

# Planning for retirement factsheet

## July 2012

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### 1. Introduction

The NHS pension scheme is a statutory scheme, meaning that the rules which govern the scheme are set out by the Government in primary legislation. The scheme is also subject to legislation issued by HM Revenue and Customs and the Department for Work and Pensions.

This factsheet provides a broad outline of the scheme.

The scheme rules are complicated and frequently change. Where members are uncertain or when urgent decisions have to be made please seek advice from the BMA Pensions Department.

Changes were made to the scheme on 1 April 2008. The NHS pension scheme which was in operation at this date has been amended and is now known as the 1995 section of the NHS pension scheme. On 1 April 2008 a new section of the pension scheme was created and this is known as the 2008 section of the NHS pension scheme.

Both sections of the NHS pension scheme will be detailed in this factsheet.

### Further changes to the scheme look likely to be implemented from April 2015.

In 2010 the Government set up an 'Independent Commission into Public Service Pensions' to review public service pension schemes. The Commission reported in March 2011 making 27 recommendations for changes to public service pension schemes. In December 2011 the Government made a 'final offer' in respect of changes to the NHS pension scheme.

The 'offer' includes the closure of the NHS pension scheme from 1 April 2015, and the movement of all contributing members to a new NHS pension scheme where future benefits will be calculated on a Career Average basis. The proposed accrual rate in this new scheme is 1/54th with the normal pension age being linked to state pension age, which is presently age 65 but is scheduled to increase to age 66 between December 2018 and October 2020, and then to age 67 between 2034 and 2036 with a further increase to age 68 scheduled for introduction between 2044 and 2046.

Members who are within 10 years of their normal pension age on 1 April 2012 will be protected from these changes and will be able to continue to accrue benefits in either the 1995 section or the 2008 section of the NHS pension scheme. In the 1995 section a further level of protection is available for members who are aged between age 46 years and 6 months and 49 years and 11 months on 1 April 2012. For doctors with mental health officer status (MHO status) the further level of protection is available for those aged between age 41 years and 6 months and age 44 years and 11 months on 1 April 2012. In the 2008 section this additional protection is available for members who are aged between age 51 years and 6 months and age 54 years and 11 months on 1 April 2012. Details of this tapered protection are available at [www.bma.org.uk](http://www.bma.org.uk)

It is proposed that these changes will be prospective. This means that benefits earned up to 31 March 2015, or in the case of individuals who qualify for tapered protection the benefits earned up to the date of transfer to the new scheme, will continue to be calculated using the existing scheme rules and will be payable at the existing normal pension age. For secondary care doctors this means that these protected benefits will be calculated with reference to final salary at retirement and not salary at the date of transfer to the new scheme.

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Following consultation with its membership the BMA has rejected this offer and is presently reviewing its next action.

For the latest information on pension reform please check the BMA website at [www.bma.org.uk](http://www.bma.org.uk).

This factsheet details the current position in relation to members of the 1995 section and the 2008 section only.

### Features of the NHS pension scheme

The minimum amount of NHS service required to qualify for pension benefits is two calendar years.

Members who leave the NHS pension scheme before reaching the scheme normal pension age having failed to accrue two calendar years of pensionable service do not qualify for a pension. They are able to claim a refund of pension contributions or to transfer their pension rights to an alternative pension provider.

After two calendar years in the scheme members have an entitlement to a pension. Pensions for secondary care doctors are based on years and days of service and final pensionable pay. Pensions for GPs are based on their total career earnings.

When a member leaves the scheme, or retires, the pension is increased annually in line with the Pensions (Increase) Act 1971. From April 2011 deferred pensions and pensions in payment will increase annually in line with changes in the Consumer Prices Index (CPI).

The normal pension age in the 1995 section is 60, and in the 2008 section it is 65. This is the earliest date that benefits can be taken without any penalty as a result of voluntary retirement.

Voluntary early retirement is available from the scheme minimum pension age of 55. However individuals who were contributing to the 1995 section of the scheme on 5 April 2006, as well as deferred members with active service after 30 March 2000, will retain a minimum pension age of 50. Where benefits are paid as a result of voluntary retirement, before the scheme normal pension age, the benefits are subject to an actuarial reduction to reflect that the benefits

are being paid early and will potentially be in payment for longer. More details can be found on the BMA website [www.bma.org.uk/pensions](http://www.bma.org.uk/pensions), in the *Voluntary early retirement* FAQs, and on the relevant Pensions Agency's web site.

New redundancy provisions allow for a redundancy payment based on length of service and monthly earnings. Members with more than two calendar years of membership will then have an entitlement to a deferred pension. Those over the scheme minimum pension age can choose to take voluntary early retirement, with an actuarial reduction; alternatively they may elect to use the redundancy payment to fund the immediate payment of an unreduced pension. More details can be found on the BMA website ([www.bma.org.uk/pensions](http://www.bma.org.uk/pensions)), in the *Redundancy* FAQs, and on the relevant Pensions Agencies web sites.

Ill health retirement is available at any age. Doctors who are over their scheme normal pension age will only be able to retire on health grounds if seeking to take their benefits in the form of the terminal ill health payment. Ill-health retirement operates under a two-tier system of benefits, where members who are permanently incapable of carrying out the duties of their current role (Tier 1/Lower Tier) or any other role of like duration (Tier 2/Upper Tier) as a result of illness of the body or mind, can receive the early release of their pension without any penalty, and with an enhancement (if Tier 2/Upper Tier is awarded). More details can be found in the *Ill-health retirement* FAQs, and on the relevant Pensions Agencies web sites.

In the event of a member's death, the surviving spouse, civil partner, nominated unmarried partner and/or eligible children may be entitled to a pension. More details can be found in the *Death Benefits* FAQs, and on the relevant Pensions Agencies web sites.

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### 2. Secondary Care doctors' pensions

Doctors who work in secondary care are currently contributing to a final salary pension scheme (please see the introduction section for details of possible future changes to pension benefits). The final salary section of the NHS pension scheme generally applies to any doctor who is not working as a General Practitioner. There are some exceptions to this rule, the main one being GP registrars who remain in the final salary section of the pension scheme during their training.

The factors which determine the value of the pension are pensionable pay, pensionable service (which is calculated in years and days), and the scheme accrual rate.

In the 1995 section the scheme accrual rate is 1/80th. This means that for every year of scaled service accrued in the scheme, the pension amounts to 1/80th of total pensionable pay (TPP).

In the 1995 section the member receives a standard pension and a standard lump sum of 3 times the pension. The formula is as follows:

$$\frac{\text{Years and Days (scaled service)}}{80} \times \text{total pensionable pay} = \text{pension}$$

$$\frac{\text{Years and Days (scaled service)}}{80} \times \text{total pensionable pay} \times 3 = \text{lump sum}$$

In the 2008 section the scheme accrual rate is 1/60th. This means that for every year of scaled service accrued in the scheme, the pension amounts to 1/60th of reckonable pay.

The formula is as follows:

$$\frac{\text{Years and Days (scaled service)}}{60} \times \text{reckonable pay} = \text{pension}$$

### What is scaled service?

There are a number of different types of service which are relevant to pension benefits.

The first is known as qualifying service, this is the calendar length of NHS service and it determines entitlement to many benefits. The maximum service restrictions are calculated with reference to calendar length service. In both sections of the NHS pension scheme members are restricted to a maximum of 45 calendar years of service overall. In the 1995 section, doctors with MHO status are restricted to 40 years of calendar service at age 55, including doubled years, and then a maximum of 45 years over all.

During periods where secondary care doctors work part-time their calendar length service is scaled down at a rate proportionate to the number of part-time hours that they are working to produce scaled service. For example, a doctor working maximum part-time, under the old consultant contract, would, after 11 years, accrue 10 years of scaled service (11 years X 10/11).

Another example is where a doctor works five programmed activities (PAs), under the new consultant, specialty doctor or associate specialist contracts, for 10 years. This would equate to five years of scaled service (10 years X 5/10).

When a member retires their pension will be calculated with reference to this scaled service which for many members will be made up of periods of whole-time and part-time working.

The maximum membership age in the NHS pension scheme is 75.

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### How is pensionable pay calculated?

The pensionable pay which is used to calculate pension benefits is based on notional whole-time equivalent pensionable earnings. This applies to a doctor who is working part-time, or working in excess of whole-time hours.

Pensionable pay includes:

- basic salary
- merit awards/clinical excellence awards/discretionary points
- intensity payments
- domiciliary visit fees
- High cost area living allow (such as London weighting)

The same elements of pay are treated as pensionable in both the 1995 and the 2008 sections.

In the 1995 section of the NHS pension scheme the pay which is used to calculate the pension is known as total pensionable pay (TPP).

Total Pensionable Pay is based on notional whole-time equivalent pensionable earnings during one of the best of the last three years ending on the member's date of retirement.

In most cases the final 12 months' pay produces the highest pensionable pay figure but there are circumstances where this may not be the case, for example if a consultant was receiving a pensionable medical or clinical director allowance during the second or third last year of service. Another example might be where a doctor was receiving domiciliary visit fees during the second or third last year of service.

Each pensionable pay period is calculated back from the last day of service. For example if a doctor retired on 31 December 2012, a comparison would be undertaken of the three years' pensionable earnings for the years ending 31 December 2010, 31 December 2011 and 31 December 2012. The highest figure would be the TPP used for pension calculation purposes.

It is important to remember that pensionable pay is not the pay on the actual date of retirement. Nor is it linked to calendar or financial years, unless the last day of service dictated it. Where more than one rate of pay is in force during

the pensionable pay period, the pensionable pay would be a composite figure. An example of this is as follows:

### Retirement date 31 December 2012

01/01/12 to 31/03/12 = 3/12 x £95,000	= £23,750
01/04/12 to 31/12/12 = 9/12 x £97,000	= £72,750
Total pensionable pay	= £96,500

The following is a worked example of a pension and lump sum calculation where the doctor has accrued 36 scaled years of service at retirement and the final pensionable pay figure is £96,500:

### Pension

$$\frac{36 \times £96,500}{80} = £43,425 \text{ per annum}$$

$$\text{Lump sum} = 3 \times £43,425 = £130,725$$

In the 1995 section the member receives a pension as well as a lump sum of 3 times the pension. This example assumes that the doctor has not opted to take any more than the automatic lump sum that is paid at retirement.

In the 2008 section the pay which is used to calculate the pension benefits is known as reckonable pay.

Reckonable pay is the average of the best three consecutive years' pensionable pay in the last 10 years prior to retirement or leaving the scheme. In the 2008 section any pay received before 1 April 2008 is disregarded. Each year's pay will be revalued in line with inflation as determined by the Pensions (Increase) Act. The measure of inflation that is currently used is CPI.

Where less than one year has been worked before retirement, the pay will be increased pro rata to a full year.

Where more than one year, but less than three years, has been worked before retirement the averaging will be over the actual period of pay available.

Each pensionable pay period is calculated back from the last day of service. It is important to remember that pensionable pay is not the actual pay figure on the actual date of

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retirement, nor is it linked to the financial year,. Where more than one rate of pay is in force during the pensionable pay period, the pensionable pay would be a composite figure. An example is as follows:

### Retirement date 31 December 2012

01/01/12 to 31/03/12 = 3/12 x £95,000 = £23,750  
01/04/12 to 31/12/12 = 9/12 x £97,000 = £72,750  
Pensionable pay = £96,500

Similar calculations will be done for the previous nine years ending on the anniversary of 31 December 2012.

The following is a worked example of a pension calculation where the doctor has accrued 36 scaled years of service by retirement and the reckonable pay is £78,836:

### Pension

$36 \times £78,836 = £47,301$  per annum  
60

In the 2008 section the member receives a standard pension only.

### Reduction in hours leading up to retirement

Some doctors would like to consider reducing their hours as they lead up to retirement but have concerns about the effect on their pension.

In both the 1995 section and the 2008 section if a member chooses to remain in their own job and simply to reduce their hours this will only affect the amount of service that is accrued between the date of the reduction in work and the retirement date. The pensionable pay figure used to calculate the retirement benefits is not affected by part-time working.

The example below refers to the 1995 section and shows a doctor who at retirement has 36 years of service; 34 years full time and the final two years half time:

Total number of years = 36  
Whole-time service = 34 years  
Final 2 years at 5/10ths = 1 year (scaled)  
Total pensionable service = 35 years

$35 \times £96,500 = £42,219$  per annum  
80

The earlier example of a pension calculation had assumed that the member had continued to work whole-time up to retirement and thus achieved 36 years of service, giving a slightly higher pension of £43,425.

If a member of the 1995 section chooses to move from their existing post and takes a lower paid post this may have an impact on the pensionable pay. However the pension scheme rules recognise this and it is possible to apply for voluntary pension protection within 15 months of the change in post (3 months if the change was involuntary).

Members who move to the 2008 section under the NHS choice exercise will also retain any Voluntary Pay Protection that has been awarded.

This facility allows for pension benefits earned on the higher salary to be protected, and the member effectively accrues a second pension based on service and pay after the reduction in pay.

More details on this can be found at the relevant Pensions Agencies websites.

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### 3. General practitioners' pensions

The pension entitlements of GPs are calculated under a method of calculation known as dynamising, which takes into account total career income.

The factors that determine the amount of pension are the actual amount of NHS pensionable earnings recorded by the GP for each scheme year, the value of the dynamising factor and the accrual rate.

Every year NHS income is recorded on the member's dynamising sheet. This income is protected against inflation by revaluing the earnings. The revaluation factor is known as the dynamising factor. The dynamising factors are calculated each year as being the indexation determined by the Pensions (Increase) Act 1971 + 1.5%. The increase is currently linked to changes in the Consumer Prices Index plus 1.5%.

The following is an example of an extract of a dynamising sheet showing five years of pensionable earnings chosen at random.

Year	Pensionable Income £	Dynamising Factor	Upated Income £
1983	19,500	3.922	76,479
1989	28,200	2.586	72,925
1994	40,200	1.834	73,727
2003	61,618	1.207	74,373
2007	100,000	1.000	100,000

The upated income shown in the right hand column is added together and this is the total dynamised income.

For members of the 1995 section the total upated income is multiplied by 1.4% and the resultant figure is the pension. The formula is given below:

$$\text{Pension} = \text{Total dynamised income} \times 1.4\%$$

$$\text{Lump sum} = \text{Total dynamised income} \times 4.2\%$$

For members of the 2008 section the total upated income is multiplied by 1.87% and the resultant figure is the pension. The formula is given below:

$$\text{Pension} = \text{Total dynamised income} \times 1.87\%$$

Upating through dynamising is undertaken annually, up to 31 March each year. After 31 March, 1/12th of the annual upating factor is applied for each month or part thereof up to the retirement date.

Working on the first day of the month, and retiring on the second, will ensure that a full month's dynamising is credited.

#### GP Service Flexibilities

Under the new GMS contract a number of pension flexibilities were agreed for doctors retiring on or after 1 April 2003. The Pensions Agencies should automatically undertake a no detriment test and ensure that the most favourable calculation under the old and new contracts is put into payment. Briefly, these flexibilities are as follows:

#### Pre-GP secondary care service

This service can provide pension benefits in one of three ways.

- Final salary benefits uplifted by the Pensions (Increase) Act
- The income from these posts can be added to the GP dynamising sheet and treated as GP income
- Uplifting the GP pension to reflect a period of service equivalent to the length of the pre-practitioner secondary care service (only available if pre-practitioner service is less than 10 years)

For members with less than 10 years pre-practitioner service this last bullet point is the method generally applied.

The following is an example calculation where the basic GP pension calculated under the dynamising method is multiplied by 36 years total NHS service and divided by 33 years as a GP. The resultant figure is the total pension inclusive of pre GP service.

Pre GP service	3 years
GP service	33 years

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Total service      36 years

$\frac{36}{33} \times \text{GP pension} = \text{total GP pension inclusive of pre-GP service}$

The following is a worked example for a member of the 1995 section where total dynamised earnings amount to £2,500,000

Pension =  $1.4\% \times £2,500,000 = £35,000$  per annum

Uprating for pre-GP service  
 $\frac{36}{33} \times £35,000 = £38,182$  per annum

Lump sum =  $3 \times £38,182 = £114,546$

In the 1995 section the member receives a standard pension and a standard lump sum of 3 times the pension. This example assumes that the doctor has not taken any more than the standard lump sum that is paid at retirement.

### Concurrent secondary care service

This service will accrue where a GP is working concurrently as a GP and in a secondary care post, for example as a clinical assistant.

If the length of concurrent service equates to less than 1 scaled year (365 days exactly) then the income from this post will be added to the dynamising sheet and treated as GP income.

If it is more than 1 scaled year then a no detriment test is applied to determine whether a larger benefit is achieved by applying the final salary method, or by treating this service as GP service and dynamising the income as GP income.

### Sandwiched secondary care service

This is where periods of secondary care service are sandwiched between periods of GP service.

These posts will be treated in the same way secondary care service is currently but will be revalued by the Pensions (Increase) Act + 1.5% (the dynamising factor), instead of just by the Pensions (Increase Act).

### Post-GP secondary care service

If a member undertakes secondary care service for a period of less than one calendar year (365 days) after ceasing to be a practitioner, then the income earned in the secondary care post will be treated as GP income and dynamised.

If a member undertakes secondary care service for a period of more than one calendar year after ceasing to be a practitioner, the final pension is calculated using both the secondary care doctor's method and the practitioner method. The GP pension is calculated up to the date the member ceased all GP work and is increased during deferment at a rate equivalent to the dynamising factor, and the post GP work will provide a final salary pension.

This is likely to be of particular benefit for those doctors who left general practice for a secondary care appointment. This applies whether or not there is a break in service between leaving general practice and taking up the secondary care post.

## 4. Lump sum

Members of the 1995 section are entitled to an automatic lump sum as part of their retirement benefits. This lump sum is currently not subject to tax.

The lump sum is normally three times the pension. However, there are circumstances where the lump sum is less, and these are as follows:

1. Where a married man has service before 25 March 1972. In these circumstances the service accrued before 25 March 1972 attracts a lump sum equal to the pension and the service after that date accrues a lump sum of three times the pension.
2. Where a married woman has elected to provide an additional widower's pension for her spouse, based on all her NHS service and not only on that service accrued after 5 April 1988. In this case the lump sum accrues at the following rates:

- pre 25 March 1972                      1 x pension
- 25 March 1972 to 5 April 1988      2 x pension
- from 6 April 1988                      3 x pension

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Following the introduction of the civil partnership legislation it is also possible to purchase these additional benefits for a civil partner.

One of the options for paying for these additional benefits is to agree to a reduction to the lump sum benefits at retirement.

### Commuting pension for extra lump sum

Members leaving the NHS pension scheme after 1 April 2008 are able to increase the amount of lump sum they take.

Each member can now take up to 25% of the value of their pension benefits as cash and the additional lump sum is achieved by giving up part of the annual pension. The commutation rate is £1 to £12, where each £1 of pension given up provides an additional £12 of lump sum.

In the 1995 section of the NHS pension scheme the maximum lump sum can be calculated by multiplying the standard pension by a factor of 5.36.

For example:

Standard Pension	£43,425
Standard lump sum	£130,725

$£43,425 \times 5.36 = £232,758$

Reduction to pension required to provide the maximum lump sum:

Maximum lump sum less automatic lump sum

$£232,758 - £130,725 = £102,033$

$\frac{£102,033}{12} = £8,502$

Residual pension =  $£43,425 - £8,502 = £34,923$

Total lump sum =  $£232,758$

In the above example the doctor can take a benefit package from the NHS pension scheme based on:

- an annual pension of £43,425 plus a lump sum of £130,725;

or

- a reduced annual pension of £34,923 plus a maximum tax free cash of £232,758;

or

- any combination of pension and lump sum within these limits.

In the 2008 section members do not automatically receive a lump sum.

Each member can now take up to 25% of the value of their pension benefits as cash and the additional lump sum is achieved by giving up part of the annual pension. The commutation rate is £1 to £12, where each £1 of pension given up provides an additional £12 of lump sum.

In the 2008 section of the NHS pension scheme the maximum lump sum can be calculated by multiplying the pension by a factor of 4.28.

Maximum lump sum available is calculated as follows:

Pension £47,301

$£47,301 \times 4.28 = £202,448$

Reduction required to pension to provide maximum lump sum:

$\frac{£202,448}{12} = £16,870$

Residual pension =  $£47,301 - £16,870 = £30,431$

In the above example the doctor can take a benefit package from the NHS pension scheme based on:

- an annual pension of £47,301 with no tax free cash;

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or

- a reduced annual pension of £30,431 plus a maximum tax free cash of £202,448;

or

- a combination of pension and lump sum within these limits.

Please note that individuals who moved to the 2008 section as part of the NHS Choice exercise will be compelled to take an automatic lump sum equivalent to that which would have been payable from the 1995 section of the scheme in respect of their pensionable service up to 31 March 2008.

This lump sum is calculated on the same basis as described above.

### 5. HMRC Limits

From 6 April 2006 (or *A day*) previous limits on pension contributions and tax relief were removed and it became possible to pay up to 100% of NHS earnings into the NHS pension scheme.

From 6 April 2006 new thresholds were also introduced which impose limits on the amount of tax relief which can be claimed on pension contributions paid to registered pension schemes. Where these limits are breached additional tax charges will usually apply.

#### Annual Allowance

The first of these thresholds is the Annual Allowance. The Annual Allowance places a limit on the amount of pension growth available with tax relief.

Originally this threshold was set at £215,000. However this threshold was reduced to £50,000 from 6 April 2011 meaning that many members of the NHS pension scheme could potentially exceed this limit.

Individuals who are higher earners with long service, and members who have purchased added years or have MHO status might be more vulnerable to breaching the Annual Allowance.

Another vulnerable group are members whose pay increases, due to incremental pay rises or pay awards, such as clinical excellence awards or discretionary points.

Where pension growth exceeds the Annual Allowance tax is payable on the excess at the individual's marginal rate.

Further information on the tax changes is available on the BMA website and relevant Pension Agencies web sites.

#### Lifetime Allowance

The second threshold is known as the Lifetime Allowance. This allowance places a limit on the total amount of tax-free pension savings an individual can accrue at retirement.

In April 2006 the Lifetime Allowance was set at £1.5 million. The threshold increased each year up to 2010/11 when it reached £1.8 million. It was frozen at this level until 6 April 2012 when it was reduced to £1.5 million.

In the NHS pension scheme, pension saving is measured using the following formula:

$(\text{NHS pension} \times 20) + \text{NHS lump sum}$

Where pension saving exceeds the Lifetime Allowance, a tax charge is payable which is known as the Lifetime Allowance charge. Further information on the tax changes is available at [www.bma.org.uk/pensions](http://www.bma.org.uk/pensions) and the relevant Pension Agencies web sites.

HMRC also introduced arrangements to allow individuals to protect existing pension savings. Individuals who had pension saving above the new threshold were able to apply for Primary Protection. This type of protection allows members to continue to claim tax-free pension benefits over the Lifetime Allowance to the same extent that they had exceeded this new threshold on *A day*. Individuals whose total benefits were within the Lifetime Allowance on *A day*, but who anticipated that their pension saving would grow at a rate that exceeds increases in the Lifetime Allowance could apply for Enhanced Protection. This protection was available, by registration directly with HMRC, up until the deadline of 5 April 2009.

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Members who applied for Enhanced Protection face restrictions on the level of future pension growth after A day. Benefits are tested at retirement to confirm that a 'Relevant Benefit Accrual' test has been passed. If pension growth between A day and the date of retirement exceeds this Relevant Benefit Accrual test then Enhanced Protection is lost and the member will need to rely on Primary Protection, if available, or they will revert to the standard Lifetime Allowance.

The reduction in the Lifetime Allowance from £1.8m to £1.5m on 6 April 2012 was accompanied by a new type of protection known as Fixed Protection. This type of protection allows members to retain a personal Lifetime Allowance of £1.8m after 5 April 2012.

Members who applied for Fixed Protection face restrictions on the level of future pension growth after 6 April 2012. Pension growth needs to be tested regularly to confirm that a 'Benefit Accrual' does not take place. If a benefit accrual takes place then Fixed Protection is lost and the member will revert to the standard Lifetime Allowance.

NHS pension scheme members are able to obtain information on the tax changes and the application of the protections on the relevant Pensions Agencies websites.

Both the Annual Allowance and the Lifetime Allowance are measured against total pension saving. Benefits in other occupational and personal arrangements also need to be included.

The Annual Allowance and the Lifetime Allowance are thresholds which restrict the amount of tax relief available. Where pension growth or pension saving breaches the threshold then tax is payable on the excess funds.

Further information on testing for the Annual Allowance and the Lifetime Allowance is available on the relevant Pensions Agencies web site.

## 6. Improving Benefits

It is possible to improve NHS pension scheme benefits by the following options:

Members of the 1995 section and the 2008 section have the following options available to them:

- Additional Pension Purchase (introduced from 1 April 2008)
- Additional Voluntary Contributions (AVCs) – using NHS in-house providers
- Free Standing Additional Voluntary Contributions (FSAVCs)
- Personal pension/stakeholder arrangements
- Employer AVCs.

In addition members of the 1995 section are able to purchase:

- Unreduced lump sum
- Added years (the option to take out a new added years contract ceased 31 March 2008)

More detailed information is available in the *Improving benefits* FAQs, on the BMA website at [www.bma.org.uk/pensions](http://www.bma.org.uk/pensions) or through the BMA Pensions Department.

The BMA Pensions Department is not regulated under the Financial Services Act and our advisors cannot give financial advice. Our department is not able to advise which of the above options might be the best suited to your requirements. Much will depend on individual circumstances and members may wish to discuss their personal position with an Independent Financial Adviser.

### Unreduced lump sum (1995 section only)

The unreduced lump sum (in respect of a married man's service accrued before 25 March 1972) can be purchased by regular deductions from pay or, in limited circumstances, by single payment.

The benefit resulting from the purchase of the unreduced lump sum will be that all service will provide a lump sum benefit of three times the pension in the normal way.

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### Added years (1995 section only)

The added years scheme allows the member to buy extra periods of pensionable service which will provide additional scheme benefits using either the final salary or dynamising method as appropriate.

Added years provide additional pension, lump sum and dependant benefits.

The resulting pension is index linked in the same way as the basic pension and the lump sum is tax free if it falls within HMRC Lifetime Allowance limits. If the doctor dies in service or retires on the grounds of ill health before age 60, then full credit is given for the purchase, providing the contract has been in operation for at least one year.

Where a secondary care doctor works part-time during the purchase period, the number of years being purchased will be 'scaled down' to the whole-time equivalent. For example if a doctor elected to buy four added years and for the duration of the purchase period works half time, two scaled years of service would be accrued.

The option to purchase added years was removed from 1 April 2008. Members who registered an interest in buying added years with their relevant Pensions Agency prior to 31 March 2008 were able to begin a contract to do so from their birthday between 1 April 2008 and 31 March 2009.

It is still possible to purchase half cost added years. Further information is available in the *Added Years FAQs*.

Members with added year's contracts should note that under the proposed pension reform (see introduction) these contracts will be honoured allowing members to complete their purchases, which will be treated as 1995 section benefits.

Historically the Pensions Agencies have advised that when purchasing the unreduced lump sum or added years, by regular deduction from salary, the scheme member is locked into the contract and it must continue until the chosen retirement age. A possible exception to this may be where financial hardship can be proved, in which case the relevant Pensions Agency may exceptionally agree that the contract

can be terminated early. However recently NHS Pensions has indicated that it will terminate these contracts where a member requests it. Please remember that if the contract is terminated, this facility has been withdrawn, and the contract cannot be restarted at a later date.

### Additional pension (AP)

The option to purchase additional pension was introduced from 1 April 2008 and has replaced the added years facility as a method of improving benefits. Additional pension allows doctors to make extra contributions in order to secure £250 per annum blocks of pension. Members can purchase up to 20 units thus securing up to £5,000 per annum in additional pension.

The additional pension is revalued by inflation annually, before and after retirement. Contracts taken out before 1 April 2011 are revalued by changes in the Retail Prices Index (RPI) prior to payment of the benefits and then in line with (CPI) after this. Contracts taken out after 31 March 2011 are revalued by CPI both before and after retirement. The revaluation index can change and is linked to the Pensions (Increase) Act.

The cost of this facility is linked to the following factors;

- Age
- Gender
- How much additional pension the member wishes to purchase
- Whether the member intends to pay by lump sum
- Whether the member intends to pay by regular deduction, and the length of the period of the contract
- The chosen end date for the additional pension contract, either 60 or 65. (Members of the 2008 section can only choose a retirement date of 65)
- Whether the member intends to provide Additional Pension only for a dependant as well as themselves

Further information on Additional Pension is available in the *Improving benefits FAQs* on the BMA website ([www.bma.org.uk/pensions](http://www.bma.org.uk/pensions)).

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### **Additional Voluntary Contributions (AVCs) and Free Standing Additional Voluntary Contributions (FSAVCs)**

Both in-house and free standing AVCs are money purchase arrangements or defined contribution arrangements. This means that the money paid in is a known factor but the benefit which might be available at retirement is generally unknown, and difficult to predict.

It is possible to receive tax relief up to 100% of income into an AVC/FSAVC (less any contribution already paid into the NHS pension scheme).

This is because contributions are placed in an investment fund. At retirement members can choose how to draw income from these policies. It is possible to take up to 25% of the value of the fund as tax-free lump sum.

The size of the fund depends on a number of factors;

- the amount invested,
- the success of the investment fund, and
- prevailing annuity rates at retirement.

Both AVCs and FSAVCs involve the payment of administrative charges by the contributor. While the in-house AVCs charges have tended to be lower than those for FSAVCs, these can fluctuate.

### **Personal pensions/stakeholder pensions**

Since 2006 it has been possible to use NHS income to contribute to multiple pension arrangements. Members can now contribute to personal pension or stakeholder arrangements as well as the NHS pension scheme.

It is possible to receive tax relief up to 100% of income into a personal pension or stakeholder arrangement (less any contribution already paid into the NHS pension scheme).

### **7. NHS Choice**

The Choice exercise allowed members of the 1995 section a one-off opportunity to transfer all service, including any additional service purchased through an added years contract, in to the 2008 section of the NHS pension scheme. This exercise was scheduled to close on 31 March 2012.

In the light of the proposed pension reform the Department of Health is considering whether the NHS Choice exercise should be re-opened to allow members who chose to stay in the 1995 section to review their decision. If this is agreed then this is likely to take place in 2014.

The BMA Pensions Department cannot advise on this matter as it is a financial decision, but we would recommend that you consider the implications of prospective scheme changes and the age at which you would like to retire.

Many members of the 1995 section have the option to take their pension from age 50. If benefits are claimed before age 60 they will be subject to an actuarial reduction to reflect that they are being paid early and therefore will probably be paid for longer.

In the 2008 section the pension is available from age 55. If benefits are claimed before age 65 they will be subject to an actuarial reduction to reflect that they are being paid early and therefore will probably be paid for longer.

- The accrual rates of the scheme.

The 1995 section has an accrual rate of 1/80 for secondary care service, and a factor of 1.4% for practitioner's pension. The 2008 section has an accrual rate of 1/60 for secondary care service and a factor of 1.87% for practitioner's pensions. The accrual rate is more generous in the 2008 section, but as explained above, the age at which you can access your benefits in full is later.

- Special class status.

Members with MHO status should note that this status will not apply in the 2008 section.

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- Added Years.

These contracts will not continue in the 2008 section

- Ill Health Retirement

Members who retire on the grounds of permanent ill health may benefit from membership of the 2008 section of the NHS pension scheme.

- Redundancy

Members who are subject to redundancy, over age 55, who are considering using their redundancy payment to fund the early payment of unreduced benefits may benefit from membership of the 2008 section of the NHS pension scheme.

Please seek the help of an Independent Financial Adviser if you require assistance with your decision.

### 8. Retirement

The normal pension age in the 1995 section of the NHS pension scheme is 60 and members can retire and claim their pension and lump sum at that age.

Members do not have to retire at age 60 and it is possible to accrue a maximum of 45 calendar years' service. Service beyond age 75 is not pensionable in the 1995 section of the scheme.

Doctors with MHO status can accrue a maximum of 40 calendar years' service at age 55 and 45 calendar years at age 58. MHOs can retire from age 55 onwards providing they have accrued more than 20 calendar years as a MHO and are retiring from a post which attracts MHO status.

The normal pension age in the 2008 section of the NHS pension scheme is 65 and any doctor can retire and claim their pension (and any lump sum) at that age.

Members do not have to retire at this time and it is possible to remain in the scheme until they accrue a maximum of 45 calendar years' service. Members who accrue more than 45 calendar years of service can choose to base their pension on

the best 45 years. Service beyond age 75 is not pensionable in the 2008 section of the scheme.

Under current disclosure requirements scheme members can request one estimate of benefits from the relevant Pensions Agency per year, free of charge. Doctors who are nearing retirement are recommended to obtain a pension estimate well before the intended retirement date. The addresses of the Pensions Agencies are given at the end of this factsheet. A record of NHS service history should also be requested and for GPs a copy of the dynamising sheet. These should be checked carefully.

If there are any problems or difficulties with the estimate provided, members should contact the BMA Pensions Department who will be pleased to assist in resolving them.

It is necessary to give at least four months' notice of retirement to the NHS Pensions Agencies and to use a standard form available from employers, Primary Care Organisations and the NHS Pensions Agencies. This requirement is in addition to your contractual requirement to give written notice of your intention to retire to employers, partners or the PCO for single handed GPs.

Members of the 1995 section need to formally retire from all NHS posts when taking benefits by retiring for one day, and if they return to NHS duties during the first calendar month of their retirement they must not work for more than 16 hours per week. After one calendar month there is no further restriction on post-retirement NHS duties. This is known as the required break and if this is not taken then the NHS pension will be suspended until such a break is taken.

The only exception to this is for doctors who hold more than one post who need to demonstrate genuine retirement by retiring from at least one of their NHS posts completely. They can however continue in an NHS post or posts where the aggregate of their hours does not exceed 16 hours per week. This restriction applies for one calendar month and this reduced commitment can be increased after this.

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If a member wishes to work more than 16 hours work per week immediately after retirement then a one calendar month break needs to be taken.

If a GP also has a concurrent part-time secondary care post the same rules apply, as detailed immediately above.

Should a doctor continue in pensionable employment until age 75 there is no requirement to resign or take a break in service in order to receive NHS benefits. They simply become payable after age 75 as that is the current maximum age for membership of the scheme.

Members of the 2008 section who wish to claim all of their retirement benefits must also formally retire from all NHS posts. They are required to take a 24-hour break in service in order to claim the pension. After this there is no further restriction on post retirement working in the NHS.

Members in pensionable service who reach age 75 after 6 April 2011 will be able to take lump sum benefits when retiring or claiming benefits at 75 and over. Previously lump sum benefits were not available to members retiring or claiming benefits at age 75 or over.

### Partial retirement (2008 section only)

Some members wish to continue to work in a reduced capacity whilst drawing part of their accrued pension benefits.

Partial retirement, known as draw down, is available to members once they have reached age 55 and have reduced their pensionable pay (Secondary Care doctors) or commitment (GPs) by at least 10%. No break in service is required and the member can choose to claim part of the pension and to continue to work. It is possible to draw between 20% and 80% of benefits in this manner. Draw down can be exercised twice before final retirement. If the member is under age 65 any benefit paid will be subject to an actuarial reduction to reflect that it is being paid early.

### Late Retirement (2008 section only)

If a member continues to work beyond age 65, their accrued benefits, including any additional pension that they have purchased up to that age, will be actuarially increased based

on the age at which the benefits are finally taken and not necessarily the age at which NHS scheme membership ceased.

### Payment of pension and lump sum

Xafinity Paymaster is responsible for paying the NHS pension and lump sum (except for members of the NHS pension scheme Scotland and Northern Ireland for whom the Scottish Public Pensions Agency and the HSC respectively is responsible for paying benefits). The NHS pension is treated as taxable income and the income tax due is deducted at source. The lump sum is free of income tax and tax free within the constraints of the post 6 April 2006 HMRC rules.

The lump sum should be paid on the day following retirement. Pensions are paid on the same day each month. Paymaster will allocate a particular day to ensure an even spread throughout the month of the vast number of monthly payments.

The NHS pension can be paid anywhere in the world capable of receiving a secure electronic payment into a bank/building society account and is increased annually in line with the UK Pensions (Increase) Act 1971 regardless of where the pensioner is living.

## 9. Returning to work after retirement

### Abatement

Members returning to NHS employment after retirement might be affected by abatement.

Abatement applies on re-employment in the NHS if NHS income plus NHS pension exceeds pre-retirement NHS income. In this case, the pension is reduced on a pound for pound basis.

In the 1995 section abatement does not apply to:

- retiring on or after 1 April 1995 at age 60 or over
- doctors taking voluntary early retirement with actuarial reduction from age 50.

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From 1 April 2008 the extent to which abatement applies has been further reduced. It now only applies to the enhanced element of a pension (i.e. following ill-health retirement).

Doctors with MHO status are abated on the basis of the pre 1 April 2008 regulations. Further information on abatement is available in the *Abatement FAQs*.

In the 2008 section abatement only applies to the enhanced element of an ill-health pension and in respect of post-retirement NHS earnings up to age 65.

Doctors returning to work having retired on the grounds of ill health should refer to the *Ill Health Retirement FAQs* for information on the restrictions which apply when returning to work.

### Break in service

Members of the 1995 section who take a one day break in employment and then either work for less than 16 hours per week for one calendar month, or who take a break of one calendar month, can return to NHS employment but are not able to rejoin the NHS pension scheme.

There are two exceptions to this;

- members who retire on health grounds and then return to pensionable employment before age 50, and
- members who retired between 1 April 2008 and 30 September 2009 who are able to join the 2008 section after a break of two years.

Members of the 2008 section who take a 24-hour break in employment can return to NHS employment. If they are under age 75 they can rejoin the NHS pension scheme and build up further membership up to a maximum of 45 years' (in total) and qualify for a second pension.

Doctors in receipt of a clinical excellence award should note that the payment of such awards normally cease after retirement or partial retirement.

Doctors in receipt of discretionary points are able to continue to receive these payments after retirement or partial retirement.

Most members of the NHS pension scheme will see no reduction to their pension if they return to work after retirement.

### 10. Dependants' benefits

A lump sum of twice the member's actual pay for a secondary care doctor, twice the annual average of the member's dynamised earnings for a practitioner is payable in respect of members who die while in pensionable service.

A lump sum representing the balance of the first five years' pension is payable in respect of members who die while in receipt of pension benefits during that period. If the member dies more than five years after they retire then no death deficiency payment is due.

For members contributing to the 2008 section these calculations may be different if the member has partially retired.

### Survivor pensions

#### Married Spouses

Spouses are eligible to receive an initial award, known as a short-term pension and then a longer-term award, known as a long-term pension.

In the 1995 section the short-term pension will be based on the following:

- where the member dies in service a short-term spouses pension is payable for six months at the member's rate of pensionable pay for a secondary care doctor or at the average rate of the member's pensionable earnings for a practitioner member.
- Where the member dies after retirement a short-term pension is payable for three months at the rate of the member's pension at the time of death. This pension is payable for six months if there are dependent children.

In the 2008 section the short-term pension will be based on the following:

- where the member dies in service a short-term spouses pension is payable for six months at the member's rate of

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reckonable pay for a secondary care doctor or at the average rate of the member's pensionable earnings during the last complete quarter for a practitioner member.

- Where the member dies after retirement a short-term pension is payable for three months at the rate of the member's pension at the time of death. This pension is payable for six months if there are dependent children.

*Long-term pensions for doctors who are married prior to retirement:*

Married male members:

In the 1995 section of the NHS pension scheme, the long-term survivor's pension is payable as follows:

If the member dies before retirement the widow's pension is 50% of the notional tier 2 ill-health retirement pension that would have been paid from the date of death. In other words the pension is enhanced as though the doctor retired on the grounds of permanent ill-health.

If the member dies after retirement the widow's pension is 50% of the doctor's pension.

Married female members:

For female doctors the calculation of the widower's pension is also based on 50%, but taking account of scheme membership accrued after 6 April 1988 service only.

In 2011 the BMA applied for a judicial review of the inequitable situation which applies to the potential widowers' pension accrued by female doctors prior to 6 April 1988.

Whilst the Court accepted that the current position amounted to discrimination, The BMA unfortunately lost the Judicial Review on the grounds that the Court felt that the discrimination could be justified as the cost of rectification was prohibitive. Furthermore, we were refused permission to appeal this decision.

Unfortunately it is not possible for the BMA to pursue this

case any further through legal avenues. UK courts are required to take into account European law in their judgments and therefore the arguments that could be presented at a European level have already been fully aired.

In the 2008 section of the NHS pension scheme, the long-term survivor's pension is payable as follows.

- If the member died before age 65, 37.5% (70/187ths for a practitioner member) of the tier 2 ill health retirement pension (benefits including 2/3 enhancement of prospective service) which would have been payable to the member at the date of death.
- If the member dies after age 65, 37.5% (70/187ths for a practitioner member) of the pension the member would have received had they retired normally on this date.

If a member dies after retirement the long-term survivor's pension is 37.5 % of the rate of the member's pension in payment at the time of death.

The long-term pension is payable to married spouses, registered civil partners or nominated partners (see below) and is payable for life.

*Post retirement marriage (members of the 1995 section only)*

If a male doctor marries after retirement the widow's pension is based on service post April 1978 only.

If a female doctor marries after retirement the widower's pension is based on service post April 1988 only.

### **Civil Partnership benefits**

In the 1995 section the scheme provides benefits to civil partners on the same basis as widowers, i.e. a survivor's pension backdated to 6 April 1988 or to the scheme membership start date if later.

The NHS pension scheme, NHS Injury Benefits and NHS Compensation for Premature Retirement Regulations have all been amended to provide surviving civil partners with benefits on the death of a civil partner since December 2005. In

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In addition, the child allowance detailed below is also available to the children of a civil partner.

In the 2008 section Civil Partnership benefits are based 37.5% of the member's benefits and are calculated with reference to all service.

### **Nominated partner benefits**

Since 1 April 2008 survivor benefits are available to unmarried cohabiting partners in both sections of the NHS pension scheme.

In order to qualify for this benefit the partner must have been nominated to receive the pension before the member's death, and to have been in a financially interdependent and cohabiting relationship for at least two years before the member's death. The member and the nominee must have been free to enter into a marriage or civil partnership at the time of making the nomination and also at the death of the member. The validity of the nomination is tested at death.

The 1995 section of the scheme provides benefits to Nominated Partners on the same basis as to widowers, i.e. a survivor's pension backdated to 6 April 1988 or to the scheme membership start date if later.

In the 2008 section Nominated Partners benefits are based on 37.5% of the member's benefits and are calculated with reference to all service.

Nomination forms are available on the relevant Pension Agencies websites.

### **Child allowances**

In the 1995 section the child allowance is based on a percentage of the doctor's pension.

When a doctor dies, if there is a surviving spouse, registered civil partner or nominated partner receiving a survivor benefit, then the child allowance is payable at the rate of a quarter of the benefit, up to a maximum of a half for two or more children. If no survivor pension is payable to a spouse, registered civil partner or nominated partner of the doctor then the appropriate child allowance is a third per child up to a maximum of two-thirds for two or more children.

In the 2008 section the child allowance is based on 75% of the tier 2 ill-health retirement pension which would have been payable to the member at the time of death, or if the member has already retired 75% of the deceased doctor's annual pension. An eligible child is entitled to a proportion of this allowance.

When a doctor dies, if there is a surviving spouse, registered civil partner or nominated partner receiving a survivor benefit, then the child allowance is payable at the rate of a quarter of the benefit, up to a maximum of a half for two or more children. If no survivor pension is payable to a spouse, registered civil partner or nominated partner of the doctor then the appropriate child allowance is a third per child up to a maximum of two-thirds for two or more children.

Children's survivor pensions will be provided until the age of 23 in all cases and will be payable indefinitely as long as the child, through physical or mental impairment, remains unable to earn a living and the condition existed at the member's date of death.

Child allowances are index linked in the same way as the basic scheme pension.

### **Divorce**

Prior to 1 December 2000 divorced partners received no spouses' benefits although it was possible to ' earmark ' some of the benefits, usually a lump sum, to be paid to the former spouse.

Since the introduction of 'pension sharing' legislation it is possible, on divorce, for a portion of the member's pension to be allocated to the spouse. This is recorded as a separate pension payable to the former spouse in the form of a pension credit, for payment at the spouse's retirement age. The member's pension is reduced by a pension debit to account for the allocated portion.

The relevant Pensions Agency can provide the cash equivalent transfer value normally needed for pension sharing. The Pensions Agency will not make a charge for the first transfer value calculation but may charge for subsequent requests (details of the costs involved are available on the Pensions

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Agencies website). It should therefore be made clear to the scheme administrator that the transfer value is required for divorce proceedings and each Agency has its own forms to facilitate this.

### *Index linking of survivor benefits*

Survivor pensions are index linked in the same way as the members scheme pension. They are payable for the life of the spouse except where the member retired prior to 1 April 2008, where the benefits are withdrawn on remarriage or if the spouse cohabits with another partner. Should the pension be withdrawn it can be re-instated on financial hardship grounds.

## 11. State benefits

### **Basic state pension**

Doctors will be entitled to the basic state pension from state pension age. The government announced plans in the 2011 Budget that will see the state pension age increase to 65 sooner than originally anticipated.

The state pension age for women is expected to increase to age 65, to match the men's, between April 2010 and November 2018. There will be an accelerated increase between April 2016 and November 2018. Between December 2018 and October 2020, for both men and women, it will increase from 65 to 66. Further increases from age 66 to 68 thereafter will affect female doctors born on or after 6 April 1953 and male doctors if born on or after 6 December 1953. The current law provides for the State Pension Age to increase to age 67 between 2034 and 2036 and then increase to age 68 between 2044 and 2046.

In November 2011 the government announced that it may increase the State Pension Age to 67 between 2026 and 2028 but this is still to get Parliamentary approval.

### **State second pension (S2P)**

Doctors working in the NHS will not be entitled to S2P because the NHS pension scheme, in common with most occupational pension schemes, is contracted out of the S2P. As a result of this arrangement members pay a lower rate of Class 1 National Insurance contributions.

At State Pension Age the NHS pension scheme must pay a pension at least as good as the S2P.

Self-employed GPs pay Class 2 and 4 National Insurance Contributions and do not build up benefits under S2P.

### **Indexation and doctors living abroad**

The state pension can be paid anywhere in the world. It is normally increased each year in line with inflation as determined by the UK Pensions Increase Act. However, this may not be the case if the doctor retires to an overseas country which does not have a reciprocal agreement with the UK. If in doubt, doctors should consult their local benefits agency.

From April 2011 the basic State Pension will be increased every year by whichever is the highest of:

- the growth in average earnings (NAE)
- the growth in prices (CPI)
- or 2.5 per cent

### **State pension forecast**

It is possible to obtain an estimate of the State pension by completing form BR19 (available from a local benefits office) or online at [www.thepensionsservice.gov.uk](http://www.thepensionsservice.gov.uk) and sending it to the Future Pension Centre (the address is detailed on the form).

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### 12. Further advice

A number of pension related FAQs are available from the website at [www.bma.org.uk/pensions](http://www.bma.org.uk/pensions), from the BMA Pensions Department or from the team of BMA advisers on 0300 123 1233 including:

- General practitioners
- Secondary care doctors
- Improving benefits
- Leaving the NHS
- Voluntary early retirement
- Redundancy
- Ill-health retirement
- Death benefits
- Injury benefits
- Maternity, paternity, adoption and parental leave
- Mental Health Officers

Other guidance provided relates to the following:

- Pre-retirement seminar details
- Glossary of pensions terms
- Latest news/Pension Reform
- Health and activities in retirement
- Pension ready reckoner and calculator
- Pension tax limits
- Useful links to other sites
- State benefits

### Useful addresses

BMA Pensions Department  
BMA House  
Tavistock Square  
London  
WC1H 9JP  
Tel: 0207 383 6166/6138  
Fax: 0207 7554 6138  
Email: [pensions@bma.org.uk](mailto:pensions@bma.org.uk)

Occupational pension schemes, such as the NHS scheme, are required to provide members with benefit statements upon request (no more than once a year).

Doctors who wish to obtain an estimate of their pension should write to their employer, or direct to the NHS Pensions Division or equivalent in Scotland or Northern Ireland (see below). Members should give details of their date of birth and National Insurance number or scheme specific reference number if they have one. They should also ask for a full service record (and dynamising sheet for GPs) and check it carefully upon receipt.

NHS Business Services Authority Pensions Division  
Hesketh House  
200-220 Broadway  
Fleetwood  
Lancashire  
FY7 8LG  
Tel: 0845 421 4000  
Website: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)

Scottish Public Pensions Agency  
7 Tweedside Park  
Galashiels  
TD1 3TE  
Tel: 01896 893000  
Website: [www.sppa.gov.uk](http://www.sppa.gov.uk)

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HSC Business Services Organisation  
HSC Pension Service  
Waterside House  
75 Duke Street  
Waterside  
Londonderry  
BT47 6FP  
Tel: 028 7131 9000  
Website: [www.dhsspsni.gov.uk/hsc-pensions](http://www.dhsspsni.gov.uk/hsc-pensions)

### Pension payment enquiries

Paymaster has been appointed to be responsible for actually paying the NHS pension for those in England and Wales. The Scottish Public Pensions Agency (detailed above) is responsible for paying the pension for those in Scotland and the HSC (detailed above) for those in Northern Ireland. Enquiries from pensioners in England and Wales should be directed to:

Xafinity Paymaster (NHS)  
Customer Services Unit  
Sutherland House  
Russell Way  
Crawley  
West Sussex  
RH10 1UH  
Tel: 01293 560 999  
Website: [www.xafinity.com](http://www.xafinity.com)

### Notes

- This factsheet gives general guidance only and should not be treated as a complete or authoritative statement of the statutory provisions governing the NHS pension scheme.
- All BMA guidance and factsheets on pensions can be found on the BMA website at [www.bma.org.uk/pensions](http://www.bma.org.uk/pensions)
- Individual pensions assistance is available direct from the BMA Pensions Department.
- When contacting the BMA always quote your current membership number.
- The BMA pensions department is not authorised under the Financial Services and Markets Act 2000 and cannot give financial advice nor say what options are appropriate. Much will depend on your individual circumstances.

### Disclaimer

While all reasonable efforts have been made to ensure that the information contained in this factsheet is accurate, no representations or warranties are made (whether express or implied) as to the reliability or completeness of such information. The BMA therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information appearing in this booklet.