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Angie Walsh OBE, Head Recognition and Reward, NHSEI
Jon Restell, CEO Managers in Partnership & NHS Pensions SAB Co-chair
Sue Jacques, CEO County Durham and Darlington NHS & NHS Pensions SAB Co-chair

05 May 2022

Dear Ms Walsh, Mr Restell and Ms Jacques,

RE: Letter from the BMA regarding misinformation promoted to doctors and nurses

We are writing to you to express our serious concerns that the information provided on the NHSEI website that suggests NHS staff will receive a higher pension by delaying retirement until the age of 61 is inaccurate and misleading. We have been raising these concerns with NHSEI since August 2021 and not only is this information still accessible to NHS staff on the website but is still being referred to in other fora. The web site we are referring to is:

<https://www.england.nhs.uk/looking-after-our-people/the-programme-and-resources/pensions-and-flexible-working-in-your-later-career/understanding-the-lifetime-allowance/>

We have attempted to constructively engage with NHSEI regarding this issue, and have met with them on multiple occasions, as well as outlining the areas where the current information is inaccurate in written communication. We had received assurances that this information would be removed but not only has this not happened, but this work is now being quoted by the Minister of Health, who stated last week that “NHS England and NHS Improvement are delivering a retention programme focused on employers making flexible employment offers to staff, **engaging higher earners on pension tax issues and demonstrating the benefit of delaying retirement**”. This is fundamentally untrue given the fact that rather than receive a higher pension, in the example consultant on the NHSEI website, they would in fact be nearly £100,000 worse off over the course of a typical 30 year retirement if they delayed their retirement until the age of 61.

This misleading example is incorrect as it compares a pension received at age 61 (i.e. a year later) that is based on pay that has been uplifted by a 2% uplift with the value of pension calculated at age of 60 but has failed to update this value with inflation to ensure a fair comparison. This error is compounded by the current rates of inflation, which is expected to be in the order of 8% this year and the level of pay award suggested by the Department of Health in their submission to the DDRB of 2%. The example also fails to take into account the fact that as there are no late retirement factors in the 1995 NHS pension scheme, the value of the pension that this consultant would have received if they delayed retirement by one year to the age of 61 is lost.

The overall impact of this is that, rather than, as presented by the example of the doctor receiving a pension that is £1,676 a year higher if they retired at 61 rather than 60, the doctor would instead



receive a pension that is £1,810.69 lower per year as a result of staying within the NHS for a further year (retirement in April 2023 versus April 2022). When you take into account that they would likely, based on life expectancy, expect to enjoy a 30 year retirement, and receive no late retirement factors as a result of staying within the scheme, they would in effect take a £99,140 cumulative loss over the course of their retirement simply by delaying their retirement for one extra year.

In response to this inaccurate information, the BMA has already needed to communicate this error to members and has recently launched an informative interactive tool for all members and doctors to demonstrate the correct values for the NHSEI example as well as providing a tool for them to understand their own situation, which is available at

<https://www.bma.org.uk/doesntpaytostay>

We will continue to raise these issues on behalf of members, and we formally request that this inaccurate information is removed immediately and this false narrative that NHS staff are better off financially by delaying retirement is not propagated any further. Indeed, these very same errors apply not just to the doctor example but the example of a nurse. Instead of focussing solely on the “education of members”, which in the case of many senior doctors will simply demonstrate the need for them to consider reducing their hours or taking early retirement, it is essential that NHSEI focus on actual solutions and mitigations that will address this problem.

In terms of progressive next steps to support doctors and other NHS staff, we urge NHSEI to mandate trusts to introduce recycling policies to enable those impacted by pensions taxation to access the full value of the employer’s pension contributions. As you have noted in previous correspondence to trusts, this is amongst the most effective mitigations that trusts can introduce immediately. We would ask NHSEI and the Scheme Advisory Board to support the BMA’s call for the introduction of late retirement factors in the 1995 pension scheme with the option of partial retirement and pensionable re-employment to be made available.

Finally, at present, the BMA is seeking to push for a tax unregistered scheme, in line with what Government has introduced to address similar issues with recruitment and retention in the judiciary. This would be a long-term solution to this problem and will remove any artificial limits on the amount of work and other higher earners in the NHS can do.

The BMA remains a willing partner in ensuring doctors are able to take well informed decisions around their retirement, and that the NHS Pension Scheme can encourage doctors to continue working. This though requires support from NHSEI both from an information standpoint and through urgent action to address what is at present a punitive scheme that in effect punishes doctors for carrying on in the pension scheme. We hope these concerns are addressed immediately and look forward to hearing from you.

Yours sincerely,



Dr Vishal Sharma

BMA pensions committee chair



Dr Tony Goldstone

BMA pensions committee deputy co-chairs



Dr Krishan Aggarwal