

2014 No. 1607

**NATIONAL HEALTH SERVICE, ENGLAND AND
WALES**

**The National Health Service Pension Scheme (Amendment
No.2) Regulations 2014**

<i>Made</i> - - - -	<i>16th June 2014</i>
<i>Laid before Parliament</i>	<i>24th June 2014</i>
<i>Coming into force</i> - -	<i>21st July 2014</i>

The Secretary of State for Health, with the consent of the Treasury, makes the following Regulations in exercise of the powers conferred by sections 10(1) and (2) and 12(1), (2) and (4) of, and Schedule 3 to, the Superannuation Act 1972(a).

In accordance with section 10(4) of that Act, the Secretary of State has consulted with representatives of persons likely to be affected by these Regulations, as appeared to the Secretary of State to be appropriate.

PART 1

Introductory

Citation, commencement and effect

1.—(1) These Regulations may be cited as the National Health Service Pension Scheme (Amendment No.2) Regulations 2014.

(2) These Regulations shall come into force on 21st July 2014 and shall have effect from 1st April 2014.

(a) 1972 c.11. Section 10(1) was amended by sections 57 and 58 of, and Schedule 5 to, the National Health Service Reorganisation Act 1973 (c. 32) and section 4(2) of the Pensions (Miscellaneous Provisions) Act 1990 (c. 7) (“the 1990 Act”). Section 12(2) was amended by section 10(1) of the 1990 Act. As to Treasury consent, see section 10(1) of the Superannuation Act 1972 and article 2 of the Transfer of Functions (Minister for the Civil Service and Treasury) Order 1981 (S.I. 1981/1670).

PART 2

Amendment of the National Health Service Pension Scheme Regulations 1995

Interpretation of Part 2

2. In this Part, an alphanumerical reference to a regulation or a reference to a Schedule is a reference to a provision of the National Health Service Pension Scheme Regulations 1995(a) bearing that designation.

Amendment of regulation A2

3. In the definition of “consumer prices index” in regulation A2 (interpretation)(b), omit “for the month of February immediately preceding a relevant year”.

Amendment of regulation D1

4. For the table in paragraph (1B) of regulation D1 (contributions by members)(c), substitute—

“Scheme Year 2014-2015	
<i>Column 1</i>	<i>Column 2</i>
<i>Pensionable pay band</i>	<i>Contribution percentage rate</i>
Up to £15,431	5%
£15,432 to £21,477	5.6%
£21,478 to £26,823	7.1%
£26,824 to £49,472	9.3%
£49,473 to £70,630	12.5%
£70,631 to £111,376	13.5%
£111,377 to any higher amount	14.5%”.

Amendment of regulation D3

5.—(1) Regulation D3 (further contributions by employing authorities in respect of excessive pay increases)(d), is amended as follows.

(2) In sub-paragraph (b) of paragraph (3)—

(i) for paragraph (i), substitute—

“(i) the aggregate of 4.5% and the percentage (if any) by which the consumer prices index for the February before the start of Year 1 is higher than it was for the previous February, and”;

(ii) in paragraph (ii), before “Year 1” insert “for”.

(3) In sub-paragraph (b) of paragraph (4)—

(i) for paragraph (i), substitute—

“(i) the aggregate of 4.5% and the percentage (if any) by which the consumer prices index for the February before the start of Year 2 is higher than it was for the previous February, and”;

(a) S.I. 1995/300, as amended by S.I. 1997/80 and 1888, 1998/666 and 2216, 2000/605, 2001/1428 and 3649, 2002/561 and 2469, 2003/631 and 2322, 2004/665 and 696, 2005/661 and 3074, 2006/600 and 2919, 2007/2054 and 3280, 2008/654 and 2263, 2009/381, 1298 and 2466, 2010/492 and 1634, 2011/591 and 2586, 2012/610, 2013/413, 2014/78 and 570: and as modified by S.I. 1996/971.

(b) The definition of “consumer prices index” was inserted by regulation 3 of S.I. 2014/570.

(c) Paragraph (1B) was inserted by regulation 3 of S.I. 2013/1414 and amended by regulation 6 of S.I. 2014/570.

(d) Regulation D3 was inserted by regulation 8 of S.I. 2014/570.

- (ii) in paragraph (ii), before “Year 2” insert “for”.
- (4) For sub-paragraph (b) of paragraph (5), substitute—
- “(b) the member’s pensionable pay for the year immediately preceding Year 3 increased by the aggregate of 4.5% and the percentage (if any) by which the consumer prices index for the February before the start of Year 3 is higher than it was for the previous February.”.
- (5) In Step 6 (a) in paragraph (6), for “Amount C” substitute “Amount D”.
- (6) For paragraph (17), substitute—
- “(17) For the purposes of this regulation an increase in pensionable pay during Year 3, Year 2 or, as the case may be, Year 1 is to be ignored where the Secretary of State is satisfied it arises as a result of—
- (a) the member taking up a new employment with a new employer: provided the Secretary of State is satisfied that the employer in question is a new employer;
- (b) the ending of a salary sacrifice arrangement made before 1st April 2014: for these purposes a salary sacrifice arrangement is one under which the member gives up the right to receive an amount of pensionable pay in return for the provision of a benefit in kind including, but not limited to, a benefit consisting of a motor car or other vehicle, meals, care or vouchers.”.

Amendment of regulation T9

6. For paragraph (7) of regulation T9 (interest and administration charges: late paid contributions)(a), substitute—

“(7) In the case of arrears in respect of the scheme year 2014-2015 and subsequent years, the standard rate of interest is the aggregate of the percentage (if any) by which the consumer prices index for the February before the scheme year in which the chargeable event arose is higher than it was for the previous February plus 3%, compounded at annual intervals.”.

Amendment of Schedule 2

7.—(1) Schedule 2 (medical and dental practitioners) is amended as follows.

(2) For table 2 in sub-paragraph (1A) of paragraph 10 (contributions to this section of the scheme)(b), substitute—

“**Table 2**

Scheme Year 2014-2015

<i>Column 1</i>	<i>Column 2</i>
<i>Pensionable earnings band</i>	<i>Contribution percentage rate</i>
Up to £15,431	5%
£15,432 to £21,477	5.6%
£21,478 to £26,823	7.1%
£26,824 to £49,472	9.3%
£49,473 to £70,630	12.5%
£70,631 to £111,376	13.5%
£111,377 to any higher amount	14.5%”.

(3) In paragraph 23 (accounts and actuarial reports)—

(a) Regulation T9 was inserted by regulation 14 of S.I. 2014/570.

(b) Sub-paragraph (1A) was inserted by regulation 7 of S.I. 2010/1634 and amended by regulation 16 of S.I. 2014/570.

- (a) in sub-paragraph (12)(a), for “In respect of” to “of any” substitute “Each employing authority and GDS or PDS contractor must, in respect of each scheme year, provide the host Board and the Secretary of State with a statement of estimated contributions due under regulations D1, D2, Q6 and Q8 in respect of any”;
- (b) in sub-paragraph (14), for “The Secretary of State” substitute “The host Board and the Secretary of State”.

PART 3

Amendment of the National Health Service Pension Scheme Regulations 2008

Interpretation of Part 3

8. In this Part, an alphanumerical reference to a regulation is a reference to a provision of the National Health Service Pension Scheme Regulations 2008(b) bearing that designation.

Amendment of regulation 2.A.1

9. In the definition of “consumer prices index” in paragraph (1) of regulation 2.A.1 (interpretation: general)(c), omit “for the month of February immediately preceding a relevant year”.

Amendment of regulation 2.C.2

10. For the table in paragraph (2A) of regulation 2.C.2 (contribution rate for members other than non-GP providers)(d), substitute—

“Scheme Year 2014-2015

<i>Column 1</i>	<i>Column 2</i>
<i>Pensionable pay band</i>	<i>Contribution percentage rate</i>
Up to £15,431	5%
£15,432 to £21,477	5.6%
£21,478 to £26,823	7.1%
£26,824 to £49,472	9.3%
£49,473 to £70,630	12.5%
£70,631 to £111,376	13.5%
£111,377 to any higher amount	14.5%”.

Amendment of regulation 2.C.4

11. For table 2 in paragraph (20) of regulation 2.C.4 (contribution rate and determination of pensionable earnings for non-GP providers)(e), substitute—

“Table 2

Scheme Year 2014-2015

-
- (a) Sub-paragraph (12) was amended by regulation 16 of S.I. 2014/570.
 - (b) S.I. 2008/653 as amended by S.I. 2008/2263, 2009/381, 1298 and 2446, 2010/492 and 1634, 2011/591 and 2586, 2012/610, 2013/413, 2014/78 and 570.
 - (c) The definition of “consumer prices index” was inserted by regulation 20 of S.I. 2014/570.
 - (d) Regulation 2.C.2(2A) was inserted by regulation 6 of S.I. 2013/1414 and the table substituted by regulation 25 of S.I. 2014/570.
 - (e) Paragraph (2) was inserted by regulation 26 of S.I. 2014/570.

<i>Column 1</i>	<i>Column 2</i>
<i>Pensionable earnings band</i>	<i>Contribution percentage rate</i>
Up to £15,431	5%
£15,432 to £21,477	5.6%
£21,478 to £26,823	7.1%
£26,824 to £49,472	9.3%
£49,473 to £70,630	12.5%
£70,631 to £111,376	13.5%
£111,377 to any higher amount	14.5%”.

Amendment of regulation 2.J.9A

12.—(1) Regulation 2.J.9A (interest and administration charges: late paid contributions)(a) is amended as follows.

(2) In paragraph (1), after “2.C.1,” insert “2.C.4,”.

(3) For paragraph (7), substitute—

“(7) In the case of arrears in respect of the scheme year 2014-2015 and subsequent years, the standard rate of interest is the aggregate of the percentage (if any) by which the consumer prices index for the February before the scheme year in which the chargeable event arose is higher than it was for the previous February plus 3%, compounded at annual intervals.”.

Amendment of regulation 2.M.3

13.—(1) Regulation 2.M.3 (approval applications)(b) is amended as follows.

(2) In sub-paragraph (h) of paragraph (3)—

(a) in paragraph (v), after “2.C.5” insert “, 2.C.6”;

(b) in paragraph (vii), for “employee” substitute “employees”.

(3) In paragraph (7), after “become” omit “an”.

Amendment of regulation 3.C.2

14. For table 2 in paragraph (22) of regulation 3.C.2 (members’ contribution rate)(c), substitute—

“Table 2

Scheme Year 2014-2015

<i>Column 1</i>	<i>Column 2</i>
<i>Pensionable earnings band</i>	<i>Contribution percentage rate</i>
Up to £15,431	5%
£15,432 to £21,477	5.6%
£21,478 to £26,823	7.1%
£26,824 to £49,472	9.3%
£49,473 to £70,630	12.5%
£70,631 to £111,376	13.5%
£111,377 to any higher amount	14.5%”.

(a) Regulation 2.J.9A was inserted by regulation 33 of S.I. 2014/570.

(b) Regulation 2.M.3 was inserted by regulation 35 of S.I. 2014/570.

(c) Paragraph (22) was inserted by regulation 42 of S.I. 2014/570.

Amendment of regulation 3.C.5

15. After paragraph (18) of regulation 3.C.5 (payment of contributions)(a), insert—

“(18A) Arrears of contributions that are due in accordance with paragraphs (11) to (16) of regulation 3.C.2 must be paid to the relevant host Board at the same time as the member is due to provide that Board with a certificate of pensionable earnings under regulation 3.J.14.”.

Amendment of regulation 3.J.9A

16. For paragraph (7) of regulation 3.J.9A (interest and administration charges: late paid contributions)(b), substitute—

“(7) In the case of arrears in respect of the scheme year 2014-2015 and subsequent years, the standard rate of interest is the aggregate of the percentage (if any) by which the consumer prices index for the February before the scheme year in which the chargeable event arose is higher than it was for the previous February plus 3%, compounded at annual intervals.”.

Amendment of regulation 3.J.14

17.—(1) Regulation 3.J.14 (employing authority and certain member record keeping and contribution estimates) is amended as follows.

(2) In paragraph (11)(c), before “the Secretary of State” insert “the host Board and”.

(3) In paragraph (13), for “The Secretary of State” substitute “The host Board and the Secretary of State”.

PART 4

Miscellaneous

Option to persons detrimentally affected by these Regulations

18.—(1) This regulation applies in relation to any benefit which is being paid or may become payable under the regulations amended by these Regulations to or in respect of a person who, having served in an employment or office, service in which qualified the person to participate in the benefits provided under the regulations amended by these Regulations, ceased to serve therein before these Regulations came into force.

(2) Where, in a case to which this regulation applies, any provision of these Regulations would operate in relation to any person so as to place that person in a worse position than that person would have been if that provision had not applied, that person may elect that the provision shall not apply by giving notice in accordance with paragraph (3).

(3) A notice given pursuant to paragraph (2) must be in writing and be delivered to the Secretary of State within six months of the coming into force of these Regulations or such longer period as the Secretary of State may allow.

(4) An election pursuant to paragraph (2) has effect in relation to the benefit referred to in paragraph (1) only to the extent that such benefit has accrued by virtue of periods of service rendered prior to the cessation referred to in paragraph (1) (or, if there has been more than one such cessation, the last of them before the coming into force of these Regulations) and in determining entitlement to, and the amount of, the benefit to that extent, such person shall be

(a) Paragraph (18) was amended by regulation 63 of S.I. 2013/1414.
(b) Regulation 3.J.9A was inserted by regulation 47 of S.I. 2014/570.
(c) Paragraph (11) was amended by regulation 48 of S.I. 2014/570.

treated as if that person had never recommenced service at any time after that cessation (or, as the case may be, the last such cessation).

Signed by authority of the Secretary of State for Health.

12th June 2014

Daniel Poulter
Parliamentary Under-Secretary of State
Department of Health

We consent

16th June 2014

Sam Gyimah
Mark Lancaster
Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations further amend the National Health Service Pension Scheme Regulations 1995 (S.I.1995/300) (“the 1995 Regulations”) and the National Health Service Pension Scheme Regulations 2008 (S.I. 2008/653) (“the 2008 Regulations”).

Regulation 1 provides for citation, commencement and effect, including that the provisions of this instrument are to take effect from a date before the date of commencement. Section 12(1) of the Superannuation Act 1972 (c.11) provides authority for the regulations to take effect as from a date earlier than the making of these Regulations.

The remainder of the Regulations are divided into three Parts, with Parts 2 and 3 amending the 1995 Regulations and the 2008 Regulations respectively, and Part 4 providing that certain persons detrimentally affected by these Regulations may elect for the provisions not to apply to them.

Parts 2 and 3 make similar amendments in respect of both the 1995 Regulations and the 2008 Regulations. They also introduce amendments specific to either the 1995 Regulations or the 2008 Regulations.

The changes dealing with similar issues in Parts 2 and 3:

- substitute the tables setting out the pensionable pay bands and the applicable contribution rates for the scheme year 2014-2015 (regulations 4, 10)

- substitute the tables setting out the pensionable earnings bands and the applicable contribution rates for the scheme year 2014-2015 (regulations 7, 11, 14)

- make minor textual amendments to the regulations defining and referring to the use of the consumer prices index (regulations 3, 5, 9)

- amend regulations dealing with interest and administration charges on late paid contributions to reflect the changes to the definition of consumer prices index (regulations 6, 12, 16).

The changes specific to Part 2:

- amend the provisions relating to contributions payable by employing authorities pursuant to regulation D3 of the 1995 Regulations to take out of the scope of an excess pay award (which attracts a further employer contribution) increases in pensionable pay occurring on or after 1st April 2014 and resulting from the ending of a salary sacrifice arrangement made before that date (regulation 5)

- make minor textual amendments to paragraph 23(12) and (14) of Schedule 2 to the 1995 Regulations which deals with accounts and actuarial reports (regulation 7(3)).

The changes specific to Part 3:

make minor textual amendments to regulation 2.J.9A of the 2008 Regulations dealing with interest and administration charges (regulation 12)

make a minor textual amendment to the provisions of the 2008 Regulations relating to applications by an Independent Provider to be approved as an employing authority for the purposes of those Regulations (regulation 13)

insert a new paragraph (paragraph (18A)) into regulation 3.C.5 (which deals with the payment of contributions) to provide that arrears of contributions are to be paid at the same time as the member provides the host Board with a certificate of pensionable earnings (regulation 15)

make minor textual amendments to regulation 3.J.14 (which deals with record keeping and contribution estimates) to require records and estimates to be provided to both the host Board and the Secretary of State (regulation 17).

Part 4 provides that deferred members, or members in receipt of a relevant benefit, who are detrimentally affected by these Regulations may elect for the provisions not to apply to them by giving notice within six months of the coming into force of these Regulations (regulation 18).

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