

## **1. Background**

### **Q. Why have you reviewed the NHS Pension Scheme?**

**A.** The four key drivers for the review are:

- a. Inland Revenue changes to the tax regime for pensions which create new opportunities to make the scheme more flexible
- b. The government's proposal to increase the normal pension age to 65 for most public sector schemes
- c. the need to make the scheme more appropriate for today's NHS and its staff
- d. age discrimination legislation that comes into effect in October 2006.

### **Q. Who has been involved in the review?**

**A.** The review in Scotland has been undertaken in partnership by SPensiR.

### **Q. Who are SPensiR?**

**A.** SPensiR, the Scottish Pension Review Group, is a partnership group with representatives from NHS employers, trade unions, professional organisations and the Scottish Executive.

### **Q. Does the proposed new scheme meet the original aims of the review?**

**A.** Yes. The review's aims were to ensure the NHS Pension Scheme meets the needs of the modern NHS by making the benefits more appropriate for today's workforce. The proposed new scheme gives all staff more flexibility on how and when they retire, and how they save for their retirement.

### **Q. Is it likely that the pension scheme will have to be reviewed again?**

**A.** The review aimed to deliver a new pension scheme that meets the needs of a modern NHS. It would be unrealistic to say never but we anticipate that the proposed new scheme will be fit for many years to come.

**Q. How will this affect the reviews on Ill Health Retirement & Injury Benefits and Retirement and Redundancy?**

**A.** The recent UK wide consultation on Retirement and Redundancy has taken into account the changes. The changes will also be reflected in any proposed new Ill Health Retirement and Injury Benefits scheme.

**Q. Have you delivered what the UK Public Services Forum (PSF) principles set out?**

**A.** Yes. The PSF set a broad framework for all the public sector reviews of keeping a defined benefit pension; giving greater flexibility for staff; keeping the current retirement age for existing members and introducing a retirement age of 65 for new staff. This has been reflected in the proposed new scheme.

**Q. Which unions have been represented in the review?**

**A.** All the main NHS trade unions have been represented in the review.