

News Release

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CHANGES AFOOT FOR NHS PENSION SCHEME

Changes to the NHS Pension Scheme will be implemented from April 2008, it was announced today.

The scheme is designed to be affordable and sustainable, as well as fairer for employers, scheme members and taxpayers. It will deliver savings of around £0.5 billion over the next 50 years.

The NHS Pension Scheme Review has been undertaken by the Scottish Pensions Review Group (SPensiR) – a partnership between employers, trade unions/professional organisations and the Scottish Government. The group was tasked with developing a sustainable pension scheme fit for the NHS in 21st century Scotland.

Existing staff, and those joining the NHS Pension Scheme up to March 31, 2008, will keep their normal pension age of 60. Major changes include the introduction of a new scheme for new staff with a normal pension age of 65. The minimum age for drawing a reduced pension will also increase from 50 to 55 for new entrants.

Other changes include:

- Introduction of earnings-related, tiered contributions so that higher paid staff pay more fairly for the benefits they draw
- Cost-sharing arrangements between employers and staff to limit the cost of the scheme
- Survivor benefits payable for life for all nominated partners – not just spouses and civil partners
- A new purchase facility for members who wish to increase their benefits

- New step down arrangements so that final salary staff approaching retirement can transfer to less demanding duties without loss of pension entitlement
- More flexibility for members who wish to convert part of their pension into a lump sum on retirement

Nicola Sturgeon, Cabinet Secretary for Health and Wellbeing, said:

“The new pension scheme has been developed through a partnership approach to strike a balance between the security that NHS staff deserve in retirement, and affordability for the taxpayer. It is a scheme that will help attract and retain NHS staff.”

John Swinney, Cabinet Secretary for Finance and Sustainable Growth, said:

“SPensiR has undertaken a difficult task but has delivered a pension scheme that not only provides an excellent package of benefits for members but also keeps the scheme fairer and affordable.”