STATUTORY INSTRUMENTS

2015 No. 96

NATIONAL HEALTH SERVICE, ENGLAND AND WALES

The National Health Service Pension Scheme, Injury Benefits and Additional Voluntary Contributions (Amendment) Regulations 2015

Made - - - - 5th February 2015

Laid before Parliament 12th February 2015

Coming into force in accordance with regulation 1

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

In accordance with section 10(4) of the Superannuation Act 1972 the Secretary of State has consulted with representatives of persons likely to be affected by these Regulations, as appeared to the Secretary of State to be appropriate.

PART 1

Introductory

Citation, commencement and effect

1.—(1) These Regulations may be cited as the National Health Service Pension Scheme, Injury Benefits and Additional Voluntary Contributions (Amendment) Regulations 2015.

(2) These Regulations come into force on 1st April 2015 and, save as provided for in paragraphs (3) to (7), have effect from that date.

(3) Regulations 4 and 20 have effect from 1st April 2014.

(4) Regulation 10 has effect from 5th December 2005.

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

(5) Regulations 14 and 18 have effect from 6th April 2014.

(6) Regulations 21 and 40 have effect from 1st October 2008.

(7) Regulation 30 has effect from 1st April 2008.

PART 2

Amendment of the National Health Service Pension Scheme Regulations 1995

General

2. The National Health Service Pension Scheme Regulations 1995(**2**) are amended in accordance with regulations 3 to 16.

Amendment of regulation A2

3.—(1) Regulation A2 (interpretation) is amended as follows.

(2) At the appropriate place in the alphabetical order insert—

""the 2013 Act" means the Public Service Pensions Act 2013(**3**);

"the 2015 Scheme" means the scheme set out in the National Health Service Pension Scheme Regulations 2015(**4**);

"additional contribution option" means an option in the terms and conditions of a member's employment that entitles the member to make an additional contribution towards the cost of paying a pension under regulation E3A if the lump sum payment otherwise payable to the member in accordance with those terms and conditions is insufficient to meet the cost of that pension in full;".

(3) For the definition of "registered medical practitioner"(**5**), substitute—

""registered medical practitioner" means a fully registered medical practitioner within the meaning given in section 55 of the Medical Act 1983(**6**);".

Amendment of regulation C1

4. In sub-paragraph (a) of paragraph (1) of regulation C1 (meaning of "pensionable pay" and "final year's pensionable pay")(**7**), after "bonuses," insert "pay awards and pay increases that are expressed by the Secretary of State to be non-consolidated,".

Amendment of regulation D1

5.—(1) Regulation D1 (contributions by members) is amended as follows.

(2) For paragraph (1A)(**8**), substitute—

"(1A) A member's contribution rate for each of the scheme years 2015-2016 to 2018-2019 inclusive is the percentage specified in column 2 of the following table in respect of the corresponding pensionable pay band specified in column 1 of that table into which the member's pensionable pay falls.

(**2**) S.I. 1995/300.
(**3**) 2013 c. 25.
(**4**) S.I. 2015/94.
(**5**) The definition of "registered medical practitioner" was previously inserted by regulation 4 of S.I 2010/492.
(**6**) 1983 c. 54.
(**7**) Paragraph (1) was substituted by regulation 5 of S.I. 2005/661.
(**8**) Paragraph (1A) was substituted by regulation 6 of S.I. 2014/570.

Table:

Scheme Years 2015-2016 to 2018-2019

Column 1 *Pensionable Pay Band*	*Column 2* *Contribution Percentage Rate*
Up to £15,431	5%
£15,432 to £21,477	5.6%
£21,478 to £26,823	7.1%
£26,824 to £47,845	9.3%
£47,846 to £70,630	12.5%
£70,631 to £111,376	13.5%
£111,377 to any higher amount	14.5%".

(3) Omit paragraph (1B)(**9**).

(4) In paragraph (2)(**10**), for "the tables set out in this regulation" substitute "the table in paragraph (1A)".

(5) In paragraphs (2Q), (2R) and (2V)(**11**), for "paragraph (1B)" substitute "paragraph (1A)".

New Regulation D1A

6. After regulation D1 (contributions by members), insert—

"**Members' contributions: redundancy**

D1A.—(1) This regulation applies if—

(a) a member's employment is terminated by reason of redundancy,

(b) the member becomes entitled to payment of a pension under regulation E3A where regulation E3AB applies,

(c) an additional contribution option applies to that member, and

(d) unless that member pays an additional contribution as mentioned in paragraph (2), the amount of the member's pension would be reduced pursuant to paragraphs (5) to (10) of regulation E3AB.

(2) The member may pay such additional contribution as the Secretary of State (having regard to the advice of the Scheme Actuary) determines will be sufficient to meet the cost of the pension insofar as that cost is not met by the contribution paid by the member's employing authority under regulation D2(3A).

(3) For the purposes of paragraph (2), the Secretary of State must provide the member's employing authority with such information as will enable the employing authority to notify the member as to the effect that paying contributions of any particular amount would have on the amount of the pension payable to the member.

(**9**) The last relevant amending instrument is S.I. 2014/570 (reg.6).
(**10**) The relevant amending instruments are S.I. 2010/1634 (reg.2) and S.I. 2013/1414 (reg.2).
(**11**) The last relevant amending instrument in respect of paragraphs (2Q), (2R) and (2V) was S.I. 2012/610 (regs.2 and 4).

(4) The amount of the additional contribution payable pursuant to paragraph (2) must be—

(a) not less than £500 (or such other figure as the Secretary of State thinks appropriate);

(b) a whole number of pounds divisible by £10.

(5) For the purposes of paragraph (4)—

(a) if the insufficiency mentioned in paragraph (7)(b) of regulation E3AB is less than £500, sub-paragraph (a) is ignored;

(b) if it is necessary to do so to comply with sub-paragraph (b), the figure must be rounded down to the nearest whole number of pounds divisible by £10.

(6) If the member decides to pay an additional contribution, the amount of the contribution must be paid to the member's employing authority in sufficient time to enable the authority to remit the payment to the Secretary of State at the same time as the authority pays the contribution it is required to pay pursuant to regulation D2(3A).".

Amendment of regulation D2

7.—(1) Regulation D2 (contributions by employing authorities) is amended as follows.

(2) In paragraph (2), for "14 per cent" substitute "14.3%".

(3) In paragraph (3), after "employment by employing authority))" insert "in circumstances where regulation E3AB does not apply".

(4) After paragraph (3), insert—

"(3A) Where, on leaving pensionable employment, a pension becomes payable to a member under regulation E3A in circumstances where regulation E3AB applies, in addition to the contributions payable under paragraph (1), the employing authority must make a single lump sum contribution to the Secretary of State of the relevant amount not less than one month before the pension becomes payable.

(3B) The relevant amount is whichever is the lesser of—

(a) the amount the Secretary of State determines, having regard to the advice of the Scheme Actuary, is required to meet the cost of the pension under regulation E3A and the lump sum under regulation E6 in circumstances where regulation E3AB applies; and

(b) the amount the employing authority would otherwise be required to pay to the member in consequence of the member's redundancy.".

Amendment of regulation E3A

8.—(1) Regulation E3A (early retirement pension (termination of employment by employing authority)) is amended as follows.

(2) After sub-paragraph (ca)(**12**) of paragraph (2), insert—

"(cb) where sub-paragraph (b)(ii) applies, the member's employing authority states whether an additional contribution option applies to the member;".

(3) In paragraph (4), after "E1" insert ": this is subject to paragraph (4A)".

(4) After paragraph (4), insert—

(**12**) Sub-paragraph (ca) was inserted by regulation 9 of S.I. 2014/570.

"(4A) A member who satisfies the conditions in paragraph (2) is not entitled to a pension under this regulation if the Secretary of State, after consultation with the Scheme Actuary, decides that the amount of the pension would be less than the amount of the guaranteed minimum pension to which the member is entitled.".

New regulation E3AB

9. After regulation E3A (early retirement pension (termination of employment by employing authority)), insert—

"**Early retirement pension: additional contribution option**

E3AB.—(1) This regulation applies to a member who satisfies the conditions in regulation E3A and has an additional contribution option.

(2) Where this regulation applies the payment of the member's pension under regulation E3A does not commence until the member's employing authority has—

(a) remitted to the Secretary of State the member's contribution paid to it pursuant to regulation D1A(6); and at the same time,

(b) paid the contribution under regulation D2(3A).

(3) Sub-paragraph (a) of paragraph (2) does not apply if—

(a) the member has chosen not to pay a contribution as mentioned in regulation D1A, and

(b) the employing authority gives confirmation of that in writing to the Secretary of State.

(4) Paragraph (5) applies if—

(a) the member has received a payment referred to in regulation E3A(5)(a),

(b) the terms and conditions of the employment require the payment to be reduced to take account of any contribution the employing authority is required to make to the Secretary of State pursuant to regulation D2, and

(c) the payment has not been reduced.

(5) The amount of the payment (or all such payments) is deducted from the amount of the pension otherwise payable pursuant to regulation E3A.

(6) Paragraph (7) applies both where the member has exercised an additional contribution option and where the member has not.

(7) Paragraph (8) applies if—

(a) the reason for the termination of the member's employment is redundancy, and

(b) the contribution paid by the employing authority under regulation D2 is insufficient to meet the cost of the pension payable pursuant to regulation E3A.

(8) The amount of the pension is reduced by the appropriate amount.

(9) The appropriate amount is the amount determined by the Secretary of State as being necessary to ensure that the cost does not exceed the payment unless and to the extent that a contribution paid by the member under regulation D1A makes up the deficiency.

(10) The cost referred to in paragraph (9) is the amount which the Secretary of State determines is necessary to buy out the cost of the actuarial reduction that would apply if the pension and lump sum on retirement were calculated pursuant to regulations E5 and E6.