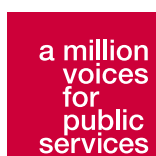


What the proposed new NHS Pension Scheme from 2015 could mean for you

The proposed new NHS Pension Schemes in England and Wales and Northern Ireland



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Introduction

The aim of this guide is to help you identify the impact of the proposals for the 2015 section of the NHS Pension Scheme in England & Wales. We expect these proposals to apply in Northern Ireland as well. The guide aims to help you compare the proposed provisions with your current position as a member of either the 1995 or 2008 Section of the NHS Pension Scheme.

This guide although informative and relatively comprehensive should not be taken as a conclusive guide of the potential pension changes you face. It is a factual guide to help you understand what you are being balloted on. It explains the outstanding consultation and discussion on the government-imposed contribution rate increases and how these relate to the proposed changes to the NHS Pension Scheme.

With regard to potential employee pension contribution increases for 2012-2013 the information provided has been confirmed by the government, in their consultation response of 8 December 2011, as being the contribution rates and tiers to take effect for the scheme year April 2012 to April 2013.

In this briefing we take you, section by section, through the changes being proposed and conclude by giving a number of examples of how these changes could affect your pension on retirement. We refer and give you links to the Department of Health Modellers that will enable you to see exactly what the changes could mean for you personally, on the assumptions outlined within the Modellers.

UNISON, along with other leading unions, has participated fully in central discussions with the government on those issues common to all the public service schemes, and has been in detailed 'sector specific' negotiations with NHS Employers and the Department of Health. This has been to get the best possible offer by negotiation to put to you. This guide is based on the Reforming the NHS Pension Scheme for

England & Wales Proposed Final Agreement published on the 9 March 2012.

UNISON is firmly of the belief that the pension proposals have changed significantly from where the negotiations first started but that it's critical that you and all affected UNISON members have the final say on these.

Some of the key changes that UNISON has helped to secure include keeping and indeed improving the pension protection provisions in the event your employment is TUPE transferred. The proposals maintain a defined benefit pension scheme with full final salary protection for those members within 10 years of their Normal Pension Age at 1 April 2012. Also, in this harsh economic climate no member with full-time equivalent earnings of less than £26,558 will face a contribution increase in 2012-2013. However it is important to note that these proposals do not address all of our key issues of concern – most notably future retirement age increases.

UNISON's health Service Group Executive (SGE) met on 21 March and agreed to consult members with a recommendation that the final offer is the best that can be achieved by negotiation. Members will have the final say and the opportunity to vote to accept the offer or reject and commit to taking further sustained industrial action. The SGE also agreed to advise members on the consequences of rejection. There is a risk the government could impose a worse pension scheme or at least remove the offer on fair deal (see page 12). Rejecting will also mean further sustained strike action – more than the one day strike in November 2011.

Finally you should bear in mind that these proposals could still change and will be subject to formal consultation before the legislative changes are made. This guide represents our best and most transparent assessment of the impact of the proposals as they stand.

Section 2 – At a glance brief comparison of 2015 Section against 1995 and 2008 Sections

	1995 Section	2008 Section	Proposed 2015 Section
Scheme Type	Final Salary	Final Salary	Career Average Revalued Earnings
Pension	1/80th of final year's pensionable pay for each year of service	1/60th of final year's pensionable pay for each year of service	1/54th of earnings per year uprated by CPI plus 1.5% to retirement
Retirement lump sum	3 x pension and possible to exchange more pension for cash at a rate of 12:1 up to a maximum limit	Possible to exchange pension for cash at rate of 12:1 up to a maximum limit	Possible to exchange pension for cash at rate of 12:1 up to a maximum limit
Normal Pension Age	60 (55 for MHO and Special Class members)	65	State Pension Age
Earliest Retirement Age	50 for existing members who were an active member at 5 April 2006, otherwise 55	55	55
Death-in-service lump sum	2 x actual pensionable pay	2 x actual reckonable pay	2 x actual pensionable pay
Long-term Survivors pensions	1/160th of enhanced pensionable service	1/160th of enhanced pensionable service	1/160th of enhanced pensionable service
Flexible retirement option	No, must leave scheme to draw pension	Yes, can reduce hours, draw pension and earn further pension	Yes, can reduce hours, draw pension and earn further pension
Ill-health	Tier 1 – Payment of accrued pension	Tier 1 – Payment of accrued pension	Tier 1 – Payment of accrued pension
	Tier 2 – Payment of accrued pension plus pension based on 2/3rds of prospective service to Normal Pension Age	Tier 2 – Payment of accrued pension plus pension based on 2/3rds of prospective service to Normal Pension Age	Tier 2 – Payment of accrued pension plus pension based on 50% of prospective service to Normal Pension Age
Added Years Option	Yes	No	No

Note: 1/160th long-term survivor pensions

These are based on the service enhancement that would apply if a Tier 2 ill-health pension was granted at the date of death. These enhancements are explained in the ill-health section above. For example, if a current member of the 1995 Section with 10 years pensionable service died at age 48, the potential survivors pension would be 18/160 multiplied by their pensionable salary. In this example a service enhancement of 8 years would apply because this is 2/3rds of their prospective service to their Normal Pension Age

Section 3 – The proposed Career Average Revalued Earnings (Care) scheme

The Reforming the NHS Pension Scheme for England & Wales Proposed Final Agreement states the following:

- “A pension scheme design based on career average
- An accrual rate of 1/54th of pensionable earnings each year with no limit to pensionable service
- Revaluation of active members’ benefits in line with CPI plus 1.5% per annum”

What exactly is a Care scheme?

A Care scheme, like a final salary scheme, is still a form of defined benefit scheme and offers a certain degree of pension predictability at retirement.

In contrast to a final salary scheme where the value of each year’s pension built up is dependent on Final Pensionable Pay near to retirement; a Care scheme is where benefits are calculated on the basis of a fraction of your actual pensionable earnings for each year being ‘banked’ and uprated in line

with either earnings or inflation (this latter is called the ‘revaluation’ rate).

Perhaps this is better illustrated using an example. Say a Care scheme provides 1/54th of pensionable earnings for each year of pensionable service with annual CPI revaluation and a member joins 5 years before retirement. The total pension is calculated as shown in the table below:

Year	Pensionable Earnings	Pension Earned (1/54th)	CPI Index at start of year	CPI Index at retirement	CPI increase to retirement	Revalued Pension
1	£17000	£315	100	122	22%	£384
2	£17500	£324	105	122	17%	£379
3	£18000	£333	110	122	12%	£373
4	£19000	£352	115	122	7%	£377
5	£19400	£359	120	122	2%	£366
Total Pension						£1879

In this example your pension after 5 years service would be £1879 per annum.

You can see therefore that – as in a final salary scheme – your earnings and the scheme accrual rate are the major factors in determining your level of pension on retirement. The revaluation rate is also important, in ensuring that your ‘banked’ pensionable benefits retain their value relative to current costs.

Is a 1/54th pension build up rate (known as the accrual rate) any good?

A pension build up rate of 1/54th is a significant improvement, given that we originally feared the potential imposition of anything between a 1/80th and 1/100th accrual rate. This compares against current accrual rates of 1/60th for 2008 Section members and broadly 1/64th for 1995 Section members (if we convert the automatic lump-sum to pension it changes from 1/80th to 1/64th).

What does uprating by CPI +1.5% mean?

This would mean that the 54th of pensionable earnings “banked” each year would be uprated by the consumer price index plus 1.5% each year up to retirement. The uprating would be fixed, which means we can be sure of the amount by which pensions will be revalued.

This formula is significantly better than CPI alone and will allow for many members real earnings growth to be taken into account.

What does the 1/54th Care Scheme mean for you?

How Care would affect you is dependent upon a number of factors including: length

of membership in the pension scheme; career progression; and cost of living increases. On its own, a move to a Care structure may not be detrimental – it is the linkage of the Care structure with the increased retirement age which means that those staff that are not covered by the 10-13.5 year protection would see the post-2015 element of their pension reduced if they opt to retire at their current Normal Pension Age.

Modelling we have done on a number of “typical” career progressions would suggest that the proposed Care scheme could provide pensions on retirement relatively close in value to current schemes – in some cases the value is higher, particularly for those with shorter service, if we were to disregard retirement age changes.

Section 4 – Normal Pension Age increases for members in the proposed 2015 Section

Reforming the NHS Pension Scheme for England & Wales: Proposed Final Agreement states the following:

“A Normal Pension Age equal to the State Pension Age, which applies both to active members and deferred members (new scheme service only). If a member’s SPA rises, then NPA will do so too for all post 2015 service. Those within 10 years of current NPA are excluded and accrued rights in pre-2015 schemes will also be related to current NPA”.

When would I be able to draw my “new scheme” pension benefits?

You would potentially be able to draw these from as early as age 55 although a significant early retirement reduction factor would reduce your post-2015 pension value if you want to draw your pension earlier than your Normal Pension Age (NPA).

The NPA in the new scheme would be at least 65 and would increase in line with the State Pension Age. Currently this will mean that in the new scheme the retirement age would increase as follows:

- 66 from October 2020
- 67 between 2026 and 2028
- 68 between 2044 and 2046

These Normal Pension Ages would apply to future service in the new section only. You would still be able to draw pension benefits from your current scheme at your current Normal Pension Age, which would be 60 if you are a 1995 Section member or 65 if a 2008 Section member. If you are a 1995 Section member with Mental Health Officer or Special Class Status you will still be eligible to draw your 1995 Section pension benefits at 55 as long as you continue to satisfy the eligibility criteria on moving to the new Section.

Establishment of a Working Longer Review Group

UNISON pushed hard for and got a tripartite review of the impact of working longer. The Terms of Reference are included in Annex C of the proposals. The joint unions will be pressing for this review to restrict the link to State Pension Age increases where the evidence supports this. Emergency workers are a particular group in mind.

Section 5 – Protection

FULL PROTECTION

If you are a scheme member within 10 years of your current Normal Pension Age at 1 April 2012 you will have your existing method of pension benefit accrual and Normal Pension Age protected by remaining in your current scheme. Please see below for qualifying conditions:

As at 1 April 2012

- 50 or over who are members of the 1995 Section
- 55 or over who are members of the 2008 Section
- 45 or over who are members of the 1995 Section and have Mental Health Officer (MHO) or Special Class status

If you have MHO status and full protection you would continue to earn “doubled years” of pension accrual where relevant.

It’s estimated that around 400,000 NHSPS members would benefit from this protection – around a third of the current active membership.

TAPERED PROTECTION

If you do not qualify for full protection but are within 10 and 13.5 years of your Normal Pension Age (NPA) at 1 April 2012 (i.e. between 46 ½ and 50 if you are a member of the 1995 Section without Mental Health Officer or Special Class Status) you can still continue to accrue pensions in your current scheme after 2015 for a limited period.

Any member entitled to tapered protection would switch to the new scheme by no later than April 2022.

This would mean that you would be able to

continue to accrue benefits in your current scheme for longer. For details of how tapered protection could delay your move to the 2015 Section, please see the annexes at the back of this guide.

Section 6 – Member Contribution increases

In his first pre-budget statement, Chancellor George Osborne announced his intention to impose increases to pension contribution rates for public sector schemes. This was ahead of the Hutton Report on the future structure of the schemes and the detailed ‘sector specific’ negotiations which produced the proposals for *Reforming the NHS Pension Scheme for England & Wales Proposed Final Agreement*.

Contribution increases (the amount you pay towards your pension) have been imposed for 2012 – but not for those whose Full Time Equivalent (FTE) earnings are less than £26,558.

Contribution rates were one of the key issues taken forward in the cross-scheme talks on public sector pensions. From April 2012, contributions will increase between 0% and 2.4% before tax relief depending on earnings. Following the successful ballots for industrial action and ahead of the 30 November day of action across the public sector, the government announced that protection from the increase in contribution rates would apply to members earning under £26,558 a year (Full Time Equivalent) in the NHS Pension Scheme. This protection applies to contribution increases from April 2012 and was incorporated into the Heads of Agreement document for the NHS Pension scheme 2015 Section, but essentially remains a separate issue.

How much will contribution rates increase by in the future?

Contributions are set to increase again in 2013 and in 2014 and it is likely that all those earning above £15,000 a year (FTE) will pay an increase.

The government wants to increase the

member contribution yield to 9.8% of pensionable pay by 2014/2015 with actual increases tiered so that higher earners pay more and lower earners less. The current contribution tiers range from between 5% and 8.5% of pensionable pay.

The contribution increases to take effect from April 2012 to April 2013 have been confirmed and you can check their position by using the Department of Health’s employee pensions contribution calculator by going to http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@dh/en/documents/digitalasset/dh_132288.xls.

For April 2012-13, if your whole-time equivalent pensionable pay is less than £26,558 you will not face a contribution increase which means that around 48% of NHSPS members and substantially more of UNISON’s NHS members will not face a contribution increase for the year 2012-13. If your whole-time pensionable earnings is greater than £26,557 you will be asked to pay between 1.5% and 2.4% more in pension contributions from April 2012 depending on how much you earn.

The confirmed contribution increases for April 2012-13 have been based on proposals advanced by NHS Employers. The NHS Employers have made similar proposals for the distribution of contribution increases for 2013/14 and 2014/15 and these are detailed in the chart below. These proposals have not been formally tabled by the government and there will be further discussions (and statutory consultation) on this. Please see the two separate tables below for more information. Table 1 shows the confirmed member pension contribution increases for 2012-2013 and Table 2 shows the pension contributions that would apply at April 2015 if NHS Employers proposed contribution increase distribution is adopted.

Table 1 – Confirmed employee contribution rate increases for 2012-2013

FT Equivalent Pensionable Pay	Current % Contribution (before tax relief)	2012/2013% Contribution (before tax relief)	Total Increase (before tax relief)
Up to £15,000	5%	5%	0%
£15,001 to £21,175	5%	5%	0%
£21,176 to £26,557	6.5%	6.5%	0%
£26,558 to £48,982	6.5%	8%	1.5%
£48,983 to £69,931	6.5%	8.9%	2.4%
£69,932 to £110,273	7.5%	9.9%	2.4%
Over £110,273	8.5%	10.9%	2.4%

The government has indicated that the employers' proposals regarding tiering meet their requirements and it is likely that Table 2 will be the basis for consultation on contribution rates for years 2013-14 and 2014-15.

Table 2 – Potential employee contribution rate increases for 2013-15

FT Equivalent Pensionable Pay	Current % Contribution (before tax relief)	2012/2013% Contribution (before tax relief)	2013/2014% Contribution (before tax relief)	2014/2015% Contribution (before tax relief)	Total Increase (before tax relief)
Up to £15,000	5%	5%	5%	5%	0%
£15,001 to £21,175	5%	5%	5.3%	5.6%	0.6%
£21,176 to £26,557	6.5%	6.5%	6.8%	7.1%	0.6%
£26,558 to £48,982	6.5%	8%	9%	9.3%	2.8%
£48,983 to £69,931	6.5%	8.9%	11.3%	12.5%	6%
£69,932 to £110,273	7.5%	9.9%	12.3%	13.5%	6%
Over £110,273	8.5%	10.9%	13.3%	14.5%	6%

What about contribution rate increases after 2015?

There will be a review of the contribution tiers to apply post April 2015 to which the Department of Health, NHS Employers and the health unions will be party to. This review will look to establish whether the tiered contribution structure outlined above

is the most appropriate given the 2015 Section scheme design.

UNISON would be very keen to look to ensure that any new contribution structure provides sufficient protection for the low paid, minimises scheme opt-outs and enables the scheme to remain sustainable and affordable to all members.

Section 7 – Pension protection in the event of your employment being TUPE transferred

If you are TUPE transferred to another employer then you would be able to remain in the NHS Pension Scheme, even if you were outsourced again and again. In addition there is a commitment for a Partnership Review to consider widening NHS Pension Scheme access to “Any Qualified Providers (AQP’s) including non-NHS AQP’s delivering NHS services and social enterprises. The Terms of Reference of this Partnership Review have been agreed and are in *Reforming the NHS Pension Scheme for England & Wales: Proposed Final Agreement*.

This would mean that your new employers would need to pay at least the same pension contribution rate as NHS employers, which is currently 14% of pensionable salary.

Allowing TUPE transferred members to remain in the NHS Pension Scheme is an improvement on the current arrangements under ‘Fair Deal’. Fair Deal places an obligation on a new employer to provide transferring staff with access to a pension

scheme that is deemed by the government Actuaries Department as being “broadly comparable” to the pension benefits provided by the NHS Pension Scheme. This requirement also includes the ability for members to transfer the NHS Pension Scheme benefits they have built up into the scheme offered by their new employer should they wish to.

Currently, only not-for-profit employers providing NHS services can currently seek ‘Direction Status’ to allow transferring NHS staff to remain in the NHS Pension Scheme but only 1.5% of current scheme members are members through a Direction. The proposals for the 2015 section would allow all TUPE transferred staff to retain direct membership of the NHS Pension scheme.

UNISON pushed very hard for this in the central negotiations with government. UNISON very much welcomes this provision as it is a clear improvement on what we feared and should provide real pension protection and access for NHS staff in an environment where the threat of being TUPE transferred is very real.

Section 8 – The position of your current pension benefits and retention of salary link

What happens to the pension benefits I am currently building up when the new 2015 Section comes into force?

The pension benefits you are currently building up in the 1995 and 2008 Sections will be protected meaning you can still choose to draw these at your current Normal Pension Age.

Furthermore, the pensionable service you accrue up to the date of moving to the 2015 Section will still be linked to the definition of Final Pensionable or Reckonable Pay in the 1995 and 2008 Sections at your retirement date as opposed to your pensionable salary at the date the new section comes into force.

This retention of the salary link to the current pension benefits you are building up is very valuable.

What happens if I leave the NHS Pension Scheme?

Currently if you leave the 1995 Section or 2008 Section of the NHS Pension Scheme then the pension benefits you have built up to the point of leaving based on your Final Pensionable or Reckonable Pay at the date of leaving will increase each year up to your retirement in line with increases in the Consumer Prices Index (CPI) measure of cost of living increases.

If you join the new section in 2015, or indeed at a later point if you have tapered protection and leave, your pension benefits in the 2015 Section would also increase up to your retirement in line with CPI increases. Your existing 1995 or 2008 Section pension will be based on your Final Pensionable or Reckonable Pay at your date of leaving

service and then increase in line with CPI increases.

If I leave the NHS Pension Scheme post 2015 and return what is my position then?

If you rejoin the NHS Pension Scheme within 5 years of leaving your existing 1995 or 2008 Section benefits can still increase in accordance with your pensionable salary in your current period of re-employment. For Care revaluation purposes you will be assumed to have remained a member of the 2015 Section for the period you were not actively in it. So it will increase by CPI plus 1.5% a year for that period and not just by CPI.

If you rejoin the scheme after 5 years of leaving you will be offered the option to transfer your existing 1995 or 2008 Section benefits into the 2015 Section should you wish to.

Section 9 – Choice 2 for 1995 Section members and 2008 Section members covered by “protection”

If you are a 1995 Section member who is not covered by full protection you would have another opportunity to decide whether you want to move across to the 2008 Section.

Given the increase in future Normal Pension Ages and the fact that the Normal Pension Age in the 2015 Section would be at least 65 you may feel that you are going to have to work significantly past 60 and hence may be better served switching across to the 2008 Section given this is a more flexible scheme with a better rate of pension build up (i.e. accrual rate). Remember the 1995 Section has a 1/80th accrual rate for each year of service plus an automatic tax-free cash sum of three times the pension value, whereas the 2008 Section has an accrual rate of 1/60th.

Also it would be possible for 2008 Section members, subject to reducing their working hours, to access their pension whilst continuing to work (and potentially still accrue further pension benefits) in the 2015 Section.

1995 Section members, like now, would not be able to access their 1995 Section pension while continuing to work and would have to retire to be able to draw their pension benefits. If they were to retire and then come back to work in the NHS they could not rejoin the NHS Pension Scheme.

This new exercise would be called Choice 2 and is likely to run in 2013 or 2014 on the same pensionable service conversion terms as applied during the original Choice exercise.

PROTECTED 2008 SECTION MEMBERS

If you are a 2008 Section member with full or tapered protection you would remain in your current section at April 2015 but you will be offered a one-off choice to move to the 2015 Section if you think it would be in your better financial interests to do so.

Modelling of the impact of the new scheme on these protected members has suggested that the majority could be better off if they transfer to the new scheme.

Given the 10% better accrual rate in the 2015 Section you may well find that you would be better off not being protected although much will depend on your salary progression. UNISON will provide further guidance in due course on this issue.

Section 10 – The Employer Cost Cap and the “25 year Guarantee”

The 25 Year Guarantee

The government intends to legislate on the basis that if agreement over public service pension reform is obtained there would be no further changes to scheme design or benefits for at least the next 25 years. This commitment would not prevent changes to the legislation by future governments.

The Employer Cost Cap

An employer cost cap is being proposed to help limit scheme costs. This would be 2% above and the floor set 2% below the employer contribution rates calculated following a full valuation of the scheme ahead of the introduction of the new scheme in 2015.

There would be regular scheme valuations to assess how the cost of the scheme has increased or reduced. In the event that “member costs” drive the cost of the scheme above the cap or below the floor, there would be a period of consultation with relevant groups, before changes are made to bring costs within the cap and floor. If agreement cannot be reached through consultation, the accrual rate would be adjusted as an automatic default.

“Member costs” are increases in costs caused by changes in the demography of the scheme such as increased longevity and greater than expected ill-health retirements.

Costs excluded from the Cost Cap include changes in actual and assumed price inflation and changes in the discount rate. Discount rates reflect the future cost of money and represent the required rate of return on pension assets today to meet future pension liabilities. A lower discount rate implies that more money is needed today to finance pension liabilities and

hence a greater pension contribution cost.

The employer cost cap would be symmetrical so that if reductions in member costs fall below a “floor”, members benefits would be improved.

As yet it is unclear what the employer contribution cost would need to revert to if it exceeds the Cost Cap. For example, would the cost need to revert back to the Cap or to the original employer contribution at the introduction of the 2015 scheme. The government is currently unsure about this and will review with Trade Unions.

This lack of certainty is clearly not ideal on such a significant issue but UNISON has taken actuarial advice and believes that this 2% cap should mean that it is unlikely the Cap will be exceeded for the foreseeable future.

Section 11 – Survivors benefits, ill-health and ancillary benefits

	Current 1995 Section	Current 2008 Section	Proposed 2015 Section
Death in-Service Lump Sum	2 x actual pensionable pay	2 x actual reckonable pay	2 x actual pensionable pay
Long-term survivors pensions for death in active service	1/160th of enhanced pensionable service	1/160th of enhanced pensionable service	1/160th of enhanced pensionable service
Tier 1 ill-health early retirement pension	Payment of accrued pension if permanently unable to do current job to age 60	Payment of accrued pension if permanently unable to do current job to age 65	Payment of accrued pension if permanently unable to do current job to State Pension Age
Tier 2 ill-health early retirement pension	Pension payable enhanced by 2/3rds of prospective service to age 60 if can't undertake regular employment	Pension payable enhanced by 2/3rds of prospective service to 65 if can't undertake regular employment	Pension payable enhanced by 50% of prospective service to State Pension Age (min 65) if can't undertake regular employment
Early retirement reduction factors	Pensions paid before 60 (55 for MHO and Special Classes) are reduced for being paid early	Pensions paid before 65 are reduced for being paid early	Will apply to retirement before Normal Pension Age
Late retirement factors (LRF's)	Pensions that start after 60 are not increased by an LRF	Pensions that start after 65 increased by LRF	Pensions that start after SPA will be increased by a LRF
Abatement			
(see note at bottom of table)	Applies in certain circumstances (see note at bottom of table)	Applies in certain circumstances (see note at bottom of table)	Will continue to apply in current form (see note at bottom of table)
Leaving service			
	If at least 2 years pensionable service a deferred pension becomes payable that increases up to retirement in line with CPI increases	If at least 2 years pensionable service a deferred pension becomes payable that increases up to retirement in line with CPI increases	If at least 2 years pensionable service a deferred pension becomes payable that increases up to retirement in line with CPI increases
Pension increases after retirement	Pension value increases each year in line with CPI increases	Pension value increases each year in line with CPI increases	Pension value increases each year in line with CPI increases
Pensionable Membership limit	45 years	45 years	No limit
Public Sector Transfer Club	Continuity of service applies for "Club" transfers	Continuity of service applies for "Club" transfers	Continuity of service plus 95/08 Section benefits linked to salary in new job

Note:

Abatement is where a pension you are receiving from the NHS Pension Scheme could be reduced on your return to NHS employment, potentially up to age 60 in the 1995 Section and 65 in the 2008 Section. The following types of pension can be subject to abatement:

- Ill-health pensions
- Early payment of deferred pension on ill-health grounds
- Early retirement pensions paid in the “interests of efficiency of the service”
- Normal retirement pensions paid to Special Class and MHO members before age 60

Abatement does not apply to:

- Pensions paid on redundancy
- Actuarially reduced pensions paid on voluntary early retirement
- Normal retirement pensions paid at 60 for 1995 Section members and 65 for 2008 Section members

For abatement to apply your earnings from your new employment plus the “unearned” element of your pension would have to be greater than your earnings prior to retiring and drawing your NHS Pension.

The “unearned” element of your pension is the difference between the annual pension payable and the amount that would have been paid as an actuarially reduced pension on voluntary early retirement.

Section 12 – Potential Uniform Accrual for MHO members who do not have full protection

In respect of your MHO service up to the point you switch to the new section (which would be 2015 or a later date if you have tapered protection), as is the case now, you would retain that right providing you still satisfy the MHO eligibility conditions on your retirement.

Also your existing pensionable service at the time you switch to the 2015 Section would be enhanced by a pro-rata increase to help limit potential loss of “doubled years” service, as there will be no MHO recognition in the 2015 Section.

This formula is as follows:

(A = Pensionable service up to the point MHO service ends

DIVIDED BY

B = Potential service to age 55 without doubled years)

MULTIPLIED BY

C = Potential pensionable service to age 55 assuming member remains an MHO and including “doubled years”

Below is an example to show how this could work for you if you do not fall within the protection provisions and have to move across to the new Section in 2015:

- Davina is an MHO member with 18 years MHO service on the 31 March 2015 and is 40 years old at this date
- (A) is therefore 18 as she has 18 years pensionable service at the point her MHO service ends
- (B) is 33 as she has 15 more years of potential service to 55 and if we add this to her current 18 years pensionable service this equals 33
- (C) is 46 as Davina would have 33 years pensionable service at 55 plus an additional 13 years resulting from “doubled service” for MHO years in excess of 20.
- $(A/B) \times C$ is therefore $(18/33) \times 46 = 25.09$ years
- **This means Davina would receive 25.09 years, an increase of just over 7 years 1995 Section service at the point of switching across to the 2015 Section (as compared to the 18 years service she would otherwise receive).**

Section 13 - Existing Added Years and Additional Pension contracts

1995 Section members paying Added Years contributions

If you are a 1995 Section member paying Added Years contributions and move to the 2015 Section you would be able to continue paying these contributions. You should therefore still be able to purchase the additional pensionable service within the 1995 Section that you entered into a contract to do.

Only members of the NHS Pension Scheme prior to 1 April 2008 can enter into Added Years contracts and these are simply contracts that allow members to purchase extra pensionable service. It is not possible to commence an Added Years contract post 1 April 2008.

I don't have an Added Years contract but I am paying Additional Pension contributions to build up an additional pension at 60. Can I still continue to do this?

It is possible to purchase Additional Pension within the NHS Pension Scheme and this option is open to both current 1995 and 2008 Section members. Additional Pension can be purchased in increments of £250 up to a maximum of £5000 per annum.

Additional Pension contracts can be purchased at existing Normal Pension Ages. This means that current 1995 Section members can retire and draw their Additional Pension at age 60. Existing members who are paying Additional Pension contributions for a pension payable at 60 will still be able to pay these contributions to secure an Additional Pension payable at 60.

What about if I am paying Additional Voluntary Contributions (AVC's)?

An AVC is effectively a separate fund that you are paying into where your contributions are invested in a fund that can go up or down depending on investment performance. On your retirement the fund of money you have built up is used to buy you an annual pension (known as an annuity) which is payable in addition to the pension you have built up in the NHS Pension Scheme.

In respect of your AVC contributions, nothing will change if you move across to the 2015 Section and you will simply carry on as you are, unless you wish to increase your contributions or stop paying these.

Section 14 – Member funded early retirement

If you move across to the 2015 Section then you would face an increase in your future Normal Pension Age of potentially 68 and possibly even higher if the government increase State Pension Ages again.

YOU CAN HOWEVER ELECT TO PAY MORE TO RETIRE EARLIER

For members wishing to retire before their State Pension Age there would be an opportunity to pay additional pension contributions to fund earlier retirement of up to 3 years without an actuarial reduction applying, subject to a minimum Normal Pension Age of 65.

What else do I need to know?

- The cost of earlier retirement will be actuarially neutral
- Your additional pension contributions would be expressed as a % increase in your contribution rate per year of earlier retirement
- Periodically the additional contribution rate would be reviewed and may change during the period of purchase
- Although contributions would ordinarily be payable by you, there will also be provision for employer funding
- If you make earlier retirement contributions but subsequently choose to retire, at a different date, your benefits would be actuarially reduced or enhanced to take full account of the extra years of earlier retirement you have purchased.

Is this a good deal or not?

If your employer was willing to pay these additional contributions so you could draw your pension earlier without reduction then this would certainly be a good deal – otherwise for you as a member it could be quite expensive, as rates would be ‘cost neutral’.

These rates would be in the region of 1.2% to 1.5% extra on top of your standard contribution for an actuarial reduction to not apply in respect of retiring one year earlier than your new Normal Pension Age, and could be as follows:

Age at Commencement	Additional Contribution % of Pay
60	1.5
50	1.4
40	1.3
30	1.2

PLEASE NOTE THESE ADDITIONAL CONTRIBUTION RATES WOULD BE TREBLED IN THE EVENT OF RETIRING 3 YEARS EARLIER THAN YOUR NEW NORMAL PENSION AGE

Section 15 – Case Study Examples

Case Study 1: 47 year old full-time Nurse as at 1 April 2012 (with Special Class Status) in 1995 Section

- 22 years pensionable service at 1 April 2012
- Band 6 salary and reaches top Band pay point
- Has full transitional protection as within 10 years of Normal Pension Age (i.e. 55) at 1 April 2012

What do the changes mean for you if you retire at 55?

- **If no change:** If the scheme did not change you would get an annual pension of £13,197 along with a tax-free cash sum of £39,591
- **With changes:** Because you are within 10 years of your Normal Pension Age of 55 at April 2012 you qualify for “full transitional protection” meaning you remain in your current scheme up to retirement
- **You therefore get exactly the same pension benefits as you would otherwise have got on your retirement**

How valuable is this protection?

As a member with full protection you are exempt from retirement age changes. Without this protection your Normal Pension Age for your future service from 2015 would be 67 and even if you remained in the 1995 Section up to age 55, your pension on retirement would be £12,211 (along with a tax-free cash sum of £39,591) if 67 was assumed to be your future Normal Pension Age

**BASED ON THIS EXAMPLE AND THE CASE STUDY ASSUMPTIONS (SEE PAGE 30)
FULL PROTECTION IS VERY VALUABLE UNLESS YOU WISH TO WORK WELL IN
EXCESS OF YOUR CURRENT NORMAL PENSION AGE**

Case Study 2: A 30 year old full-time Maternity Care Assistant as at 1 April 2012 in the 2008 Section

- 5 years pensionable service at 1 April 2012
- Band 4 salary and reaches top Band pay point

What do the changes mean for you if you retire at 65?

- **If no change:** If the scheme did not change you would get an annual pension of £17,788
- **With changes:** If you move across to the new Section in 2015 with a Normal Pension Age of 68 you would get a total annual pension of £15,908 with £12,351 arising from post April 2015 service and £3,558 from your pre April 2015 service
- **Alternatively you would need to work to 66 years 4 months** if you want to get the same pension as you would at 65 if no changes were made

If you were allowed to stay in your current Section but with a new future NPA equal to your SPA of 68, how much longer past 65 would you need to work to get the same pension as if no retirement age increases occurred:

- 2008 Section – You would need to work an extra 1 year 2 months
- 2015 Section – You would need to work an extra 1 year 4 months

**BASED ON THIS EXAMPLE AND THE CASE STUDY ASSUMPTIONS (SEE PAGE 30)
THE 2008 SECTION PROVIDES VERY marginally BETTER PENSION BENEFITS
THAN THE 2015 SECTION IF WE STRIP OUT FUTURE RETIREMENT AGE INCREASES**

Case Study 3: A 40 year old full-time Health Care Assistant as at 1 April 2012 in the 1995 Section

15 years pensionable service at 1 April 2012

Currently on a Band 2 salary but expects to soon be on a Band 3 salary and to reach top Band pay point

What do the changes mean for you if you retire at 60?

- **If no change:** If the scheme did not change you would get an annual pension of £9,246 plus a tax-free cash sum of £27,738
- **With changes:** If you move across to the new Section in 2015 with a Normal Pension Age of 67 you would get an annual pension of £7,903 along with the same £27,738 tax-free cash sum. This £7,903 pension would comprise of £4,755 pre April 2015 benefits and £3,148 post April 2015 benefits
- **Alternatively you would need to work to 62 years 8 months** to get the same pension as you would at 60 if no changes were made

If you were allowed to stay in your current Section but with a new future NPA equal to your SPA of 67, how much longer past 60 would you need to work to get the same pension as if no retirement age increases occurred:

- 1995 Section – You would need to work an extra 3 years
- 2015 Section - You would need to work an extra 2 years 8 months

**BASED ON THIS EXAMPLE AND THE CASE STUDY ASSUMPTIONS (SEE PAGE 30)
THE 2015 SECTION ACTUALLY PROVIDES BETTER PENSION BENEFITS IF WE STRIP
OUT FUTURE RETIREMENT AGE INCREASES**

Case Study 4: A 40 year old full-time Occupational Therapist as at 1 April 2012 in the 1995 Section

- 15 years pensionable service at 1 April 2012
- Currently on a Band 5 salary but expects to soon be on a Band 6 salary and to reach top Band pay point

What do the changes mean for you if you retire at 60?

- **If no change:** If the scheme did not change you would get an annual pension of £16,789 plus a tax-free cash sum of £50,367.
- **With changes:** If you move across to the new Section in 2015 with a Normal Pension Age of 67 you would get an annual pension of £14,046 along with the same £50,367 tax-free cash sum. This £14,046 pension would comprise of £8,635 pre April 2015 benefits and £5,411 post April 2015 benefits
- **Alternatively you would need to work to 63** to get the same pension as you would at 60 if no changes were made

If you were allowed to stay in your current Section but with a new future NPA equal to your SPA of 67, how much longer past 60 would you need to work to get the same pension as if no retirement age increases occurred:

- 1995 Section – You would need to work an extra 3 years
- 2015 Section – You would need to work an extra 3 years

BASED ON THIS EXAMPLE AND THE CASE STUDY ASSUMPTIONS (SEE PAGE 30) BOTH THE 1995 AND 2015 SECTIONS PROVIDE THE SAME PENSION BENEFITS IF WE STRIP OUT FUTURE RETIREMENT AGE INCREASES

Case Study 5: A 25 year old full-time “accelerated progression” Nurse as at 1 April 2012 in the 2008 Section

- 3 years pensionable service at 1 April 2015
- Currently on a Band 5 salary but expects to rise through Pay Bands to 8a well in advance of retirement

What do the changes mean for you if you retire at 65?

- **If no change:** If the scheme did not change you would get an annual pension of £39,443
- **With changes:** If you move across to the new Section in 2015 with a Normal Pension Age of 68 you would get an annual pension of £30,801. This £30,801 pension would comprise of £2,958 pre April 2015 benefits and £27,843 post April 2015 benefits
- **Alternatively you would need to work to just over 68** to get the same pension as you would at 65 if no changes were made

If you were allowed to stay in your current Section but with a new future NPA equal to your SPA of 68 , how much longer past 65 would you need to work to get the same pension as if no retirement increases occurred:

- 2008 Section – You would need to work an extra 1 year 4 months
- 2015 Section – You would need to work just over an extra 3 years

BASED ON THIS EXAMPLE AND THE CASE STUDY ASSUMPTIONS (SEE PAGE 30) THE 2008 SECTION PROVIDES SIGNIFICANTLY BETTER PENSION BENEFITS THAN THE 2015 SECTION IF WE STRIP OUT FUTURE RETIREMENT AGE INCREASES

Case Study 6: A 48 year old full-time Senior Paramedic at 1 April 2012 in the 1995 Section

- 23 years pensionable service at 1 April 2012
- Currently on a Band 6 salary but expects to rise to a Band 7 salary within the next few years and reach top of Band scale prior to retiring
- Tapered Protection applies as between 10 and 13.5 years away from current Normal Pension Age of 60 as at 1 April 2012

What do the changes mean for you if you retire at 60?

- **If no change:** If the scheme did not change you would get an annual pension of £18,613 plus a tax-free cash sum of £55,839
- **With changes:** If you move across to the new Section in 2015 with a Normal Pension Age of 67 you would get an annual pension of £17,844 with the same tax-free cash sum of £55,839. This £17,844 pension would comprise of £13,827 pre April 2015 benefits and £4,017 post April 2015 benefits

Alternatively you would need to work to 61 years 1 month to get the same pension as you would at 60 if no changes were made

If you were allowed to stay in your current Section but with a new future NPA equal to your SPA of 67, how much longer past 60 would you need to work to get the same pension as if no retirement age increases occurred:

- 1995 Section – You would need to work an extra 2 years
- 2015 Section – You would need to work an extra 1 year 1 month

**BASED ON THIS EXAMPLE AND THE CASE STUDY ASSUMPTIONS (SEE PAGE 30)
THE 2015 SECTION PROVIDES BETTER PENSION BENEFITS IF WE STRIP OUT
RETIREMENT AGE INCREASES**

Case Study 7: A 46 year old part-time Medical Records Clerk at 1 April 2012 in the 1995 Section

- 12 years pensionable service at 1 April 2012
- Currently on a Band 2 salary and expects to remain on a Band 2 salary until retirement
- Works 50% full-time hours up to retirement

What do the changes mean for you if you retire at 60?

- **If no change:** If the scheme did not change you would get an annual pension of £4,341 plus a tax-free cash sum of £13,023
- **With changes:** If you move across to the new Section in 2015 with a Normal Pension Age of 67 you would get an annual pension of £4,022 with the same tax-free cash sum of £13,023. This £4,022 pension would comprise of £3,084 pre April 2015 benefits and £938 post April 2015 benefits
- **Alternatively you would need to work to 61 years 8 months to get the same pension as you would at 60 if no changes were made**

If you were allowed to stay in your current Section but with a new future NPA equal to your SPA of 67, how much longer past 60 would you need to work to get the same pension as if no retirement age increases occurred:

- 1995 Section – You would need to work an extra 2 years and 4 months
- 2015 Section – You would need to work an extra 1 year 8 months

**BASED ON THIS EXAMPLE AND THE CASE STUDY ASSUMPTIONS (SEE PAGE 30)
THE 2015 SECTION PROVIDES BETTER PENSION BENEFITS IF WE STRIP OUT
RETIREMENT AGE INCREASES**

Case Study 8: A 53 year old part-time Healthcare Assistant as at 1 April 2012 in the 2008 Section (transferred over through Choice)

- 21 years pensionable service at 1 April 2012
- Currently on a Band 3 salary and expects to move to Band 4 in next 5 years
- Works 50% full-time hours up to retirement
- Tapered protection applies as between 10 and 13.5 years away from current Normal Pension Age of 65 as at 1 April 2012

What do the changes mean for you if you retire at 65?

- **If no change:** If the scheme did not change you would get an annual pension of £10,170
- **With changes:** If you move across to the new Section in 2015 with a Normal Pension Age of 66 you would get a total annual pension of £10,206 with £1,731 arising from post April 2015 service and £8,475 from your pre April 2015 service
- **You would therefore be better off with these changes**

If you were allowed to stay in your current Section but with a new future NPA equal to your SPA of 66, how much longer past 65 would you need to work to get the same pension as if no retirement age increases occurred:

- 2008 Section – You would need to work an extra 1 month
- 2015 Section – You would not need to work any longer at all

**BASED ON THIS EXAMPLE AND THE CASE STUDY ASSUMPTIONS
(SEE PAGE 30) THE 2015 SECTION PROVIDES BETTER PENSION BENEFITS THAN
THE 2008 SECTION**

Case Study 9: A 42 year old full-time Domestic Assistant as at 1 April 2012 in the 1995 Section

- 13 years pensionable service at 1 April 2012
- Currently on a Band 1 salary and expects to reach top Band 1 pay point prior to retirement

What do the changes mean for you if you retire at 60?

- **If no change:** If the scheme did not change you would get an annual pension of £6,265 plus a tax-free cash sum of £18,795
- **With changes:** If you move across to the new section in 2015 with a Normal Pension Age of 67 you would get an annual pension £5,453 along with the same £18,795 tax-free cash sum. This £5,453 pension would comprise of £3,234 pre April 2015 benefits and £2,220 post April 2015 benefits
- **Alternatively you would need to work to 62 years and 4 months to get the same pension as you would at 60 if no changes were made**

If you were allowed to stay in your current section but with a new future NPA equal to your SPA of 67, how much longer past 60 would you need to work to get the same pension as if no retirement age increases occurred:

- 1995 Section – You would need to work an extra 2 years 11 months
- 2015 Section – You would need to work an extra 2 years 4 months

**BASED ON THIS EXAMPLE AND THE CASE STUDY ASSUMPTIONS (SEE PAGE 30)
THE 2015 SECTION ACTUALLY PROVIDES BETTER PENSION BENEFITS IF WE STRIP
OUT FUTURE RETIREMENT AGE INCREASES**

Case Study Assumptions

- The figures in the case studies are for illustrative purposes only
- The proposed scheme (i.e. the 2015 Section) is assumed to come into effect from the 1 April 2015
- The proposed scheme is a Career Average Revalued Earnings (Care) scheme with an accrual rate of 1/54ths and revaluation before retirement in line with the change in the Consumer Prices Index (CPI) plus 1.5% per annum
- The calculation of State Pension Age (SPA) incorporates the anticipated increase of SPA to 67 between 2026 and 2028, announced by the government on the 29 November 2011
- The Normal Pension Age (NPA) in the proposed scheme is assumed to be State Pension Age (SPA) or age 65 if higher
- For retirement before SPA in the proposed scheme and for current 1995 and 2008 Section comparisons stripping out the retirement age increase effects, pensions are assumed to reduce in line with the reduction factors currently used in the 2008 Section based on the number of years early
- All pension figures are in assumed price terms in 2015
- The current Agenda for Change pay rates have been used and basic pensionable salary is assumed. For example no account is taken of unsocial hour payments
- Earnings are assumed to increase in line with increases in the Consumer Prices Index (CPI) plus 2.25%. CPI is assumed to be 2%
- Pension is assumed to be commuted to cash using a factor of 12:1. For the 1995 Section the case studies show the same cash value before and after the proposed changes to show real “like for like” comparisons
- For the 2008 Section (including those who moved through the Choice exercise and have a minimum cash lump sum), only pension benefits are shown. Cash is available through commutation of pension. Up to 25% of the value of your pension benefits can be commuted to tax-free cash.

Section 16 – Department of Health Modellers

The Department of Health has produced Modellers which allow you to see:

1. How much more, if anything, you may need to pay in pension contributions for 2012/2013. This is called the NHS Pension Scheme Increased Contributions Calculator for 2012-2013.
 2. The potential affect on your pension income in retirement arising from the proposed changes to your pension scheme. This is called the NHS Pension Scheme Retirement Modeller.
- You can access the NHS Pension Scheme Increased Contributions Calculator for 2012-2013 by going to http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@dh/@en/documents/digitalasset/dh_132288.xls.#
 - You can access the NHS Pension Scheme Retirement Modeller by going to <http://www.dh.gov.uk/health/agenda-calculator/>.

continued. It also aims to give you an idea of how many extra years you may need to work past your current Normal Pension Age to achieve the same level of pension.

This Modeller will give you an approximate estimate of how the proposed reforms would affect your pension and **ultimately you will need to contact NHS Pensions if you want a quotation of your current pension entitlement.**

This Modeller takes into account both the pension benefits you have already earned plus the potential pension benefits you could get in the 2015 Section and compares this against what you may otherwise reasonably expect to get if the current arrangements

Section 17– Terminology definitions – what do all these pension terms mean?

Below are a number of common terms we've used in this guide along with a brief description of what they mean:

Active member

A worker who is paying into a pension scheme.

Accrual rate

In a defined benefit pension scheme, this measures the rate at which a member's pension builds up. It is usually written as a fraction or a percentage of pensionable pay (for example, a 1/60th accrual rate is the same as 1.67%), which refers to how much pension you get for each year you're a member of the scheme.

For example if you are a current member of the 2008 Section you have an accrual rate of 1/60th, meaning you will get 1/60th of your final pensionable pay for each year of your qualifying service. So, after 30 years pensionable service, you would earn half your final pensionable salary as your pension.

For example, if your final pensionable salary was £30,000, 30 years of paying into the scheme would mean a pension of 30/60ths, or one half, of that salary, or £15,000 a year. Similarly, 10 years service would get you 10/60ths, or £5,000 a year.

Career Average Revalued Earnings (Care) pension scheme

A Care scheme like a final salary scheme is still a form of defined benefit scheme and offers a certain degree of pension predictability at retirement.

Commutation

This is where you give up part of your annual pension in exchange for an immediate tax-free lump sum when you retire. For each £12 of tax-free cash you claim you lose £1 of annual pension. There is a maximum limit of tax-free cash you can claim.

Deferred member

If you are no longer contributing to the pension scheme, but are due a pension from the scheme when you retire then you are a deferred member.

Deferred pension benefits

If you leave the NHS Pension Scheme then as long as you have been a member for at least 2 years you will have earned a pension which you are entitled to draw when you retire. This is commonly referred to as a deferred pension benefit.

Direction Status

Not-for-profit organisations whom take on NHS TUPE transferred staff and whom are providing NHS services can apply for Directions that allow the staff they have taken on to remain in the NHS Pension Scheme.

Early retirement

This is where you retire and collect your pension, before the scheme's Normal pension Age. Taking your pension early will usually involve an 'actuarial reduction' – in other words, because you can be expected to be drawing your pension for longer, you will get a smaller amount each year.

Fair Deal

In 1999 the government set up 'Fair Deal on

Pensions', which broadly speaking means private sector employers taking over public service workers have to provide a pension scheme which is 'comparable' for the public service scheme those workers are forced to leave.

It also allows you to transfer your NHS pension to the new 'comparable' scheme at special rates – commonly referred to as a "bulk transfer".

Currently if your employment is transferred to a not-for-profit employer providing NHS related services your new employer could apply for Direction status which would allow you to remain in the NHS Pension Scheme.

Final pensionable pay

This is the pensionable pay that is used to calculate your pension when you retire. If you are a member of the 1995 Section this is your best year's pensionable earnings within your last 3 years to retirement.

Ill-health early retirement

If your employment is terminated on ill-health grounds and you are at least permanently incapable of performing the duties of your employment you could qualify for early payment of your pension without reduction and this payment could be enhanced if you are also incapable of undertaking regular employment.

Late Retirement Factors

If you are a member of the 2008 Section and work past 65 without drawing your pension the value of your pension is increased by a set factor up to the date you actually draw it. This is known as a Late Retirement Factor and Late Retirement Factors should also apply to pension benefits drawn "late" in the 2015 Section.

Minimum Pension Age (or earliest retirement age)

This is the earliest age you can potentially draw your pension benefits but these will usually be reduced for being paid early. If you were an active member of the 1995 Section at the 5 April 2006 this age would be 50 otherwise 55 and 55 for 2008 and 2015 Section members.

Normal Pension Age

This is the age at which you can retire and draw your pension benefits, without any reduction applying. This would be 60 if you are a member of the 1995 Section (55 if you have Mental Health Officer or Special Class status) or 65 if you are a member of the 2008 Section. In the 2015 Section your Normal Pension Age would be the higher of 65 or your State Pension Age.

Pensionable pay

Your pensionable pay is the amount of salary that is used to calculate the amount of contributions you pay. This does not generally include overtime but does generally include unsocial hour pay plus payments for being available for on-call work. Pay received whilst performing on-call work is generally not pensionable as it's deemed to be overtime.

Pensionable service

This is the amount of service you have built up in the 1995 or 2008 Section that is used to calculate your pension entitlement. The greater your pensionable service the more pension you will receive.

Reckonable pay

If you are a currently a member of the 2008

Section your 2008 Section pension benefits are worked out on your retirement by the annual average of your best three years' consecutive pensionable pay in the 10 years before leaving or retirement, revalued by cost of living increases.

Retirement lump sum (tax-free cash sum)

On retiring you are entitled to a tax-free cash sum in addition to your annual pension.

If you are a 1995 Section member you automatically receive a tax-free cash sum equivalent to three times your pension value, although you can opt to claim more tax-free cash by exchanging some of your pension.

If you are a 2008 Section member and/or join the 2015 Section you will have to exchange some of your pension in order to receive a tax-free cash payment at a rate of £12 tax-free cash for each £1 of pension foregone.

Revaluation rate

This is the rate by which the pension you earn in each year is increased by for every remaining year you are in the pension scheme up to your retirement.

Annex A – Tapering table for 1995 section members with a normal pension age of 60

Date of Birth	Age 1st April 2012	Date of switch to new pension section	Age at switch to new pension section
2/4/62 - 30/4/62	49y 11m	01/02/2022	59y 9m
May-62	49y 10m	01/12/2021	59y 6m
Jun-62	49y 9m	01/10/2021	59y 3m
Jul-62	49y 8m	01/08/2021	59y
Aug-62	49y 7m	01/06/2021	58y 9m
Sep-62	49y 6m	01/04/2021	58y 6m
Oct-62	49y 5m	01/02/2021	58y 3m
Nov-62	49y 4m	01/12/2020	58y
Dec-62	49y 3m	01/10/2020	57y 9m
Jan-63	49y 2m	01/08/2020	57y 6m
Feb-63	49y 1m	01/06/2020	57y 3m
Mar-63	49y	01/04/2020	57y
Apr-63	48y 11m	01/02/2020	56y 9m
May-63	48y 10m	01/12/2019	56y 6m
Jun-63	48y 9m	01/10/2019	56y 3m
Jul-63	48y 8m	01/08/2019	56y
Aug-63	48y 7m	01/06/2019	55y 9m
Sep-63	48y 6m	01/04/2019	55y 6m
Oct-63	48y 5m	01/02/2019	55y 3m
Nov-63	48y 4m	01/12/2018	55y
Dec-63	48y 3m	01/10/2018	54y 9m
Jan-64	48y 2m	01/08/2018	54y 6m
Feb-64	48y 1m	01/06/2018	54y 3m
Mar-64	48y	01/04/2018	54y
Apr-64	47y 11m	01/02/2018	53y 9m
May-64	47y 10m	01/12/2017	53y 6m
Jun-64	47y 9m	01/10/2017	53y 3m
Jul-64	47y 8m	01/08/2017	53y
Aug-64	47y 7m	01/06/2017	52y 9m
Sep-64	47y 6m	01/04/2017	52y 6m
Oct-64	47y 5m	01/02/2017	52y 3m
Nov-64	47y 4m	01/12/2016	52y
Dec-64	47y 3m	01/10/2016	51y 9m
Jan-65	47y 2m	01/08/2016	51y 6m
Feb-65	47y 1m	01/06/2016	51y 3m
Mar-65	47y	01/04/2016	51y
Apr-65	46y 11m	01/02/2016	50y 9m
May-65	46y 10m	01/12/2015	50y 6m
Jun-65	46y 9m	01/10/2015	50y 3m
Jul-65	46y 8m	01/08/2015	50y
Aug-65	46y 7m	01/06/2015	49y 9m

Annex B – Tapering table for 1995 section members with mental health and special class status with a current normal pension age of 55

Date of Birth	Age 1st April 2012	Date of switch to new pension section	Age at switch to new pension section
2/4/67 - 30/4/67	44y 11m	01/02/2022	54y 9m
May-67	44y 10m	01/12/2021	54y 6m
Jun-67	44y 9m	01/10/2021	54y 3m
Jul-67	44y 8m	01/08/2021	54y
Aug-67	44y 7m	01/06/2021	53y 9m
Sep-67	44y 6m	01/04/2021	53y 6m
Oct-67	44y 5m	01/02/2021	53y 3m
Nov-67	44y 4m	01/12/2020	53y
Dec-67	44y 3m	01/10/2020	52y 9m
Jan-68	44y 2m	01/08/2020	52y 6m
Feb-68	44y 1m	01/06/2020	52y 3m
Mar-68	44y	01/04/2020	52y
Apr-68	43y 11m	01/02/2020	51y 9m
May-68	43y 10m	01/12/2019	51y 6m
Jun-68	43y 9m	01/10/2019	51y 3m
Jul-68	43y 8m	01/08/2019	51y
Aug-68	43y 7m	01/06/2019	50y 9m
Sep-68	43y 6m	01/04/2019	50y 6m
Oct-68	43y 5m	01/02/2019	50y 3m
Nov-68	43y 4m	01/12/2018	50y
Dec-68	43y 3m	01/10/2018	49y 9m
Jan-69	43y 2m	01/08/2018	49y 6m
Feb-69	43y 1m	01/06/2018	49y 3m
Mar-69	43y	01/04/2018	49y
Apr-69	42y 11m	01/02/2018	48y 9m
May-69	42y 10m	01/12/2017	48y 6m
Jun-69	42y 9m	01/10/2017	48y 3m
Jul-69	42y 8m	01/08/2017	48y
Aug-69	42y 7m	01/06/2017	47y 9m
Sep-69	42y 6m	01/04/2017	47y 6m
Oct-69	42y 5m	01/02/2017	47y 3m
Nov-69	42y 4m	01/12/2016	47y
Dec-69	42y 3m	01/10/2016	46y 9m
Jan-70	42y 2m	01/08/2016	46y 6m
Feb-70	42y 1m	01/06/2016	46y 3m
Mar-70	42y	01/04/2016	46y
Apr-70	41y 11m	01/02/2016	45y 9m
May-70	41y 10m	01/12/2015	45y 6m
Jun-70	41y 9m	01/10/2015	45y 3m
Jul-70	41y 8m	01/08/2015	45y
Aug-70	41y 7m	01/06/2015	44y 9m

Annex C: Tapering table for 2008 section members with a normal pension age of 65

Date of Birth	Age 1st April 2012	Age 1st April 2012	Date of switch to new pension section
2/4/57 -30/4/57	>54y11m to <55y0m	54y 11m	01/02/2022
May-57	>54y10m to 54y11m	54y 10m	01/12/2021
Jun-57	>54y9m to 54y10m	54y 9m	01/10/2021
Jul-57	>54y8m to 54y9m	54y 8m	01/08/2021
Aug-57	>54y7m to 54y8m	54y 7m	01/06/2021
Sep-57	>54y6m to 54y7m	54y 6m	01/04/2021
Oct-57	>54y5m to 54y6m	54y 5m	01/02/2021
Nov-57	>54y4m to 54y5m	54y 4m	01/12/2020
Dec-57	>54y3m to 54y4m	54y 3m	01/10/2020
Jan-58	>54y2m to 54y3m	54y 2m	01/08/2020
Feb-58	>54y1m to 54y2m	54y 1m	01/06/2020
Mar-58	>54y0m to 54y1m	54y	01/04/2020
Apr-58	>53y11m to 54y0m	53y 11m	01/02/2020
May-58	>53y10m to 53y11m	53y 10m	01/12/2019
Jun-58	>53y9m to 53y10m	53y 9m	01/10/2019
Jul-58	>53y8m to 53y9m	53y 8m	01/08/2019
Aug-58	>53y7m to 53y8m	53y 7m	01/06/2019
Sep-58	>53y6m to 53y7m	53y 6m	01/04/2019
Oct-58	>53y5m to 53y6m	53y 5m	01/02/2019
Nov-58	53y4m to 53y5m	53y 4m	01/12/2018
Dec-58	>53y3m to 53y4m	53y 3m	01/10/2018
Jan-59	>53y2m to 53y3m	53y 2m	01/08/2018
Feb-59	>53y1m to 53y2m	53y 1m	01/06/2018
Mar-59	>53y0m to 53y1m	53y	01/04/2018
Apr-59	>52y11m to 53y0m	52y 11m	01/02/2018
May-59	>52y10m to 52y11m	52y 10m	01/12/2017
Jun-59	>52y9m to 52y10m	52y 9m	01/10/2017
Jul-59	>52y8m to 52y9m	52y 8m	01/08/2017
Aug-59	>52y7m to 52y8m	52y 7m	01/06/2017
Sep-59	>52y6m to 52y7m	52y 6m	01/04/2017
Oct-59	>52y5m to 52y6m	52y 5m	01/02/2017
Nov-59	>52y4m to 52y5m	52y 4m	01/12/2016
Dec-59	>52y3m to 52y4m	52y 3m	01/10/2016
Jan-60	>52y2m to 52y3m	52y 2m	01/08/2016
Feb-60	>52y1m to 52y2m	52y 1m	01/06/2016
Mar-60	>52y0m to 52y1m	52y	01/04/2016
Apr-60	>52y11m to 53y0m	51y 11m	01/02/2016
May-60	>51y10m to 51y11m	51y 10m	01/12/2015
Jun-60	>51y9m to 51y10m	51y 9m	01/10/2015
Jul-60	>51y8m to 51y9m	51y 8m	01/08/2015
Aug-60	>51y7m to 51y8m	51y 7m	01/06/2015

UNISON has more than a million members delivering essential services to the public. Services that protect, enrich and change lives.

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Contacts

Glyn Jenkins
Head of Pensions
g.jenkins@unison.co.uk
020 7121 5519

Alan Fox
National Pensions Officer
a.fox@unison.co.uk
020 7121 5514