



Government Actuary's
Department

NHS Pension Scheme

2024 Actuarial Valuation

Overview

3 July 2026

Fiona Dunsire FIA C.Act, Government Actuary
Garry Swann FIA C.Act

Navigating risk | Cutting through complexity

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Introduction

This Overview report describes the purpose of the actuarial valuation of the NHS Pension Scheme (NHSPS) (the Scheme) as at 31 March 2024 and the process followed in arriving at the key outputs. It was prepared by Fiona Dunsire, Government Actuary, FIA C.Act and Garry Swann FIA C.Act, and published on 3 July 2026.

The 2024 valuation reporting is addressed to, and was commissioned by the Secretary of State for Health and Social Care, who is the responsible authority for the NHS Pension Scheme (NHSPS) (the Scheme).

As the responsible authority, the Secretary of State for Health and Social Care is responsible for setting the [employer contribution rate](#) and for consulting on any changes required to the Scheme as a result of the [cost control mechanism](#).

Important

This report is a subset of the valuation reporting provided for the Scheme. The other reports are Approach, Data, Assumptions, Results and Climate Risk. The full set of valuation reporting information can be found in the [Summary](#) report.

Purpose of the valuation

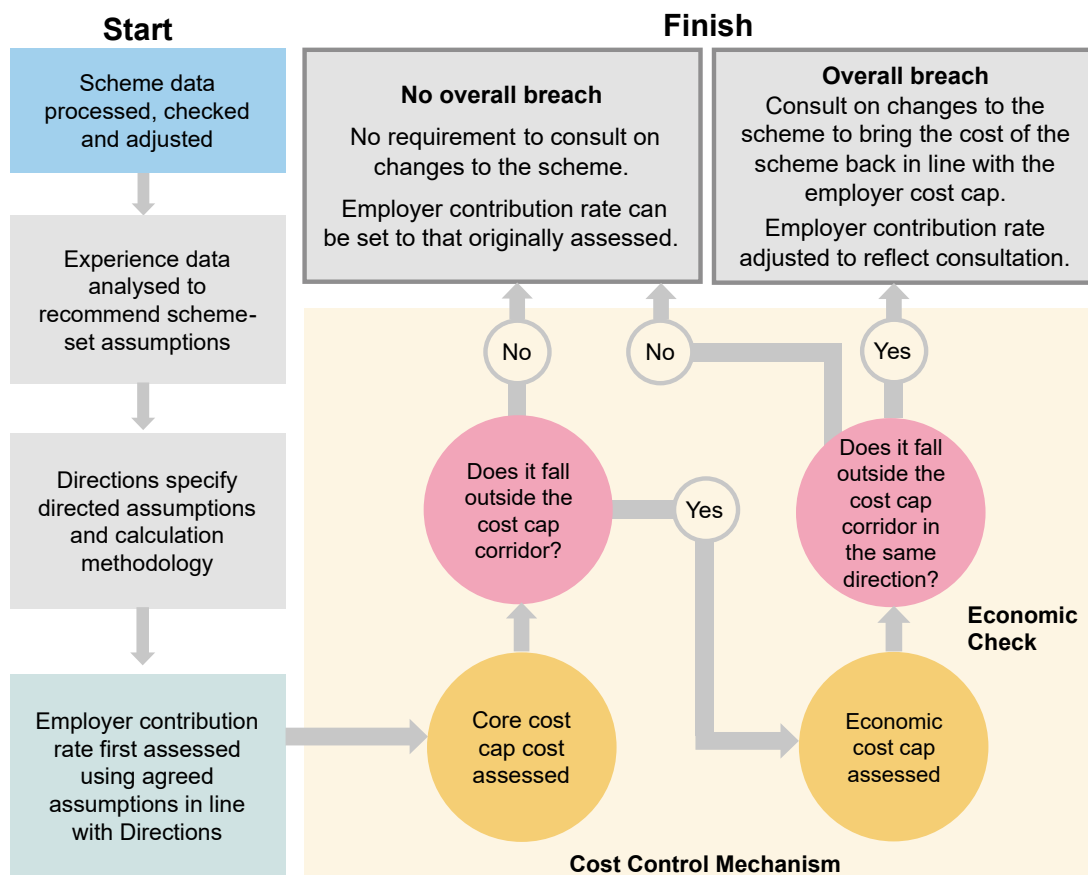
The key outputs of the valuation are the employer contribution rate and the results of the cost control mechanism.

The valuation has been prepared in accordance with the:

- Benefits as set out in the scheme regulations;
- Instructions as described in the Public Service Pensions (Valuation and Employer Cost Cap) Directions 2026 ('the Directions');
- Approach as set out in the [Approach](#) report;
- Data as set out in the [Data](#) report; and
- Assumptions as decided by the responsible authority and set out in the [Assumptions](#) report.

Valuation process

The following diagram illustrates the steps of the valuation process.



The valuation process begins with the receipt of scheme data, followed by assumption setting and the assessment of the employer contribution rate.

The cost control mechanism is then assessed.

- If there has been an overall breach, then the Secretary of State for Health and Social Care needs to consult on changes to the Scheme to rectify this. The originally assessed employer contribution rate would then need to be updated to reflect the impact of any benefit or contribution changes.
- If there has not been an overall breach, then no consultation is required on subsequent changes to the Scheme.

An overall breach of the cost control mechanism occurs only if both the core cost cap cost and economic cost cap cost of the Scheme lie outside the cost control corridor and in the same direction.

Summary of scheme benefits

The benefits provided to members of the [reformed scheme](#) and [legacy schemes](#) are set out in Scheme regulations.

The main provisions are summarised below. The [Directions](#) require the Scheme to be considered in aggregate for the purposes of the valuation.

The 2015 Scheme was introduced from 1 April 2015 and many legacy scheme members transferred to it on this date. From 1 April 2022 all members accrue benefits in the 2015 Scheme. McCloud eligible members will have the choice of reformed scheme or legacy scheme benefits for the period 1 April 2015 to 31 March 2022.

1995 section

	Standard officer	Special class officer	Practitioner
Type	Final salary		Career average with earnings revaluation of CPI + 1.5% pa
Contracted out/in prior to 2016	Contracted out to 2016		Dependent on employment status
Normal Pension Age	60	55 (subject to certain criteria)	60
Pension Accrual Rate	1/80	1/80 with doubling of service in some cases	1.40%
Retirement Lump Sum	3.75%	3.75% (doubling as above)	4.20%
Final Pensionable Pay	Best 12 months Pensionable Pay in final 3 years		Generally practitioner income and other fee based earnings less expenses
Dependant Benefits	50% of member pension subject to some service restrictions. Eligibility for benefit depends on whether in service on or after 1 April 2008		37.5% of member pension

	Standard officer	Special class officer	Practitioner
Ill health pension	Tier 1 (permanently unable to do current job) - accrued pension, no reduction Tier 2 (permanently unable to do any job) – 2/3 prospective service to NPA, no reduction		
Pension increases	In line with increases in price inflation		

2008 section

	Officer	Practitioner
Type	Final salary	Career average with earnings revaluation of CPI + 1.5% pa
Contracted out/in prior to 2016	Contracted out to 2016	Dependent on employment status
Normal Pension Age	65	
Pension Accrual Rate	1/60	1.87%
Retirement Lump Sum	None. Cash by commutation only (£12: £1pa)	
Final Pensionable Pay	Average of the best 3 consecutive years pay in the 10 years before retirement that are revalued by price inflation	Generally practitioner income and other fee based earnings less expenses
Dependant Benefits	37.5% of member pension	
Ill health pension	Tier 1 (permanently unable to do current job) - accrued pension, no reduction Tier 2 (permanently unable to do any job) – 2/3 prospective service to NPA, no reduction	
Pension increases	In line with increases in price inflation	

2015 scheme

	All members
Type	Career average with earnings revaluation of CPI + 1.5% pa
Contracted out/in prior to 2016	Contracted out to 2016
Normal Pension Age	Equal to each member's state pension age
Pension Accrual Rate	1/54
Retirement Lump Sum	None. Cash by commutation only (£12: £1pa)
Final Pensionable Pay	Not applicable
Dependant Benefits	33.75% of member pension
Ill health pension	Tier 1 (permanently unable to do current job) - accrued pension, no reduction Tier 2 (permanently unable to do any job) – 50% prospective service to NPA, no reduction
Pension increases	In line with increases in price inflation

Compliance and limitations

Purpose

GAD has been appointed as scheme actuary of the NHS Pension Scheme as at 31 March 2024 (the [effective date](#)), as required by the Scheme's regulations.

The results of the employer contribution rate valuation and the cost control mechanism have been prepared for the use of the Secretary of State for Health and Social Care and Department of Health and Social Care, in accordance with the Public Service Pensions Act 2013, the Directions and Scheme regulations.

These results, and corresponding information, should not be relied upon or assumed to be appropriate for any other purpose, or by any other person.

Third parties whose interests may differ from those of Department of Health and Social Care are encouraged to seek their own actuarial advice where appropriate. GAD has no liability to any person or third party for any act or omission taken, either in whole or in part, on the basis of the individual valuation reports or their entirety.

Compliance statement

The valuation reporting has been prepared in accordance with the applicable Technical Actuarial Standards: TAS 100 and TAS 300 issued by the Financial Reporting Council (FRC). The FRC sets technical standards for actuarial work in the UK.

At GAD, we seek to achieve a high standard in all our work. We are accredited under the Institute and Faculty of Actuaries' Quality Assurance Scheme. Our website describes [the standards](#) we apply.

Reliances and limitations

In preparing the valuation reporting, we have:

- Relied on the data and other information supplied by the scheme administrator, as set out in the [Data](#) report. GAD has not sought independent verification of the data's general completeness and accuracy (beyond our comparisons with the relevant Resource Accounts). Any checks that we have made are limited to those described in the valuation reporting (particularly in the [Approach](#) and [Data](#) reports). Our checks do not represent a full independent audit of the data supplied.

- Used directed and scheme-set assumptions, as set out in the [Assumptions](#) report. The adjustments made to the data as set out in the [Data](#) report apply equally to the data used for setting assumptions. Any additional data adjustments made solely for the purpose of setting assumptions are detailed in the [Assumptions](#) report.

Figures throughout the valuation reporting may not sum due to rounding.

ⓘ Important

Please refer to the [Data](#) and [Assumptions](#) reports for details of the data and assumptions used, and any adjustments made.

Directions

This report has been prepared with a view to meeting the following reporting requirements of the Directions:

Reporting Direction	Description	Relevant Directions (where applicable)
23(1)(e)	Statement that valuation results have been prepared in accordance with the requirements	
23(1)(f)	A summary of regulations, Directions and professional standards relating to the valuation	
23(1)(g)	A summary of the main provisions of the scheme	
25(y)	Statement that the core cost cap valuation results and economic cost cap valuation results have been calculated in accordance with the requirements of the Directions	
25(z)	Summary of the regulations, Directions and professional standards applicable to the preparation of the cost cap valuation report	