependant on your choices and the timely processing of your payroll data.

Automatic Enrolment – what you need to know

- your employer cannot ask you to join or force you to opt out of the scheme
- if you are asked or forced to opt out of the scheme, you can report this to the Pensions Regulator (www.tpr.gov.uk)
- if you opt out and later change your mind, you may be able to rejoin the scheme by giving written notice to your employer
- if you stay opted out, your employer will automatically re-enrol you back into the scheme in around three years and three yearly thereafter
- if you change your job and have a new employer, they should put you into their scheme
- if you have another job, your employer should put you into the scheme for that employment, **NB See Section 2 Notes**

COMPLETING THE OPT OUT FORM

SECTION 1. Personal details

Please complete all fields with the information requested. Your superannuation number will be on any previous correspondence we have sent you. You should complete the seven digit number only with no prefixes or slashes. For e.g. 6030300. If, however, you do not know this, please ensure your date of birth and National Insurance number are completed. If you have an email address we will acknowledge receipt of your form and we will not, under any circumstances, supply this information to another party.

SECTION 2. Employment details

Please give details of **all** the employment contracts you wish to opt out of. If you have more than three contracts (with the same employer) you should provide the details on a separate sheet of paper.

If you have more than one employer, you must complete a separate form for each employer.

Practitioners

If you are a Medical or Dental Practitioner the scheme regulations stipulate that Practitioners must opt out of all practitioner employments, however you can choose to remain in other NHS employments. Please complete a separate form for each practitioner employment and forward to the relevant employers.

Opting out rules and timescales

You may choose to opt out after you have been enrolled in the scheme. However, before you choose to opt out of the scheme, you must:

- have become an active member of the scheme
- have received the enrolment information from your employer

There are specific timescales during which you can opt out. You can only opt out during what is known as the "opt out period", which starts after active membership has been achieved. Your employer is responsible for ensuring you are made aware of what your opt out period is and this should be given to you with your enrolment information. If you are unsure of what your opt out period is, please contact your employer

Opting out 1 – opt out (within opt out period, 3 months of being opted in)

If, after receiving information about the scheme, you wish to opt out and you are still within your opt out period, you should complete 'Opting out 1'. If contributions have been deducted from your salary, your employer will refund these directly to you and no service will have been accrued with the contract/employer stated in this section. You will be treated as though you had never joined the scheme.

Opting out 2 - ceasing active membership (after opt out period)

If you are outwith your initial opt out period, but do not wish to remain in the scheme, you can choose to cease active membership by completing 'Opting out 2'. Any service you have accrued with the employer/contract in section 2 will be added to any qualifying service you already hold in the scheme. The options available to you after you have ceased active membership will depend on both your total amount of service and whether or not you have left the scheme in its entirety.

Note: You are only opting out/ceasing active membership from the employer/contracts you have stated on section 2. This means if you are paying **any** contributions to the scheme with another employer/contract, you are still an active member of the scheme.

SECTION 3. Leaving the scheme - what are my options?

The following options may be available to you if you have left the scheme in its entirety. Please indicate in this section, which option you wish to take depending on your length of qualifying service. **If you intend to rejoin the NHS scheme in Scotland within one year of leaving the scheme, your periods of service will be linked for future benefit purposes.**

If you have over two years qualifying service when you opt out of the scheme, you can:

1. Preserve your benefits in the scheme, for payment at your normal pension age. You retain the right to apply for benefits early providing you meet the qualifying criteria for the type of retirement. Preserved benefits are index linked. If you take no further action and do not rejoin the NHS scheme within one year of leaving, we shall automatically preserve your benefits.
2. Apply to transfer your accrued benefits to another pension arrangement. In this case, your new pension provider would need to apply to SPPA requesting a transfer of your pension rights. Time limits and age restrictions will apply. The NHS scheme in Scotland is not linked to any other UK NHS pension scheme and the transfers between NHS schemes are not automatic. They must be applied for, in writing, via the receiving scheme. Further information on transfers is held on our website.

If you have less than two years qualifying service when you opt out of the scheme, you

1. May be able to transfer your accrued benefits to another pension arrangement, please see above.
2. Can apply for a refund of your contributions less deductions for tax, this only applies to members who opt out of **ALL** active contracts. If you do not return to NHS employment within one year of leaving and have not exercised the option to transfer the service to a new provider a refund of contributions will apply.

SECTION 4. Bank or building society details

If you have any difficulties completing this section, please contact your bank or building society. We will pay your refund into the account that you request here and you should ensure that all relevant fields are completed accurately. Please note that this can take up to three months to process. The details required can be found on your bank card or statement and you should ensure that the correct sort code, account number and/or building society roll number are entered. If any of these details are wrong this may result in the payment being made to the wrong account. If your bank account is outwith the UK, please indicate the country your bank is based in and you will be issued with the appropriate Transcontinental Automated Payment Service (TAPS) form. If any of your personal or bank details change, please notify us immediately.

SECTION 5. Member declaration

You should ensure that you have completed all relevant parts of the form before signing and dating the declaration. Do not date this form earlier than your employment start date, your employers Auto Enrolment staging date or re-enrolment date. To find out more about this, please contact your HR or Payroll department. If the declaration is not signed and dated, this will result in the form being returned to you and may cause a delay in the payment of your refund (if applicable).

Once you have completed ALL relevant sections of the form you must send it to your employer. **Do not send it directly to SPPA** as we cannot take any action to stop contributions being deducted from your salary. On receipt of this form, your employer will take the appropriate action.

SECTION 6. Employer declaration

If the member is opting out with the period then both NSR01 & 02 will be required. These must be submitted via the Employer Data Management (EDM) Portal

NATIONAL HEALTH SERVICE PENSION SCHEMES

SECTION 1 - PERSONAL DETAILS

Scheme reference number

Surname

Former surname

Forename (in full)

Title Dr Mr Mrs Miss Ms Other

Date of birth / /

National Insurance number

Contact address

Post code

Telephone number

Mobile number

Email address

Please select reason for opting out (This is not a mandatory requirement)

- Personal financial reasons Changes to the scheme other than contributions increase eg: retirement age increase - in line with state pension.
- Contribution increases
- Joined another scheme Other

SECTION 2 – EMPLOYMENT DETAILS

Employing Authority/Health Board

Please give details of each location you work at for the above employer and indicate what you wish to do by ticking the relevant box (see guidance notes) **Practitioners please refer to guidance notes.**

1) Place of work

Post/Job title

Pay reference number

Date started in post / /

Opting out 1 (See guidance notes) Opting out 2 from / / (See guidance notes)

2) Place of work

Post/Job title

Pay reference number

Date started in post / /

Opting out 1 See guidance notes) Opting out 2 from / / (See guidance notes)

3) Place of work

Post/Job title

Pay reference number

Date started in post / /

Opting out 1 See guidance notes) Opting out 2 from / / (See guidance notes)

SECTION 3 – OPTIONS ON LEAVING THE SCHEME (see guidance notes)

If you are opting out within the opt out period (option 1) please go straight to section 5.

If you are paying **any** contributions to the scheme, this means you are still an active member please go to section 5.

If this is your only employer/contract and you have left the scheme in its entirety, the following options may be available to you. Please indicate which option, depending on the length of your qualifying service.

Option 1 – two or more years qualifying service

- preserve your benefits in the scheme. Go to section 5
- transfer out to another pension arrangement. You must now contact your new pension provider. Go to section 5

Option 2 – less than two years qualifying service

- transfer out to another pension arrangement. You must now contact your new pension provider. Go to section 5
- request a refund of contributions. Go to section 4

SECTION 4 - REFUND DETAILS

Name of account holder

Bank/Building society name

Branch

Branch address

Bank sort code

Account number

Building society roll number

If your bank is outside the UK, please indicate which country your refund will be paid to and we will issue the appropriate TAPS form to you for completion.

SECTION 5 – MEMBER DECLARATION

I have read the guidance notes and, by opting out of the NHS pension scheme with the contract(s) I have indicated on this form, I understand:

- the implications of my decision
- that I will lose the right to pension contributions from my employer
- that I will have no future claim on the scheme in respect of any period where I have opted out
- that I can ask to rejoin the scheme at any time (subject to eligibility criteria)
- if I am opting out within the opt out period, I will be treated for all purposes as not having become an active member of the scheme. Any contributions I have paid within this period will be refunded by my employer
- the options now available to me as detailed in the guidance notes

Signed Date* / /

***This date must not be earlier than your employment start date, employers staging date or re-enrolment date (see guidance note 5)**

Please forward to your employer for completion of section 6.

SECTION 6 – EMPLOYER DECLARATION

I can confirm that:

- this is a valid opt out notice for (name) _____ as stated in section 1
- the above named has opted out for all employment contracts noted in section 2

Please tick

The employee has opted out within the opt out period

The employee has opted out outwith the opt out period (NSR02 must be submitted via EDM portal)

Employer name Payroll officer (print name)

Employer address

Postcode

Telephone number

Signed Date / /