

2017 No.

**NATIONAL HEALTH SERVICE, ENGLAND AND
WALES**

**The National Health Service Pension Scheme (Amendment)
Regulations 2017**

Made - - - - - ***
Laid before Parliament
Coming into force - - - - - ***

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**) and sections 1, 3 and 25 of, and Schedule 3 to, the Public Service Pensions Act 2013 (**b**).

In accordance with section 10(4) of Superannuation Act 1972 and section 21 of the Public Service Pensions Act 2013, 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) Regulations 2017.

(2) These Regulations shall come into force on 1st April 2017 and shall have effect from 1st April 2017.

(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).

(b) 2013 c.25.

PART 2

Amendment of the National Health Service Pension Scheme Regulations 1995

General

2. The National Health Service Pension Scheme Regulations 1995 are amended in accordance with this Part.

Amendment to regulation A2

3.—(1) Regulation A2 (interpretation) is amended as follows.

(2) At the appropriate place in the alphabetical order, insert —

““scheme administration charge” means the charge which is equal to the relevant percentage of a member’s pensionable earnings for the month in which they were earned and for this purpose the Secretary of State shall notify the employing authority of that relevant percentage”.

New regulation D4 (scheme administration charge)

4.—(1) After regulation D3 (further contributions by employing authorities in respect of excessive pay increases), insert—

“Scheme Administration Charge

D4.—(1) Each employing authority must pay a scheme administration charge to the Secretary of State.

(2) That charge must be paid to the Secretary of State on the same day as the member’s contributions under regulation D1(5).”.

Amendment to regulation T9

5.—(1) Regulation T9 (interest and administration charges: late paid contributions) is amended as follows.

(2) In paragraph (1)—

(a) after “contributions” insert “and the scheme administration charge”;

(b) for sub-paragraph (a), after “D3,” insert “D4,”.

(3) In paragraph (2)—

(a) after “contributions” insert “or, as the case may be, the scheme administration charge”;

(b) for sub-paragraph (a), after “contributions” insert “or, as the case may be, the scheme administration charge”;

(c) for sub-paragraph (b), after “contributions (if any)” insert “or, as the case may be, the scheme administration charge”.

(4) For paragraph (3), substitute—

“(3) Where there is a chargeable event, the employing authority is liable to pay standard rate interest on the amount of unpaid contributions determined under paragraph (2) or, as the case may be, the amount of unpaid scheme administration charge or both together with a supplementary charge in respect of each such event.”.

(5) In paragraph (4)—

(a) in sub-paragraph (b), after “unpaid contributions” insert “or, as the case may be, unpaid scheme administration charge”.

- (b) in sub-paragraph (d), for “administration charge” substitute “supplementary charge”;
- (c) in sub-paragraph (e), for “administration charges” substitute “supplementary charges”.
- (6) In paragraph (5), for “administration charge” substitute “supplementary charge”.
- (7) In paragraph (6), for “administration charges” substitute “supplementary charges”.
- (8) For paragraph (7), substitute—

“(7) In the case of arrears in respect of the scheme year 2014-2015 and subsequent years, the standard rate of interest is the aggregate of the percentage (if any) by which the consumer prices index for the February before the scheme year in which the chargeable event arose is higher than it was for the previous February plus 3%, compounded at annual intervals”.

Amendment to regulation U3

- 6.—(1) Regulation U3 (accounts and actuarial reports) is amended as follows.
- (2) After sub-paragraph (i) of paragraph 3 (reason for termination of pensionable employment), insert—
 - “(j) the scheme administration charge paid under regulation D4;
 - (k) the scheme administration charge due under regulation D4 but unpaid;”.
 - (3) In paragraphs (7) and (9)—
 - (a) after “contributions”, insert “and the scheme administration charge”.
 - (a) after “D2,”, insert “D4,”.

Amendment to Schedule 2

7.—In sub-paragraph (17C) of paragraph 10 (contributions to this Section of the scheme) of Schedule 2 (medical and dental practitioners), for “administration charge” substitute “supplementary charge”.

Amendment to Schedule 2B

- 8.— (1) Schedule 2B (independent providers) is amended as follows.
- (2) In paragraph 41, for “administration charge” (twice) substitute “supplementary charge”.
 - (3) In paragraph 42, for “administration charge” substitute “supplementary charge”.

PART 3

Amendment of the National Health Service Pension Scheme Regulations 2008

General

9. The National Health Service Pension Scheme Regulations 2008 are amended in accordance with this Part.

Amendment to regulation 2.A.1

- 10.— (1) Regulation 2.A.1 (interpretation: general) is amended as follows.
- (2) At the appropriate place in the alphabetical order, insert—

““scheme administration charge” means the charge which is equal to the relevant percentage of a member’s pensionable earnings for the month in which they were earned and for this purpose the Secretary of State shall notify the employing authority of that relevant percentage”.

New regulation 2.C.6A (scheme administration charge)

11.—(1) After regulation 2.C.6 (contributions by employing authorities: members becoming entitled to pensions under regulation 2.D.11), insert—

“Scheme Administration Charge

2.C.6A—(1) Each employing authority must pay a scheme administration charge to the Secretary of State.

(2) That charge must be paid to the Secretary of State on the same day as the member’s contributions under regulation 2.C.1.”.

Amendment to regulation 2.J.9A

12.—(1) Regulation 2.J.9A (interest and administration charges: late paid contributions) is amended as follows.

(2) In paragraph (1)—

(a) after “contributions” insert “and the scheme administration charge”;

(b) for sub-paragraph (a), after “2.C.6,” insert “2.C.6A,”.

(3) In paragraph (2)—

(a) after “contributions” insert “or, as the case may be, the scheme administration charge”;

(b) in sub-paragraph (a), after “contributions” insert “or, as the case may be, the scheme administration charge”;

(c) in sub-paragraph (b), after “contributions (if any)” insert “or, as the case may be, the scheme administration charge”.

(4) For paragraph (3), substitute—

“(3) Where there is a chargeable event, the employing authority is liable to pay standard rate interest on the amount of unpaid contributions constituting that event or the amount of unpaid scheme administration charge or both together with supplementary charge in respect of each such event.”.

(5) In paragraph (4)—

(a) for sub-paragraph (b), after “unpaid contributions” insert “or unpaid scheme administration charge or both;”.

(b) for sub-paragraph (d) and (e), for “administration” substitute “supplementary”.

(6) In paragraph (5), for “administration charge” substitute “supplementary charge”.

(7) In paragraph (6), for “administration charges” substitute “supplementary charges”.

(8) For paragraph (7), substitute—

“(7) In the case of arrears in respect of the scheme year 2014-2015 and subsequent years, the standard rate of interest is the aggregate of the percentage (if any) by which the consumer prices index for the February before the scheme year in which the chargeable event arose is higher than it was for the previous February plus 3%, compounded at annual intervals”.

(9) In paragraph (8), for “administration charge” substitute “supplementary charge”.

Amendment to regulation 2.J.14

13.—(1) Regulation 2.J.14 (employing authority and certain member record keeping and contribution estimates) is amended as follows.

(2) After sub-paragraph (i) of paragraph (6) (reason for termination of pensionable employment), insert—

“(j) the scheme administration charge paid under regulation 2.C.6A;

(k) the scheme administration charge due under regulation 2.C.6A but unpaid;”.

(3) In paragraphs (10) and (11), after “contributions” insert “and the scheme administration charge”.

(4) In paragraph (12)—

(a) after “contributions” insert “and the scheme administration charge”.

(b) after “2.C.5,” insert “2.C.6A,”.

PART 4

Amendment of the National Health Service Pension Scheme Regulations 2015

14.The National Health Service Pension Scheme Regulations 2008 are amended in accordance with this Part.

Amendment to regulation 36

15.—(1) Regulation 36 (interest and administration charges: late paid contributions) is amended as follows.

(2) In sub-paragraph (a) of paragraph (1)—

(a) after “contributions” insert “and the scheme administration charge”.

(b) after “35,” insert “36A,”.

(3) In paragraph (2) —

(a) after “contributions” insert “or, as the case may be, the scheme administration charge”;

(b) in sub-paragraph (a), after “contributions” insert “or, as the case may be, the scheme administration charge”;

(c) in sub-paragraph (b), after “contributions (if any)” insert “or, as the case may be, the scheme administration charge”.

(4) For paragraph (3), substitute—

“(3) Where there is a chargeable event, the employing authority is liable to pay—

(a) standard rate interest on the amount of unpaid contributions constituting that event or the amount of unpaid scheme administration charge constituting that event; or

(b) both interest and the charge referred to in (a), and

(c) a supplementary charge in respect of each such event.”

(5) In paragraph (4)—

(a) in sub-paragraph (b), after “contributions” insert “or, as the case may be, the scheme administration charge”.

(b) in sub-paragraph (d), for “administration charge” substitute “supplementary charge”.

(c) in sub-paragraph (e), for “administration charges” substitute “supplementary charges”.

(6) In paragraph (5), for “administration charge” substitute “supplementary charge”.

(7) In paragraph (6), for “administration charges” substitute “supplementary charges”.

(8) For paragraph (7), substitute—

“(7) In the case of arrears in respect of the scheme year 2014-2015 and subsequent years, the standard rate of interest is the aggregate of the percentage (if any) by which the consumer prices index for the February before the scheme year in which the chargeable event arose is higher than it was for the previous February plus 3%, compounded at annual intervals”.

(9) In paragraph (8), for “administration charge” substitute “supplementary charge”.

New regulation 36A (scheme administration charge)

16.—(1) After regulation 36 (interest and administration charges: late paid contributions), insert—

“Scheme Administration Charge

36A.—(1) Each employing authority must pay a scheme administration charge to the scheme manager.

(2) That charge must be paid to the scheme manager on the same day as the member’s contributions under regulation 30(5).”.

Amendment to regulation 37

17.—(1) Regulation 37 (member’s contributions: records and estimates) is amended as follows.

(2) After sub-paragraph (i) of paragraph 3 (reason for termination of pensionable employment), insert—

“(j) the scheme administration charge paid under regulation 36A;

(k) the scheme administration charge due under regulation 36A but unpaid;”

(3) In paragraph (5) and (7)—

(a) after “contributions” insert “and the scheme administration charge”.

(b) after “33,” insert “36A,”.

Amendment to Schedule 15

1.Schedule 15 (definitions) is amended as follows.

(a) At the appropriate place in the alphabetical order, insert—

““scheme administration charge” means the charge which is equal to the relevant percentage of a member’s pensionable earnings for the month in which they were earned and for this purpose the scheme manager shall notify the employing authority of that relevant percentage”.

Signed by authority of the Secretary of State for Health.

Address
Date

Name
Parliamentary Under-Secretary of State
Department of Health

We consent

Name

Date *Name*
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”) and the National Health Service Pension Scheme 2015 (S.I. 2015/ 94) (“the 2015 Regulations”).

Regulation 1 provides for citation, commencement and effect, including that the 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 to take effect as from a date earlier than the making of these Regulations.

The remainder of the Regulations are divided into four Parts, with Parts 2, 3 and 4 amending the 1995 Regulations, the 2008 Regulations and the 2015 Regulations respectively.

The changes specific to Part 2:

- insert a new definition of “scheme administration charge” (regulation A2);
- insert a new regulation requiring employing authorities to pay a scheme administration charge to the Secretary of State at a particular time (regulation D4);
- make textual amendment in recognition of the new regulation A2 (regulation T9, Schedule 2 and Schedule 2B);

The changes specific to Part 3:

- insert a new definition of “scheme administration charge” (regulation 2.A.1);
- insert a new regulation requiring employing authorities to pay a scheme administration charge to the Secretary of State at a particular time (regulation 2.C.6A);
- make textual amendments in recognition of the new regulation 2.C.6A (regulation 2.J.9A and 2.J.14);

The changes specific to Part 4:

- insert a new definition of “scheme administration charge” (Schedule 15);
- insert a new regulation requiring employing authorities to pay a scheme administration charge to the Secretary of State at a particular time (regulation 36A);
- make textual amendments in recognition of the new regulation 36A (regulation 36 and 37);

An impact assessment has not been prepared for this instrument for the following reasons. No impact on the costs of business or the voluntary sector is foreseen.

