

POLICY NOTE

THE NATIONAL HEALTH SERVICE (SUPERANNUATION SCHEME) (SCOTLAND) AMENDMENT REGULATIONS 2014

SSI 2014/43

The above instrument was made in exercise of the powers conferred by section 10 of, and Schedule 3 to, the Superannuation Act 1972. Functions under that Act as regards Scotland have been executively devolved to the Scottish Ministers. The instrument is subject to negative procedure.

Policy Objectives

The National Health Service Superannuation Scheme (Scotland) Regulations 2011 (SSI 2011/117) and the National Health Service Superannuation Scheme (2008 Section) (Scotland) Regulations 2013 (SSI 2013/174) require members of the NHS Superannuation Scheme (NHSSS) to pay contributions to the Scheme as a condition of membership. Although the Scottish Ministers have certain devolved responsibilities in relation to the NHSSS, wider policy for occupational pensions is reserved to the UK Government.

The 2010 UK Spending Review set out the UK Government's intention to increase members' contribution rates in public service pension schemes by an average of 3.2 per cent of pay by April 2014 with the increases spread across three years. The first increase was applied with effect from 1 April 2012 with a further increase from 1 April 2013. The above instrument makes provision for changes to the salary/earnings bands and increases to the members' contributions from 1 April 2014.

The Cabinet Secretary for Finance, Employment and Sustainable Growth, John Swinney MSP, confirmed on 5 November 2013 that the third increase would be implemented from April 2014 and the above instrument makes provision for these increases.

Consultation

To comply with the requirements of section 10(4) of the Superannuation Act 1972 a formal policy consultation took place from 18 December 2013 to 26 January 2014. In particular, representatives of NHS employers and employees, other Scottish Government interests and UK Government departments were consulted. Trades Unions continue to oppose contribution rises. 180 responses to the consultation were received and a summary of the responses will be made available on the Scottish Public Pensions Agency's website www.sppa.gov.uk.

Impact Assessments

An equality impact statement has been prepared for this instrument and is due to be published shortly.

Financial Effects

The increases are designed to raise on average increases in employees' contributions of 3.2% by April 2014 as part of the UK Government's policy.

Business and Regulatory Impact Assessment

The policy introduces the final of three increases to employee scheme contributions. The limited available data indicates the number of opt outs from the Scheme has not been affected by this policy but the Scottish Government will continue to monitor levels going forward. No Business and Regulatory Impact Assessment is necessary as the instrument has no financial effects on the Scottish Government, local government or business.

Scottish Public Pensions Agency
An Agency of the Scottish Government
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