

POLICY NOTE

THE NATIONAL HEALTH SERVICE SUPERANNUATION AND PENSION SCHEMES (MISCELLANEOUS AMENDMENTS) (SCOTLAND) REGULATIONS 2022

SSI 2022/117

The above instrument was made in exercise of the powers conferred by section 10 and 12, and Schedule 3 to the Superannuation Act 1972, and by section 1(1) and (2) (e) and paragraph 5(b) of schedule 2 of the Public Service Pensions Act 2013 (“the Act”). The instrument is subject to negative procedure.

This instrument makes changes to the employee contribution table from 1 April 2022 which updates the salary/earnings bands on which the employee contribution percentages are set. The instrument also makes temporary modifications to the NHS Pension Scheme (Scotland) Regulations which have similar effect to section 46 of the Coronavirus Act 2020. Following the expiry of the Coronavirus Act 2020 this instrument will temporarily extend those provisions until 31 October 2022. Section 46 of the Act suspends certain rules that apply in the NHS Pension Schemes in Scotland so that NHS staff who have recently retired can return to work, and those who have already returned can increase their hours, without there being a negative impact on their pension entitlements.

Policy Objectives

The purpose of this instrument is to update and amend The National Health Service Superannuation Scheme (Scotland) Regulations 2011, The National Health Service Superannuation Scheme (2008 Section) (Scotland) Regulations 2013 and The National Health Service Pension Scheme (Scotland) Regulations 2015.

One of the aims of this instrument is to make changes to the salary/earnings bands of the employee contribution tables from 1 April 2022. This will ensure that the tiering of pay bands remains in line with annual increases in members’ pay. It was agreed during scheme reform discussions, with both scheme employer and scheme member representatives, that although member contribution rates would not change, the pay/earnings bands in each tier would increase each year in line with national NHS pay awards in Scotland.

The second aim of the instrument is to make temporary modifications to the Scheme Regulations which have similar effect to section 46 of the Coronavirus Act 2020. Section 46 of the Coronavirus Act, which came into force on 25 March 2020, provides for the suspension of the NHS Pension Scheme restrictions relating to retired staff returning to work. Section 46 will cease to have effect from 25 March 2022 when the Coronavirus Act 2020 expires.

This instrument will continue the temporary amendments to the NHS Pension Schemes (Scotland), made via section 46 of the Coronavirus Act, for a further period until 31 October 2022. The extension of the provisions will allow retired and partially retired NHS staff to return to work or increase their working commitments without there being a negative impact on their pension entitlements. To assist the continued health service response to COVID-19 and the NHS Scotland recovery plan, it is desirable to ensure that those rules do not act as a disincentive for NHS staff who wish to re-enter the workforce.

Consultation

To comply with the requirements of section 10(4) of the Superannuation Act 1972 a formal policy consultation took place from 3 March 2022 to 17 March 2022. In particular, representatives of NHS employers and employees, other Scottish Government interests and UK Government departments were consulted. Five responses to the consultation were received.

Impact Assessments

An equality impact statement in respect of the NHS Pension Scheme (Scotland) reforms (including contribution rates) was prepared and is available at <http://www.gov.scot/Publications/2015/03/2855>

Financial Effects

The increase in pay bands on which contributions for members are based is beneficial to members. There is an agreed policy that members should not be moved into a higher contribution tier because of the national NHS pay award.

Business and Regulatory Impact Assessment

No Business and Regulatory Impact Assessment is necessary as the instrument has no financial effects on local government or business.

Scottish Public Pensions Agency

An Agency of the Scottish Government

25 March 2022