

**2014 No.1234**

**NATIONAL HEALTH SERVICE, ENGLAND AND  
WALES**

**The National Health Service Pension Scheme (Amendment  
No.2) Regulations 2014**

<i>Made</i>	- - - -	***
<i>Laid before Parliament</i>		***
<i>Coming into force</i>	- -	***

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(a).

In accordance with section 10(4) of that Act, 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 (Amendment No.2) Regulations 2014.

(2) These Regulations shall come into force on 21st July 2014 and, save as provided for in paragraphs (3) and (4), have effect from that date.

(3) Regulations 3, 4(2) and (3), 6(2) and (3), 9, 10, 11(2) and (3) and 12 have effect from 1st April 2014.

(4) Regulations 5(2) to (4) and 8 have effect from 6th April 2014.

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(a) 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).

## PART 2

### Amendment of the National Health Service Pension Scheme Regulations 1995

#### Interpretation of Part 2

2. In this Part, an alphanumerical reference to a regulation or a reference to a Schedule is a reference to a provision of the National Health Service Pension Scheme Regulations 1995(a) bearing that designation.

#### Amendment of regulation D1

3. For the table in paragraph (1B) of regulation D1 (contributions by members), substitute—

##### “Scheme Year 2014-2015

<i>Column 1</i>	<i>Column 2</i>
<i>Pensionable earnings band</i>	<i>Contribution percentage rate</i>
Up to £15,431	5%
£15,432 to £21,477	5.6%
£21,478 to £26,823	7.1%
£26,824 to £49,472	9.3%
£49,473 to £70,630	12.5%
£70,631 to £111,376	13.5%
£111,377 to any higher amount	14.5%”.

#### Amendment of regulation D3

4.—(1) Regulation D3 (further contributions by employing authorities in respect of excessive pay increases)(b), is amended as follows.

(2) In Step 6 (a) in paragraph (6), for “Amount C” substitute “Amount D”.

(3) For regulation (17), substitute—

“(17) For the purposes of this regulation an increase in pensionable pay during Year 3, Year 2 or, as the case may be, Year 1 is to be ignored where it arises—

(a) solely as a result of the member taking up new employment with a new employer provided the Secretary of State is satisfied that the employer in question is a new employer;

(b) as a result of the ending of a salary sacrifice arrangement made before 1st April 2014: for these purposes a salary sacrifice arrangement is one under which the member gives up the right to receive an amount of pensionable pay in return for the provision of a benefit in kind including, but not limited to, a benefit consisting of a motor car or other vehicle, meals, care or vouchers.”

#### Amendment of regulation T2A

5.—(1) Regulation T2A (deduction of tax: further provisions) is amended as follows.

(2) After paragraph (8A)(c), add—

(a) S.I. 1995/300, as amended by S.I. 1997/80 and 1888, 1998/666 and 2216, 2000/605, 2001/1428 and 3649, 2002/561 and 2469, 2003/631 and 2322, 2004/665 and 696, 2005/661 and 3074, 2006/600 and 2919, 2007/2054 and 3280, 2008/654 and 2263, 2009/381, 1298 and 2466, 2010/492 and 1634, 2011/591 and 2586, 2012/610, 2013/413, 2014/78, 2014/570 and as modified by S.I. 1996/971.

(b) Regulation D3 was inserted by regulation 8 of S.I. 2014/570.

(c) Paragraph (8A) was inserted by regulations 2 and 7 of S.I. 2012/610.

“(8B) If a person claiming a benefit under these Regulations intends to rely on entitlement to individual protection against a lifetime allowance charge in accordance with paragraph 1 of Schedule 4 to the Finance Act 2014, that person must give to the scheme administrator—

- (a) the reference number issued by the Commissioners under the Registered Pension Schemes and Relieved Non-UK Pension Schemes (Lifetime Allowance Transitional Protection) (Individual Protection 2014 Notification) Regulations 2014 in respect of that entitlement, and
  - (b) the information referred to in paragraph (7).”.
- (3) In paragraph (9), for “paragraph (8) or (8A)” substitute “paragraph (8), (8A) or (8B)”.
- (4) In paragraph (10), for “paragraph (8) or (8A)” substitute “paragraph (8), (8A) or (8B)”.

## Amendment of Schedule 2

6.—(1) Schedule 2 (medical and dental practitioners) is amended as follows.

(2) For table 2 in sub-paragraph (1A) of paragraph 10 (contributions to this section of the scheme), substitute—

“Table 2

**Scheme Year 2014-2015**

<i>Column 1</i>	<i>Column 2</i>
<i>Pensionable earnings band</i>	<i>Contribution percentage rate</i>
Up to £15,431	5%
£15,432 to £21,477	5.6%
£21,478 to £26,823	7.1%
£26,824 to £49,472	9.3%
£49,473 to £70,630	12.5%
£70,631 to £111,376	13.5%
£111,377 to any higher amount	14.5%”.

(3) In sub-paragraph (12) of paragraph 23 (accounts and actuarial reports), for “In respect of” to “of any” substitute “Each employing authority and GDS or PDS contractor must, in respect of each scheme year, provide the host Board and the Secretary of State with a statement of estimated contributions due under regulations D1, D2, Q6 and Q8 in respect of any”.

## PART 3

### Amendment of the National Health Service Pension Scheme Regulations 2008

#### Interpretation of Part 3

7. In this Part, an alphanumerical reference to a regulation is a reference to a provision of the National Health Service Pension Scheme Regulations 2008(a) bearing that designation.

#### Amendment of regulation 1.B.3

8. After paragraph (3A) of regulation 1.B.3 (provision of information relevant for tax purposes), insert—

“(3B) If a person claiming a benefit under these Regulations intends to rely on entitlement to individual protection against a lifetime allowance charge in accordance with

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(a) S.I. 2008/653 as amended by S.I. 2008/2263, 2009/381, 1298 and 2446, 2010/492 and 1634, 2011/591 and 2586, 2012 /610, 2013/413, 2014/78 and 2014/570.

paragraph 1 of Schedule 4 to the Finance Act 2014, that person must give to the scheme administrator the reference number issued by the Commissioners under the Registered Pension Schemes and Relieved Non-UK Pension Schemes (Lifetime Allowance Transitional Protection) (Individual Protection 2014 Notification) Regulations 2014 in respect of that entitlement.”.

#### **Amendment of regulation 2.C.2**

**9.** For the table in paragraph (2A) of regulation 2.C.2 (contribution rate for members other than non-GP providers)(a), substitute—

##### **“Scheme Year 2014-2015**

<i>Column 1</i>	<i>Column 2</i>
<i>Pensionable earnings band</i>	<i>Contribution percentage rate</i>
Up to £15,431	5%
£15,432 to £21,477	5.6%
£21,478 to £26,823	7.1%
£26,824 to £49,472	9.3%
£49,473 to £70,630	12.5%
£70,631 to £111,376	13.5%
£111,377 to any higher amount	14.5%”.

#### **Amendment of regulation 2.C.4**

**10.** For table 2 in paragraph (20) of regulation 2.C.4 (contribution rate and determination of pensionable earnings for non-GP providers)(b), substitute—

##### **“Table 2**

##### **Scheme Year 2014-2015**

<i>Column 1</i>	<i>Column 2</i>
<i>Pensionable earnings band</i>	<i>Contribution percentage rate</i>
Up to £15,431	5%
£15,432 to £21,477	5.6%
£21,478 to £26,823	7.1%
£26,824 to £49,472	9.3%
£49,473 to £70,630	12.5%
£70,631 to £111,376	13.5%
£111,377 to any higher amount	14.5%”.

#### **Amendment of regulation 2.M.3**

**11.—**(1) Regulation 2.M.3 (approval applications)(c) is amended as follows.

(2) In sub-paragraph (h) of paragraph (3)—

- (a) in paragraph (v), after “2.C.5” insert “, 2.C.6”;
- (b) in paragraph (vii), for “employee” substitute “employees”.

(3) In paragraph (7), after “become” omit “an”.

(a) Regulation 2.C.2(2) was substituted by regulation 6 of S.I. 2013/1414.

(b) Substituted by regulation 13 of S.I. 2010/1634, regulation 33 of S.I. 2013/413 and regulation 8 of S.I. 2013/1414.

(c) Regulation 2.M.3 was inserted by regulation 35 of S.I. 2014/570.

### Amendment of regulation 3.C.2

12. For table 2 in paragraph (22) of regulation 3.C.2 (members' contribution rate)(a), substitute—

**“Table 2**

**Scheme Year 2014-2015**

<i>Column 1</i>	<i>Column 2</i>
<i>Pensionable earnings band</i>	<i>Contribution percentage rate</i>
Up to £15,431	5%
£15,432 to £21,477	5.6%
£21,478 to £26,823	7.1%
£26,824 to £49,472	9.3%
£49,473 to £70,630	12.5%
£70,631 to £111,376	13.5%
£111,377 to any higher amount	14.5%”.

## PART 4

### Miscellaneous

#### Option to persons detrimentally affected by these Regulations

13.—(1) This regulation applies in relation to any benefit which is being paid or may become payable under the regulations amended by these Regulations to or in respect of a person who, having served in an employment or office, service in which qualified the person to participate in the benefits provided under the regulations amended by these Regulations, ceased to serve therein before these Regulations came into force.

(2) Where, in a case to which this regulation applies, any provision of these Regulations would operate in relation to any person so as to place that person in a worse position than that person would have been if that provision had not applied, that person may elect that the provision shall not apply by giving notice in accordance with paragraph (3).

(3) A notice given pursuant to paragraph (2) shall be in writing and shall be delivered to the Secretary of State within six months of the coming into force of these Regulations or such longer period as the Secretary of State may allow.

(4) An election pursuant to paragraph (2) shall have effect in relation to the benefit referred to in paragraph (1) only to the extent that such benefit has accrued by virtue of periods of service rendered prior to the cessation referred to in paragraph (1) (or, if there has been more than one such cessation, the last of them before the coming into force of these Regulations) and in determining entitlement to, and the amount of, the benefit to that extent, such person shall be treated as if that person had never recommenced service at any time after that cessation (or, as the case may be, the last such cessation).

Signed by authority of the Secretary of State for Health.

Address  
Date

*Name*  
Parliamentary Under-Secretary of State  
Department of Health

(a) Substituted by regulation 55 of S.I. 2009/381 and amended by regulations 8, 16(1), (2), (3) of S.I. 2010/1634, and by regulations 14, 28(a)(i), (ii), (b)(i), (b)(ii), (iii), (c)(i), (ii), (iii) of S.I. 2011/2586, and by regulations 9, 18 of S.I. 2012/610 and by regulations 62(5) of S.I. 2013/413 ) and by regulation 9 of S.I. 2013/1414.

We consent

*Name*

*Name*

Date

Two of the Lords Commissioners of Her Majesty's Treasury

### **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations further amend the National Health Service Pension Scheme Regulations 1995 (S.I. 1995/300) (“the 1995 Regulations”) and the National Health Service Pension Scheme Regulations 2008 (S.I. 2008/653) (“the 2008 Regulations”).

Regulation 1 provides for citation, commencement and effect, including that certain provisions of this instrument are to take effect from a date before the date of commencement. Section 12(1) of the Superannuation Act 1972 (c.11) provides authority for the regulations specified in regulation 1(3) and (4) to take effect as from a date earlier than the making of these Regulations.

The remainder of the Regulations are divided into three Parts, with Parts 2 and 3 amending the 1995 Regulations and the 2008 Regulations respectively, and Part 4 providing that certain persons detrimentally affected by these Regulations may elect for the provisions not to apply to them.

Parts 2 and 3 make similar amendments in respect of both the 1995 Regulations and the 2008 Regulations. They also introduce amendments specific to either the 1995 Regulations or the 2008 Regulations.

The changes dealing with similar issues in Parts 2 and 3—

- substitute the tables setting out the pensionable pay bands and the applicable contribution rates for the scheme year 2014-2015 (regulations 3, 9)
- substitute the tables setting out the pensionable earnings bands and the applicable contribution rates for the scheme year 2014-2015 (regulations 6, 10, 12)
- amend the provisions relating to the deduction of tax in circumstances where a person intends to rely on an individual protection pursuant to the Finance Act 2014 (regulations 5, 8).

The changes specific to Part 2—

- amend the provisions relating to contributions payable by employing authorities pursuant to regulation D3 of the 1995 regulations to take out of the scope of an excess pay award (which attracts an additional employer contribution) increases in pensionable pay occurring on or after 1st April 2014 and resulting from the ending of a salary sacrifice arrangement made before that date and to make a minor textual amendment to that regulation (regulation 4)
- make minor textual amendments to paragraph 23(12) of Schedule 2 to the 1995 Regulations which deals with accounts and actuarial reports (regulation 6(3)).

The changes specific to Part 3 make minor textual amendments to the provisions of the 2008 Regulations relating to applications by an Independent Provider to be approved as an employing authority for the purposes of those Regulations (regulation 11)

Part 4 provides that deferred members, or members in receipt of a relevant benefit, who are detrimentally affected by these Regulations may elect for the provisions not to apply to them by giving notice within six months of the coming into force of these Regulations (regulation 13).