

## 1. Data Cleanse Working group - An Update

Three meetings of a Data Cleanse Working Group (comprising of representatives from NHS Pensions, ESR/POL Employers and ESR) have been held to discuss and prepare 'best practice' guidance on ESR Interfaces, POL Administration, Data Errors and Data Reconciliation.

In the first instance, this group has been considering initial data input into ESR which has resulted in the production and introduction of a number of interface guides that are now available on KBase. These guides cover all aspects of data input (Starting, Leaving, Joining etc) in ESR in a step by step format using screen shots. They are structured from a "how to" and "what not to do" perspective so they are easy to use and navigate. An article about these new guides will also shortly be included in ESR News. The guides can also be obtained by emailing [john.stevenson@mckesson.co.uk](mailto:john.stevenson@mckesson.co.uk).

The data issues regarding "bank staff" has already been discussed by the group and it has been decided that a separate working group consisting of Paul Burgess (NHS Professionals), John Stevenson (ESR) and NHS Pensions will be set up to look at this area individually.

We are looking to keep the membership of this group small and focused and we are therefore not actively seeking additional members. However, if you have sufficient spare time to actively contribute, have good all round technical understanding and pensions expertise and can provide constructive input on the issues raised then you can put your name forward by contacting [communicationsteam@nhspa.gov.uk](mailto:communicationsteam@nhspa.gov.uk).

Further updates on the work of this group will be provided via future editions of the Employer's Newsletter.

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## 2. Budget 2009 - Important information about the proposed changes to pensions tax relief and the introduction of a special annual allowance

The Budget 2009 included proposals to make changes, which if confirmed, will limit the availability of tax relief on pension contributions from April 2011, for individuals earning £150,000 or more.

Also included was a proposal for a Special Annual Allowance, to prevent those earning £150,000 or more from taking advantage of current pension tax relief by making changes to their existing pension savings arrangements between April 2009 and April 2011.

To assist members who may be considering making changes to their existing pension savings NHS Pensions provides the following information. It is based on our understanding of draft legislation published by HMRC on 22 April 2009, which is expected to be the effective date. Please note that the proposed legislation may change during the consultation process.

## Who would be affected by the special annual allowance?

The special annual allowance affects NHS members if **all** of the following apply:

- Their taxable income in the relevant tax year (or in either of the two previous years) is £150,000 or more;
- Their total pension input exceeds £20,000 in the tax year; and
- They change their normal pattern of pension savings.

### Notes:

Taxable income includes salary, bonus, dividend payments and bank interest.

Pension input means:

- The value of benefits accrued in a defined benefit scheme such as the NHS Pensions Scheme, calculated as the sum of
  - (a) 10 times the increase of the accrued pension and
  - (b) the increase of any lump sum, over the relevant tax year; plus
- Contributions a member pays to a money purchase scheme, e.g. NHS MPAVC Schemes or to a personal pension.

Normal pattern of pension savings means if a member changes their pattern of pension savings after 22 April 2009, for instance, if they started making regular additional payments into a pension scheme or they made a lump sum payment then this would be regarded as a change to their normal pattern of pension savings.

This includes new or additional pension saving made on behalf of the member or in respect of the member by the member's employer.

## What happens if a member is affected?

Members affected will pay tax – at 20% in 2009/2010 – on any excess contributions and/or benefit accrual over £20,000. This tax will be known as the Special Annual Allowance charge and will be assessed and collected through the self-assessment process. The rate of tax may increase to 30% in 2010/2011.

## Further information

Members who believe they may be affected are recommended to visit the HMRC website [www.hmrc.gov.uk](http://www.hmrc.gov.uk) for further information, or consult an independent financial advisor before confirming changes to their current pension savings.

Please note that there is no obligation for employers as local scheme administrators to provide this information to their members. However, as a duty of care, affected members may appreciate a notification of these proposed changes.

## 3. Updates on the NHS Pensions Website

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### “Your NHS Pensions Choice”

More information is now available on the website regarding the ‘Your NHS Pension Choice’ Exercise. These are:

- Your NHS Pension Choice Guide;
- Your NHS Pension Choice Statement (Sample);
- Choice form for members retiring on or after 1 October 2009;
- Factsheets
  - o Added Years
  - o Earning Cap
  - o Ill-health
  - o MHO
  - o Retirees
  - o Special Class Status

### Employers Toolkit

Further factsheets, FAQs and decision trees have now been uploaded into the Employer’s Toolkit:

- Factsheets
  - o Actuarially reduced early retirement following preservation
  - o Age Retirement – 1995 Section
  - o Age Retirement – 2008 Section
  - o Disallowed days
  - o Interest if Efficiency Retirement
  - o Paid notice
  - o Pension Sharing of Divorce or Dissolution of a registered civil partnership
  - o Special Class – 1995 Section
- FAQs
  - o Bonus and Performance Related Pay
  - o Redundancy – for Employers
  - o Interest of Efficiency Retirement
- Decision Tree
  - o Age Retirement
  - o MHO Status
  - o Refund of Contributions
  - o Transfer In Benefits from Another Scheme
  - o Voluntary Early Retirement

### Pension Scheme Forms

- SD55E form has been placed on in the Employer Library under Pension Scheme forms for Non-POL Administrators to print off as required. SD55E paper forms are still available from the Stationery Store.

## 4. Employer Group Issues and Resolutions

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NHS Pension Issues and Resolutions from the following Employer Groups are now available on our website in the Employers Toolkit, under Employer Group Issues and Resolutions, for all employers to view:

- Wales Payroll Management Group – 23 January 2009
- North Thames Pension Group – 27 February 2009
- Northern, Yorkshire & Trent Region Pension Working Group – 6 March 2009

## 5. Member Helpline

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In our May newsletter we told you about changes to the member helpline. The new opening times for the helpline have been confirmed and will be as follows:

From 20th July 2009 - Monday to Friday, 8:00am to 6:00pm, and

From 8th August 2009 - Saturday, 9:00 am to 3:00pm.

Our current opening times will remain in place until 20 July 2009

The member helpline number is 0845 421 4000. This number should be given to members at all times and is now active.

## How to contact us:

### By Telephone:

Employer helpline, general enquiries 0845 610 1119

Opening times;

8.30am to 5.00pm – Monday, Tuesday, Thursday

10.30am to 5.00pm – Wednesday

8.30am to 4.30pm - Friday

Pensions Online, technical enquiries 0870 011 7108

Member helpline 0845 421 4000

Opening times;

8.30am to 5.00pm – Monday to Thursday

8.30am to 4.30pm - Friday

Stationery Order line (Forms and Booklets) 0300 123 1002

### By email:

- [Datamanagement@nhspa.gov.uk](mailto:Datamanagement@nhspa.gov.uk) - For your general data queries
- [Datacleanse@nhspa.gov.uk](mailto:Datacleanse@nhspa.gov.uk) - For your data cleanse queries
- [ESR@nhspa.gov.uk](mailto:ESR@nhspa.gov.uk) - For your ESR queries
- [Employers@nhspa.gov.uk](mailto:Employers@nhspa.gov.uk) - For your general enquires

### Fax:

01253 774412

### Website addresses;

[www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)

[www.nhsbsa.nhs.uk/injury](http://www.nhsbsa.nhs.uk/injury)

If you have any comments about the content or format of this newsletter please email them to [communicationsteam@nhspa.gov.uk](mailto:communicationsteam@nhspa.gov.uk)