

EXPLANATORY MEMORANDUM TO

THE NATIONAL HEALTH SERVICE PENSION SCHEME (AMENDMENT) REGULATIONS 2014

2014 No. 570

1. This explanatory memorandum has been prepared by the Department of Health and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Purpose of the instrument

2.1 This instrument amends two statutory instruments relating to pensions and benefits provided for National Health Service staff.

2.2 Key changes implemented by this instrument include,

- increases to member contribution rates;
- opening the National Health Service Pension Scheme (“the Scheme”) to Independent Providers (IPs) of NHS clinical services;
- the introduction of pensionable pay controls and additional employer contributions in certain circumstances and;
- protection of members from certain new tax charges on pension benefits.

2.3 The instrument also makes a number of other consequential, miscellaneous and technical amendments.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 Section 12(1) of the Superannuation Act 1972 confers a power to make regulations having effect from a date earlier than the date of their making.

3.2 Regulations 22 and 40 have retrospective effect from 1 April 2008.

4. Legislative Context

Protection of members from tax charges on pension benefits

4.1 The Finance Act 2013 amends the Finance Act 2004 to reduce the Lifetime Allowance Limit (LTA) on pension savings from the current £1.5m level to £1.25m with effect from 6 April 2014. Schedule 22 to the Finance Act 2013 introduces Fixed Protection 2014 as a transitional facility that allows individuals to reduce or eliminate a potential lifetime allowance charge from 6 April 2014. The Registered Pension Schemes and Relieved Non-UK Pension Schemes (Lifetime Allowance Transitional Protection) Notification Regulations 2013 set out the steps that an individual and HMRC must take to enable that individual to rely on Fixed Protection 2014. Amendments made in this SI facilitate those provisions for Scheme members.

5. Territorial Extent and Application

5.1 The instrument applies to England and Wales.

6. European Convention on Human Rights

As the instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy Background - What is being done and why

Increase to member contributions (amending regulations 6, 16(7)(a), 25, 26(2) and 42(2))

7.1 The Independent Public Service Pensions Commission, chaired by Lord Hutton, concluded that there is a rationale for increasing member contributions to ensure a fairer distribution of costs between taxpayers and members.

7.2 The Government announced plans in the 2010 Spending Review to produce £2.8bn savings per year by 2014-15 through increasing public service employee pension contributions by an average of 3.2 percentage points by March 2015. Contribution increases are to be phased over three years from 2012-13 to 2014-15. In determining the distribution of increases, the Department's stated principles are to protect the low paid, apply increases progressively and limit the level of opt out that higher contribution rates may generate.

7.3 The first and second years of increases have been applied from 1 April 2012 and opt-out data monitored throughout to check the impact of the increases. Trade Unions and NHS employer representatives have also reviewed this data. There has only been a small increase in opt-outs, which are in-line with assumptions. The data does not indicate that a change is required in the approach to determining the distribution of contribution increases for 2014-15.

7.4 The new contributions rates from 1 April 2014 are implemented in tiers according to earnings in seven bandings. For 2014-15, staff earning up to £15,431 will have no increase, whilst those earning between £15,432 and £49,472 will see a 0.3% increase. Members earning £49,473 or higher will have a 1.2% increase.

Opening the NHS Scheme to Independent Providers of NHS clinical services

7.5 The Health and Social Care Act 2012 marked a key stage in the development of greater patient choice through delivery of NHS services from a wider range of providers, including IPs, made up of private sector providers, social enterprises and charities.

7.6 However, the 'pensions playing field' has arguably been tilted away from new IP and towards NHS employers until now, with the latter required to join staff in the NHS defined benefit pension scheme at relatively low employer cost. IPs have been unable to join the Scheme, and faced up to double the cost to provide the "broadly comparable" pensions often needed to attract the staff required to deliver high quality NHS clinical services.

New Fair Deal

- 7.7 The Government's reforms to the Fair Deal policy, introduced in October 2013, have done much to level the pension playing field, with IPs now able to meet compulsory transfer obligations through the Scheme at the same cost as NHS organisations, for staff remaining wholly or mainly engaged in NHS work.
- 7.8 However, reforms to Fair Deal alone are insufficient to encourage the greater staff mobility required for a truly plural NHS market. For these reasons, the proposed final NHS agreement on 2015 pension scheme reforms, affecting all public service schemes, included a commitment to review access to the Scheme for new providers of NHS clinical services.

Access Review

- 7.9 The Access Review was carried out by the NHS Staff Passport Group (SPG). This group comprises representatives from the Department of Health, HM Treasury, NHS and independent sector employers, and the NHS trades unions.
- 7.10 Subject to suitable controls and a careful post-implementation review of the new arrangements, Ministers have approved the SPG recommendation that the Scheme should be opened to new IPs.

Summary of new IP access arrangements

- 7.11 See in particular amending regulation 17 that inserts new Schedule 2B (Independent Providers) into Regulations governing the 1995 section of the Scheme, and amending regulation 35 that inserts new Chapter 2.M (Independent Providers) into Regulations governing the 2008 section of the Scheme.

Interpretation - definitions (amending regulations 3(a) and (c), 20(a)(i) and 36(2))

- 7.12 New interpretation definitions are introduced in both the 1995 and 2008 Regulations, to describe the IPs who will be able to apply for access to the Scheme, the types of NHS contract they can hold and certain new controls designed to maintain Scheme integrity. Some new definitions are also inserted here to better distinguish certain existing providers from the new IPs.

IP access eligibility (amending regulations 17 (see 13 and 14 of schedule 2B) and 35 (see 2.M.3 (1) and (2) of chapter 2M))

- 7.13 IPs who are not already Scheme employers and who meet relevant eligibility criteria (see paragraph 7.15 below) will be able to apply to the Scheme Administrator (NHS Business Services Authority) to become Scheme "employing authorities" and automatically enrol their eligible employees in the Scheme.
- 7.14 Eligible IPs will be able to select the range of employees to be included in the Scheme from two options:
- "Closed Approval" basis – eligible employees who, within the 12 months before entering employment with the IP, were entitled to NHS Scheme membership, and

- “Open Approval” basis – all of an IP’s eligible employees

IP eligibility criteria

7.15 IPs requiring access to the Scheme will need to:

- apply to the Secretary of State (normally the Scheme Administrator) for IP employer status from a forward date
- hold one or more NHS Standard or Alternative Primary Medical Services (APMS) contracts or a public health related Local Authority contract to provide NHS clinical services
- automatically join in the Scheme all eligible staff, according to their declared access option
- confirm that they are seeking Scheme access for employees engaged in the delivery of NHS clinical services (i.e. not “back-office” support services) although non-clinical staff directly supporting clinical delivery will be eligible to join the Scheme)
- confirm that staff enrolled under either access option are engaged in NHS clinical services for more than 50% of their time
- arrange, if required by the Scheme Administrator following a risk assessment, an “IP guarantee” (i.e. a ‘bond’) with selected banks and other institutions, to provide cover for their estimate of 3 months’ employee and employer contributions, including a 10% margin for growth

7.16 The IP’s “open” or “closed” access selection will apply to all staff providing clinical services under NHS contract for more than 50% of their time. An IP will be able to change their access option subject to certain criteria and notice periods. The Scheme Administrator may withdraw access if an IP fails in its duties and/or obligations under Scheme regulations.

7.17 Access to the Scheme will cost IPs and their eligible staff members the same as it does for all other Scheme employers and members: employer contributions are currently 14% of pensionable pay and member contributions are set according to earnings.

Pension benefits built up by IP employees

7.18 IP Scheme members will become entitled to broadly the same personal and dependents benefit package available to other members. This will include redundancy pensions for IPs who choose to provide them for staff who are over minimum pension age, provided that the IP pays the capitalised lump sum representing the cost of early payment before benefits are paid.

Protection against pension reduction for existing re employed pensioners of independent providers who apply for scheme access (amending regulations 11, 31 and 46)

7.19 Scheme pensions may be reduced in certain circumstances where pensioners return to employment in the NHS. IP employees who are already in receipt of a Scheme pension when their IP employer is approved as a Scheme employing authority will not have their pension assessed for abatement unless they again become active members of the Scheme.

Financial controls specifically for new IPs (amending regulations 17 (see 3, 4 to 12, 35 to 44, 54 to 56, and 57 to 60 and 35 (see 2.M.1 (2), 2.M.2, 2.M.6, 2.M.9 and 2.M.10)

7.20 In order to protect the taxpayer and existing NHS employers, the full cost of opening the Scheme to IP employers and their staff will be closely monitored, in particular at Scheme valuation points every four years, in order to ensure they bear an appropriate share of total costs.

7.21 Other controls include:

- Only employees who are “wholly or mainly” engaged (i.e. for more than 50% of their time) in providing NHS clinical services will be eligible to join the Scheme
- IPs will be allowed to pension up to, but normally no more than, 75% of their gross income from NHS clinical services contracts. IPs unable to justify their excess pensionable pay over 75% will normally be required to pay an employer contribution surcharge of 12% on the excess income pensioned.
- The Scheme Administrator will be able to call for additional information from IPs and to make spot checks on records and pay if necessary. Evidence of an IP’s non-compliance with regulations may lead to the adjustment of individual pensionable pay figures and/or the termination of the IP’s NHS Scheme employing authority status.

Controlling the membership of staff seconded to organisations without employing authority status, when IP access becomes available (amending regulations 4 and 23)

7.22 From 1 April 2017, arrangements by which Scheme employers can currently retain scheme membership for staff by seconding them to a non-NHS organisation will end, if those staff could now become scheme members using new IP access arrangements. From April 2014 until 31 March 2017, a ‘grace period’ will apply to staff already seconded, so that current NHS contracts can remain valid until their expiry date. However, new staff seconded to organisations without employing authority status on or after 2 April 2014 will only be accepted on an exception basis, with the agreement of the Secretary of State.

New final/reckonable pensionable pay controls and additional employer contributions in certain circumstances for all NHS Scheme employers

7.23 From 1 April 2014, to facilitate IP employer access whilst protecting taxpayers and the Scheme, some new controls will apply to all NHS Scheme employers.

Guarantees, indemnities and bonds (amending regulations 7(3), 28(2 and (3)) and 43)

7.24 Existing powers allowing consideration of a guarantee, indemnity or bond for certain employers who fail to pay their scheme contributions will be made stronger and more flexible. The Scheme Administrator will in future be able to consider use of a guarantee etc. for employers with a *previous history* of late or unpaid contributions, not just a current non-payment issue. However, if the Administrator considers a guarantee is necessary, they will now be able to impose a requirement

that is proportionate (rather than the current all-liabilities requirement) where this appears appropriate.

Interest and administrative charges (amending regulations 14, 33 and 47)

7.25 Administration charges and interest will be introduced for Scheme employers who pay contributions late. However, charges will only apply to arrears outstanding as at 1 April 2014 or later and employers will pay no interest or administration charges if they pay their scheme contributions by the existing due dates, for example the 19th day of the month following deduction, for regular employee and employer contributions. The administrative charge will be £75 and reflect the cost to the Scheme Administrator of recovering delayed and unpaid contributions. The interest rate charged will be the Consumer Prices Index (CPI) + 3%, compounded annually.

New final/reckonable pensionable pay increase cap (amending regulation 8)

7.26 For members of the 1995 final salary section of the Scheme only, employers will in future be charged an “excess employer contribution” for the cost of pension (but not death) benefits calculated on pay increased beyond a new pay increase ‘cap’. The cap will be equal to the level of the CPI + 4.5%. The employer charge will apply to increases made above this cap, in one or more of the final three years prior to retirement. The cap will apply only for the purposes of the excess employer contribution, which will be the capital cost of the benefits due to the excess pay, obtained by multiplying the excess benefits by an age-related unisex factor, e.g. 20 for a member aged 60. The member’s pension benefits are NOT reduced and will continue to be calculated on uncapped pay.

Determining employer calculated final pensionable pay where this appears inordinately high (amending regulations 5 and 21)

7.27 Existing powers in Scheme regulations allowing the Scheme Administrator (rather than the local employer) to determine final pay for part-time members where appropriate, will be extended to include the final pay (reckonable pay in the 2008 regulations) of whole-time members. Any pay determined excessive will be disregarded when calculating member benefits, and the Scheme contributions on that excess refunded to the employee and the employer.

7.28 When determining whether a member’s pay is inordinately high, the Scheme Administrator will be required to have regard to experience of typical NHS employment pay and progression in the ten years prior to retirement for other, similarly graded members.

Protection of members from tax charges on pension benefits (amending regulations 12 and 19)

7.29 The Finance Act 2013 reduces the Lifetime Allowance (LTA) limit from £1.5m to £1.25m from 6 April 2014. The LTA is the maximum amount of pension saving that an individual can build up that can benefit from tax relief. If pension savings are built up that are worth more than the LTA, then a tax charge is payable on the excess. As a transitional measure, the Finance Act 2013 introduces the Fixed Protection 2014 facility for individuals who would be affected by the new lower LTA limit.

7.30 The protection is available upon application to HM Revenue & Customs, who issue a certificate to successful applicants. The certificate acts as proof of protection for presentation to the Scheme Administrator when a LTA charge assessment is made. Amendments are made to Scheme rules to facilitate the use by members of Fixed Protection 2014 in administration of LTA tax charges.

Miscellaneous amendments

7.31 A number of miscellaneous amendments are made to:

- update employer, including “host board”, responsibilities in the light of Health and Social Care Act 2012 changes made from 1 April 2013
- increase the level of detail in some existing provisions
- clarify employer responsibilities including contribution payment targets to underpin the interest and administration charges referred to in paragraph 7.25, and pension record keeping

Updating the definition of ‘host board’ (amending regulations 3(b), 20(c) and 36(3))

7.32 The definition of “host board” is updated to improve existing wording and to clarify that, from April 2013 the employing authority in England for a type 1 Practitioner, a type 2 Practitioner, a GP Locum or a non-GP Provider is the NHS Commissioning Board.

Pension record keeping (amending regulations 15, 34(3) and 48(4))

7.33 These amendments set out in greater detail the pension information that NHS Scheme employing authorities must submit annually to the Scheme Administrator, and the deadlines that must be met.

Corresponding updates and improvements to practitioner and locum practitioner member provisions (amending regulations 16, 26, 34(2), 37, 38, 39, 41, 42 and 48(3))

7.34 Amending regulation 16(3) makes the definition of “locum practitioner” subject to paragraph 23(16) of Schedule 2 to the 1995 Regulations. Amending regulation 41 makes paragraph (7) of regulation 3.B.5 subject to paragraph (16) of regulation 3.J.14. These changes provide for locum GP pensionable earnings to be set to zero, like other GPs, if they fail to complete certificates of pensionable income.

7.35 Amending regulations 16(8)(d), 34(2) and 48(3) also make clear that, in the circumstances described in paragraph 7.34, no scheme contributions will be refunded to the GPs.

7.36 Amending regulation 16(4) updates pensionable earnings provisions for type 1 and type 2 medical practitioners in Schedule 2 of the 1995 Regulations. The changes are to simplify and improve existing wording and adds further NHS work that GPs can pension, including NHS Standard Contracts and relevant Local Authority Contracts, and self-employed work for a Clinical Commissioning Group (CCG) under a contract for services. Amending regulations 37 and 39 make similar changes for GPs under the 2008 Regulations.

7.37 Amending regulation 16(4)(b) inserts “a dental trainer’s grant” after paragraph 3(2C) of Schedule 2 to the 1995 Regulations, to clarify that the dental trainers grant

is pensionable, but excluded from the “pensionable earnings ceiling” referred to in paragraph 3(2B) of the Schedule.

- 7.38 Amending regulation 16(6)(b) and (c) extend the range of NHS income that a GP can pension in the Scheme, to work commissioned under a NHS Standard Contract or a Local Authority contract in pursuance of its NHS Act 2006 obligations.
- 7.39 Amending regulations 16(7)(b), 26 and 42 add more detail, and clarify deadlines in the Scheme contribution setting and review arrangements for GP and non-GP providers. These changes are made in preparation for the introduction of the interest and administration charges referred to in paragraph 7.25.
- 7.40 Amending regulation 16(7)(c) improves wording to clarify existing contribution payment responsibilities in readiness for the new interest and administration charges referred to in paragraph 7.25.
- 7.41 Amending regulation 16(7)(e) adds arrears of “added years” and “additional pension” contributions to the contribution types already listed in paragraph 10(17) of Schedule 2 to the 1995 Regulations. These arrears can be recovered from benefits in the event of failure to pay by a practitioner or non-GP provider.
- 7.42 Amending regulation 38 replaces “registered medical practitioner” in paragraph (3) of Regulation 3.A.9 with “type 1 medical practitioner”, to make it clear that the provision refers to medical general practitioners and not hospital doctors.

2008 Section joiners (amending regulations 22 and 40)

- 7.43 This is an amendment to Regulations 2.B.1 and 3.B.1 of the 2008 Section regulations to ensure that deferred members of the 1995 section of the Scheme who were in pensionable service on 1 April 2008, are not excluded from joining the 2008 section of the Scheme if, exceptionally, they resume NHS employment.
- 7.44 At present, such a member who returns to NHS employment (after a break in service which disqualifies them from continuing their membership of the 1995 section of the scheme) is not eligible to join the 2008 section of the Scheme because of their previous service. The amendment corrects this anomaly by making it retrospective to 1 April 2008.

Recovery of arrears of scheme contributions from benefits (amending regulations 6(6), 16(7)(f), 24 and 44)

- 7.45 These amendments streamline the recovery of arrears by replacing the current requirement for ‘member consent’ to be obtained for recovery from benefits, with a simpler duty for the Scheme Administrator to “notify the member”.

Minor and technical amendments in the 1995 regulations

- 7.46 Amending regulation 10 omits an obsolete phrase “the relevant” from paragraph (3) of Regulation R1.
- 7.47 Amending regulation 16(2) inserts the missing word “a” in paragraph (e) of the definition of “locum practitioner” in Schedule 2.

- 7.48 Amending regulation 16(5) removes an obsolete paragraph (5) from Schedule 2.
- 7.49 Amending regulation 16(6)(a) removes the superfluous words “or for overtime” from sub-paragraphs (1)(a) and (2) of paragraph (6) of Schedule 2, since there is no concept of overtime for general practitioners.
- 7.50 Amending regulations 29 and 45 correct an existing “less than 90%” statement in 2008 Regulations 2 and 3.D.6, to “90% or less”.

Consolidation

- 7.51 An informal consolidated text of the Regulations amended by this instrument was made available to NHS Trade Unions and other stakeholders during consultation.
- 7.52 Informally consolidated texts of both full sets of NHS Pension Scheme Regulations incorporating all changes implemented up to and including those which came into effect on 8 July 2013 are available on the NHS Pensions website and can be viewed at <http://www.nhsbsa.nhs.uk/Pensions/2654.aspx>
- 7.53 Work to formally consolidate both the 1995 and 2008 Regulations has been deferred in light of the significant amendments required following the Public Service Pensions Act 2013, and also in anticipation of a new NHS Scheme in 2015.

8. Consultation outcome

- 8.1 The draft regulations were subject to a 10-week public consultation ending on 10 February 2014. Ahead of this, the proposals were discussed with staff and employer representatives through the Scheme’s Governance Group, and plenary meetings with representatives of independent and NHS providers.
- 8.2 Forty five responses were received. Respondents included NHS Employers, the Scheme Administrator, the British Medical Association, the Royal College of Midwives, UNISON, the Royal College of Nursing and DAC Beechcroft LLP. Responses were also received from a number of NHS organisations and several individuals. The Department has published a document responding to the comments received at <https://www.gov.uk/government/consultations/amendments-to-nhs-pension-scheme-regulations>

Opening the NHS Scheme to IPs – eligibility, applications, equal treatment

- 8.3 Responses were mainly positive and supportive of the principle of opening access to independent providers. Some IPs were in favour of participating only in respect of selected employees. The Department rejected this as inappropriate and risking creation of a two-tier workforce. The NHS Pension Scheme provides equal access for all the eligible staff of an NHS employer.
- 8.4 Some IPs wanted to see the definition of a “qualifying” IP contract extended, to include Local Authority (LA) contracts relating to the delivery of public health services. This suggestion was accepted as the NHS Commissioning Board (colloquially referred to as ‘NHS England’) provides ring-fenced funding to LAs in respect of these obligations under the 2006 NHS Act.

- 8.5 The information required in IP approval applications and pension returns was simplified in response to suggested improvements received. Further changes were made in response to concerns that IP employees already in receipt of an NHS pension may inappropriately have that pension reduced (abated) if their employer is granted scheme access.

Secondment access

- 8.6 A number of IPs have secured Scheme membership for their staff by seconding them from an existing Scheme employer. The access proposals aimed to close this route after a 12 month grace period. Some affected IPs were concerned that this may mean longer NHS contracts would have to be prematurely terminated. In response to these concerns, the 'grace period' for existing secondments is extended to 31 March 2017. This should cover all but the longest NHS contracts, including a few commencing from 1 April 2014.

IP contributions guarantee

- 8.7 A number of IPs expressed concern that a requirement to routinely provide and update a contributions guarantee would add significant costs, reduce funds available for reinvestment, and could be a barrier for smaller providers. In response, the Department has accepted a suggestion that IPs should only be required to provide such a guarantee where they fail, or have previously failed to meet their liabilities under the regulations in any other capacity as an employing authority. The Secretary of State will also be able to require a guarantee if he has reasonable grounds to believe that the IP is unable, or likely to become unable to meet those liabilities. The regulations have been amended to this effect and now include a provision for arrears of contributions to be deducted from contract funding held by the relevant commissioner, if necessary.

Financial controls applying to both IPs and other NHS employers

- 8.8 A number of NHS Foundation Trusts expressed concern about the proposal to 'cap' increases in pensionable pay in the three years before retirement. In particular the prospect of a charge where a member withdraws from "salary sacrifice" schemes or employees are rewarded or recruited an on over-cap pay rise. Concerns focused on the planned comparison of actual with anticipated pay progression, the risk of age discrimination challenges and employer pay increase charges that might arise due to nationally awarded Clinical Excellence Awards.
- 8.9 The Department acknowledges these concerns, but notes that manipulation of pay rates close to retirement increases costs for all employers, and that there is a need for employers to consider the full cost of pay decisions. Only a small number of members are affected by the cap and it is not considered age discriminatory because it applies to all age groups and member benefits are unaffected. Genuine salary sacrifice schemes, unwound earlier in career following child care, or on retirement following release of an 'official car', are unlikely to be caught by the cap.
- 8.10 However, in response the regulations have been amended to ensure that employees moving to a new employer on higher pay are not in scope of the cap. Further, the checks for inordinately high final pay now considers typical recent *experience* of pay progression rather than *anticipated future*. Also the Department, not local

employers, will now bear the cost of any pay control charge due to a national Clinical Excellence Award recommendation.

Interest and administration charges

8.11 Respondents accepted the principle of levying interest and fair administrative charges if scheme contributions are paid late. At the Scheme Administrator's request, the calculation has been simplified by compounding interest with annual rather than monthly rests. The impact on receipts is small and the regulations were amended as a result.

General Practitioner appraisal income

8.12 General Practitioner (GP) representatives asked whether locum GPs could in future pension income for performing GP appraisals. The Department believes this to be a reasonable request as permanent GPs can already pension appraisal income. The regulations were amended accordingly.

Increases to member contribution rates

8.13 Respondents raised concerns about the need for increases, affordability for staff and the steepness of rises for higher earners. Two alternative proposals were submitted but not accepted. One advocated a contribution freeze which would not achieve the required level of savings and the other did not result in the increases being kept to the minimum necessary to achieve those savings.

9. Guidance

- 9.1 Guidance for members and employers on contribution changes will be available on the Scheme Administrator's website along with the leaflet that will be issued to all members with their pay slips before 1 April 2014. This can be viewed here [http://www.nhsbsa.nhs.uk/pensions/documents/pensions/tiered_conts_payslip_leaflet_yr3_\(V1\).pdf](http://www.nhsbsa.nhs.uk/pensions/documents/pensions/tiered_conts_payslip_leaflet_yr3_(V1).pdf)
- 9.2 Guidance for Independent Providers will include an application pack and a guide to administering the Scheme. These will also be available on the Scheme Administrator's website at <http://www.nhsbsa.nhs.uk/Pensions/4328.aspx>

10. Impact

- 10.1 This instrument will not impose or reduce costs on business or the third sector nor will it result in costs to the public sector of over £5 million.
- 10.2 Impact assessments are attached to this memorandum in respect of the provisions concerning extending access to the scheme for independent providers, and increases to member contribution rates. These will be published alongside the Explanatory Memorandum on <http://www.legislation.gov.uk>

11. Regulating small business

- 11.1 The legislation has no impact on small business.

12. Monitoring & review

12.1 NHS Pension Scheme changes are discussed, monitored and reviewed in partnership with the NHS Employers organisation and NHS trade unions, in the light of formal and informal consultation procedures. The partners report to a 'Governance Group' representing employers, NHS trades unions and the Department of Health, which in turn make recommendations to the Secretary of State for Health and HM Treasury.

12.2 In the case of changes made to open scheme access to Independent Providers, the NHS Staff Passport Group will review the provisions made in this instrument after the first and fifth years from implementation. Their considerations will include how well the policy has been implemented, the impact that it has had on the health labour market, and any changes that may be necessary.

13. Contact

Mr. Paul Robinson (Paul.Robinson@dh.gsi.gov.uk) at the Department of Health NHS Pensions Policy Team, Tel: 01253 774505 can answer any queries regarding the opening of the NHS Pension Scheme to Independent Providers, and other changes in this instrument.

Mr. Gareth Probert (Gareth.Probert@dh.gsi.gov.uk) at the Department of Health NHS Pensions Policy Team, Tel: 0113 2545491 can answer any queries regarding the contributions and tax changes in this instrument.