Supplementary text to use in your response

We have listed below a number of other issues you may want to draw on if you plan to use our tool to submit a response to the consultation. We have provided example text on each point to demonstrate the effects of each issue on members, but we do strongly encourage you to expand on these with personal examples providing as much detail as you can. For instance, including the amount you have paid out for financial advice.

Specific circumstances that may be relevant

- Members who joined the NHS pension scheme in the “Unprotected Period” (1st April 2012 to 1st April 2015), will suffer a detriment as the option to join the legacy scheme was removed from them.

  Example text:

  ‘I was a younger, relatively newly qualified members during the unprotected period. I had been working towards becoming a doctor for many years prior to that and the benefits of the NHS pension were an important part of my decision to work in the NHS. I had no option to join the pensions scheme any earlier and with almost no notice, the pension scheme was drastically changed. Colleagues who started work just a few months before me will get 10 years of a final salary pension – something that I am not able to access. This is extremely unfair for younger members like me.’

This also applies to overseas doctors who were incentivised to work in the UK by the offer of joining the legacy final salary pension benefits.

  Example text:

  ‘I spent a long time preparing to work in the UK, incurring significant expenses to complete the necessary examinations and regulatory processes. Yet, I was given little notice of the intended changes to the NHS pension scheme. The benefits of the reformed scheme are significantly different from the legacy scheme which was one of the reasons I decided to work in the UK.’
Members who work part-time are also discriminated against as steep tier contributions in the CARE scheme requires them to pay more for the same amount of pension as those working full-time, despite take home pay being significantly less. This is because the contribution rate relates to the equivalent full-time salary rather than actual salary.

**Example text:**

‘I have had to pay contributions based on whole time equivalent pay rather than my actual pensionable pay during the Remedy Period despite being solely in a CARE scheme. The government delayed removing this unfair and potentially discriminatory anomaly when it paused the cost cap review mechanism. It is essential that the cost of these additional contributions is reimbursed.’

Some members who were transitioned into the 2015 scheme may have made different decisions as a result the government’s unlawful discrimination and as such members should be placed in the same position as if the discrimination had never occurred. For example, the way the legacy and reformed schemes interact, some members who were transitioned will have paid more in annual allowance taxation, despite accruing a lower amount of pension than those that remained solely in the legacy scheme.

**Example text:**

‘I have had to reduce my pensionable income by going part time. This has led not only to a reduction of my take home pay but reduced my future pension. I would not have done this had I not been subject to this age discrimination.’

‘I have had to opt out of the pension scheme. This has resulted in a reduction in the pension benefit I will receive at retirement. I would not have done this had I not been subject to this age discrimination.’

‘I have had to cancel my added years contract due to the additional taxation I was subject to by being transitioned to the reformed scheme. I would not have done this had I not been subject to this age discrimination.’

‘I have been faced with large annual allowance tax bills that I would not have faced had I been able to remain in the legacy scheme. I have had to take out loans/re-mortgage my house/lose interest on savings and investments as a result. It is important that I am compensated for the additional costs related to this.’
**Tapered protection**

‘As a result of receiving tapered rather than full protection, I took early retirement to avoid being transitioned to the reformed scheme. I would not have done this had I not been subject to this age discrimination.’

‘The pension benefits that I have accrued by being offered tapered protection is probably higher that those that I would receive in either the reformed or the legacy scheme. I am concerned that under these proposals I will receive a lower pension than the one I have been basing my retirement plans on.’

‘I am tapered member and have already retired and am currently receiving my pension. I am concerned that under these proposals you suggest reducing the pension benefit that I have already crystallised. This is not acceptable, and I believe this to be unlawful.’

– Members are advised to seek financial and/or actuarial advice in order to make informed retirement plans and understand their tax liability as their pensions are very complicated due to this remedy period. We believe this advice should be provided by the scheme or members should be compensated for reasonable additional costs.

**Example text:**

‘This is too complicated and is such an important decision. I need to take financial advice on this, and this may be expensive. It is essential that I am not responsible for the costs of this pension or tax advice.’

‘As a result of being in 2 schemes I have faced annual allowance tax bills and had to pay for financial advice during the Remedy Period. I would not have had to do this had I remained in the legacy scheme as the calculations are simpler. It is essential that these costs are reimbursed.’

– The consultation proposes to close the legacy schemes and move all active members to the reformed pension scheme from 1 April 2022. We believe the 2015 scheme is unfair as there are disparities in the proportion of the overall scheme benefits that members fund in the different public service pension schemes.

**Example text:**

‘I am concerned that the proposal to move everyone to the 2015 scheme in 2022 does not treat people fairly.’

‘Although everyone will be in the CARE scheme, there are still very steeply tiered employee contribution rates. This results in doctors like me paying far more per pound of pension than a lower paid colleague. Not only does this more than offset the benefits of higher rate tax relief but we are then
penalised again by the annual and lifetime allowances. There must be a move to a flat rate of pension contributions if everyone is on a CARE scheme. If any tiering remains to offset the benefits of higher rate tax relief then there is no rationale for retaining the annual allowance which is completely unsuited to defined benefit schemes such as the NHS.’

‘It is unfair that those like me who work less than full time should have to pay more for the same amount of pension as someone working full time. This is especially unfair as my take home pay is far lower than my full-time colleagues.’

‘Under this proposal, I will be in both the legacy and reformed schemes post 2022. I would like to work beyond the age of 60 but due to the fact there are different pension ages, I will lose a significant amount of the value of my pension if I do so. This is because I can’t draw my 1995 pension at age 60 whilst continuing to pay into the 2015 scheme. This is a potent driver for me to take early retirement but by doing so I will face an actuarial reduction of my 2015 pension. This is unfair and not a problem faced by those solely in the legacy or solely in the reformed scheme.’

‘Under this proposal, I will be in both the legacy and reformed schemes post 2022. I am concerned that due to the interaction with the taxation rules, I will pay more in annual allowance taxation, than my younger and older colleagues who are in 1 scheme despite in many cases me receiving a lower pension than those colleagues. This is unfair.’