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# Employer Pension Contributions – Alternative Payment Policy

**THIS IS A DRAFT DOCUMENT FOR CONSULTATION PURPOSES ONLY**  
**All comments on this document should be sent to the author by the consultation end date, using the comment form on the policy consultation pages.**  
**Approved Hywel Dda University Health Board policies can be found on the [Policies and Procedures Approved section of the intranet](#)**

Policy Number:		Classification		Employment	
Supersedes					
LOCSSIP reference:		NATSSIPS Standards	List standard ( <a href="#">NATSSIPS Standards</a> )		
Version No	Date of EqIA:	Approved by:		Date of Approval:	Date made Active:
V1					

Brief Summary of Document:	<p>This policy outlines an option for employees who are current active members of the NHS Pension Scheme (the NHS Scheme) who can demonstrate that they will be affected by the lifetime allowance (LTA) or annual allowance (AA) in respect of their pension savings.</p> <p>This policy will allow those staff who believe they may be impacted by the LTA or an in-year AA tax charge an alternative choice, allowing them to continue to work in their present role at their present level of service, and continue to develop in their career journey.</p>
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## HYWEL DDA UNIVERSITY HEALTH BOARD

Scope:	This policy is only intended for those employees affected by the LTA or AA tax issue and sets out one option for these individuals		
To be read in conjunction with:	Pensions Advice - Salary Sacrifice Scheme Process		
Patient information:			

Owning Committee/ Group	People, Organisational Development & Culture Committee		
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Executive Director:	Lisa Gostling	Job Title	Director of Workforce and Organisational Development
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Reviews and updates		
Version no:	Summary of Amendments:	Date Approved:
1	New Policy	
2	Revised – only minor changes	

### Glossary of terms

Term	Definition

Keywords	Pension, Life Time Allowance, Annual Allowance, Alternative Payments
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# HYWEL DDA UNIVERSITY HEALTH BOARD

## 1. Introduction

- 1.1. This policy outlines an option for employees who are current active members of the NHS Pension Scheme (the NHS Scheme) who can demonstrate that they will be affected by the lifetime allowance (LTA) or annual allowance (AA) in respect of their pension savings. For most employees, it will likely be in their best financial interests to remain in the NHS Pension Scheme. This policy is only intended for those employees affected by the LTA or AA tax issue and sets out one option for these individuals. This may not be the best financial option for affected employees and so individuals should consider this policy and any associated information carefully before making a decision. Employees are strongly encouraged to obtain their own financial advice before making any changes. (please refer to Pensions Advice – Salary Sacrifice Scheme Process for a list of organisations that NHS Employers have compiled that provide guidance and advice on the NHS Pension Scheme).
- 1.2. This policy has been introduced to address operational risks that have been identified as a result of the pension tax regime. In particular, Health Boards have experienced a number of requests for reduced contractual hours, a reluctance to take on additional work and a desire to focus on private work as a direct result of the pension tax regime. This policy is an attempt to address these operational issues by setting out an alternative option. Other options for addressing this issue are available and these are set out in the “Pension tax guidance for employers - Local measures to support staff and service delivery” document published by NHS Wales Employers.
- 1.3. This policy does not form part of any employee’s contract of employment.
- 1.4. This policy will allow those staff who believe they may be impacted by the LTA or an in-year AA tax charge an alternative choice, allowing them to continue to work in their present role at their present level of service, and continue to develop in their career journey. Health Boards/Trusts/SHAs operating this policy will need to determine the effective date for any applications and consider whether any retrospective payments will be made for opt-outs already made within the current financial year.
- 1.5. Employers would like to see flexibilities introduced into the NHS Pension Scheme which support continued membership through providing flexibility on the level of an individual’s pension accrual. Such flexibilities do not currently exist and the content of this model policy will kept under review and considered in the light of any progress on the introduction of pension flexibilities within the NHS Pension Scheme.

## 2. Purpose

- 2.1 To provide an optional alternative to pension contribution for those employees who can demonstrate that they are impacted by the LTA or AA pension tax thresholds and decide to opt out of the pension scheme thereby choosing to forego pension tax relief.

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## 3. The options

- 3.1. Where employees are currently active members of the NHS Scheme, and consider that they will be affected by the lifetime allowance (LTA) or annual allowance (AA) they can:
- a. Continue in the NHS Scheme and bear any additional tax charges that arise (in the tax year for an AA charge or at retirement under the LTA arrangements); or
  - b. Opt out of the NHS Scheme and apply to be paid an alternative payment as explained in 3.2 below (“alternative payment”). Individuals who opt out of the NHS Scheme will become deferred members and will not be able to make any further money purchase, added years or additional voluntary contributions into the NHS Scheme.
- 3.2 The alternative payment that will be paid in the event of an opt out of the NHS Pension Scheme will be the sum equivalent to the Employer’s Contribution (amount that the employer ordinarily pays into the relevant NHS Pension Scheme if the employee were still a member of the NHS Pension Scheme) net of the employer’s National Insurance contributions, maintaining cost neutrality to the NHS. This will be paid as a supplement to salary and so will be subject to income tax.

This is circa 12.4% of pensionable pay (14.38% of pensionable pay net of employer’s national insurance contributions at a rate of 13.8%). Although the employer contribution increased by 6.3% from 1 April 2019, the funding for this increase is not available to Health Boards.

Pensionable pay for the purpose of calculating the alternative payment will be determined by the Health Board/Trust/SHA but will be based on what the pensionable pay would have been for the purpose of calculating employer contributions paid by the Health Board/Trust/SHA to the NHS Scheme had the individual continued to participate in the NHS Scheme.

- 3.3. Where individuals opt out of the NHS Pension Scheme it is their responsibility to provide the pension scheme administrator with effective notice of the opt-out. Individuals must provide the Health Board/Trust/SHA with a copy of this notification and evidence that the opt-out is effective, before any alternative payment will be paid.
- 3.4. Where individuals opt out of the NHS Scheme there may be a significant impact on the level of benefits which may be received from the NHS Scheme. In particular, there is likely to be a notable reduction in ill-health benefits and death benefits from the NHS Scheme, and potentially redundancy benefits. Individuals considering the alternative payment should carefully review and consider the impact of opting out of the NHS Scheme on all of their benefits.

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- 3.5. This is only one option that may be available. Other options may be available and the “Pension tax guidance for employers - Local measures to support staff and service delivery” document published by NHS Wales Employers outlines a range of other flexibilities. Where individuals are concerned about this issue, it is suggested that the matter is discussed with the Health Board/Trust/SHA to determine the potential options available.

### 4. Impact of the alternative payment

- 4.1. The alternative payment will not form part of base salary and would not be included in the calculation of any overtime, or other entitlements.
- 4.2. Although not forming part of base salary, the alternative payment will increase the amount paid each month. It will also impact on the following:
- a. The amount of holiday and sick pay. Such calculations will include an element to reflect the alternative payment.
  - b. The amount of any redundancy pay calculation, but only in so far as any statutory cap. Where an individual’s weekly pay is higher than any statutory cap applicable at the point of redundancy, then the alternative payment will not be included in the calculation.
  - c. Income for the purposes of the tapered annual allowance may be higher than before and so the annual allowance may reduce for any pension savings already built up in the tax year. This means individuals may be entitled to a lower amount of tax relief on their pension contributions.
- 4.3. The alternative payment will be paid in equal monthly instalments in arrears. Payments will be subject to deduction for income tax and national insurance contributions. In deciding on the alternative payment, individuals may wish to consider whether it would be financially beneficial to receive the alternative payment (subject to income tax and national insurance contributions) as compared with paying an additional pension tax charge by staying in the NHS Scheme and also consider the effect on pension benefits and growth by staying in the Scheme versus opting out. Employees who are considering opting out of the NHS Pension Scheme are therefore strongly encouraged to obtain their own independent financial advice.
- 4.4. The model policy will reviewed at the start of each financial year and will be considered in the light of any progress on the introduction of pension flexibilities within the NHS Pension Scheme.

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## 5. Making a request for the alternative payment

- 5.1. In order to make a request under this policy employees must comply with all of the following:
- be in the employment of an NHS Wales Health Board, NHS Trust, or Special Health Authority.
  - be an active member of an NHS Pension Scheme at the point of application\*.
  - be able to evidence that they have a reasonable expectation of an AA tax charge for the respective financial year or be able to evidence that they have reached the LTA limit.

*\* As noted in 1.4, Hywel Dda LUHB has approved the consideration of retrospective payments for opt-outs already made within the current financial year from 6 April 2022 based on the criteria within this policy. In addition, Hywel Dda LUHB has also determined that retrospective applications for financial year 2021/22 can be submitted for consideration based on the criteria within this policy where an opt out has already taken place in that financial year due to the AA or LTA.*

As indicated above individuals must be reasonably expecting a tax charge for the financial year for which they are making an application for the alternative payment. Given that any AA tax charge will not be confirmed until after the end of the tax year (saving statements are issued in the October following the end of the respective tax year) an assessment must be made to provide a best estimate to evidence the likelihood of an AA tax charge arising. The NHS Employers Annual Allowance Ready Reckoner may be used to provide an indication of the likelihood of an AA charge.

- 5.2. Individuals are responsible for obtaining whatever advice is necessary for them to make an informed decision, including where appropriate (though not limited to) professional advice from an accountant or independent financial advisor, guidance from the NHS pension scheme (Member hub | NHSBSA), information from reputable sources such as professional organisations and unions, HM Revenue & Customs.
- 5.3. As noted in paragraph 3.2, the alternative payment that will be paid will be the sum equivalent to the Employer's Contribution (amount that the Health Board/Trust would pay into the NHS Pension Scheme in the financial year if the applicant were still a member of that NHS Pension Scheme) net of the employer's National Insurance contributions, maintain cost neutrality to the NHS. This will be paid as a supplement to salary and so will be subject to income tax.
- 5.4. Meeting the criteria as set out in paragraph 5.1, does not automatically mean that applications for the payment of employer contributions will be approved. The approval process as set out in section 8 will consider all applications as set against the individual submission and the need for each outcome to be clearly recorded as to the reason for its approval or rejection.

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## 6. Application process and evidence requirements

6.1 The section below provides guidance for individuals on the information required to support an application:

- a. Retrospective Evidence that you are or would be affected by the AA. This will usually be in the form of acceptable documentary evidence from NHS Business Services Authority confirming the annual increase in your NHS pension benefits and acceptable documentary evidence confirming that you may be subject to an annual allowance tax charge e.g from the NHS Employers Annual Allowance Ready Reckoner (note that where individuals are subject to the tapered annual allowance this may take the form of proof of earnings from all income sources);
- b. Prospective Evidence that you will be affected will typically be in the form of pension/pay modelling data using evidence from sources contained within 5.1 & 5.2 taking into account, for example, incremental pay progression and changes in working patterns and/or proof of projected income from multiple sources in the relevant financial year or a Total Reward Statement reflecting a level of pension accrual which will exceed the LTA.

## 7. Process for applications

- 7.1 Application for an alternative payment should be made on the application form attached to this policy. All applications should be accompanied by a completed opt out form.
- 7.2 The application will be verified by employing organisations to determine whether applicants meet the eligibility criteria.
- 7.3 If eligible, payroll will calculate the amount of the alternative payment and notify the applicant of this.

## 8. Approval

- 8.1 A decision making panel with clear accountability to the Chief Executive and Director of Workforce and OD has been established, this Panel will be under a duty to take into account the eligibility criteria defined in this policy in approving or rejecting applications and must record the justification for each decision.
- 8.2 The panel will meet regularly so that all applications can be considered and a decision made within ten working days of receipt of completed application forms, appropriate supporting evidence and completed opt out forms. The Panel will report outcomes to the Chief Executive and Director of Workforce and OD on a regular basis.
- 8.3 If the application is accepted, the employee will be issued a letter confirming this payment (which will be temporary in the case of Annual Allowance approvals), within five working days of the panel's decision.



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## 9. Implementation

- 9.1 Where an application has been successful, the applicant's opt out of the NHS Pension Scheme(s) will be activated by the employer. The alternative payment will be paid to the employee on a monthly basis.
- 9.2 Any changes to terms of employment will continue as agreed by the Health Board and the continuance of the alternative payment will be subject to the Health Board overriding legal duties. The alternative payment will apply to an individual's current role only. In the event that an individual in receipt of the allowance changes roles, then the continuation of the alternative payment will be at the absolute discretion of the Health Board, although not unreasonably withheld. If individuals subsequently choose to reduce sessions/working hours while in receipt of the alternative payment, this will automatically trigger a review to assess ongoing eligibility.
- 9.3 For individuals who determined that they would be affected by a AA charge are in receipt of an alternative payment, this will only be for the duration of the financial year within which the AA charge would have been incurred and will therefore cease at the end of the financial year i.e. 31st March. At this point, the alternative payment will cease and individuals should determine whether they wish to be re-enrolled into the NHS Pension Scheme and make the necessary arrangements. If they choose not to re-join at this point they will remain out with the NHS Pension Scheme until the next date within their organisation for auto enrolment when they will be automatically re-enrolled, providing they meet the necessary auto re-enrolment requirements. An opt out can then be submitted if desired.
- 9.4 Where the individual considers that they would be affected by an AA charge in the subsequent financial year a new alternative payment application can be made.

## 10. Desktop Appeals Process

Where a Panel decision is in dispute this will be referred to the Director of Workforce & OD for a final decision and there is no further right of appeal and no right to raise a grievance under the Respect & Resolution policy about the process or outcome.

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## APPLICATION FOR AN ALTERNATIVE PAYMENT

Please complete in full and forward to the Director of Workforce & OD

<b>Name:</b>	
<b>Post:</b>	
<b>Payroll Number:</b>	
<b>National Insurance Number:</b>	
<b>SB Number for Pension Scheme:</b>	

*The alternative payment will start from 1<sup>st</sup> of the month. Please specify which date (note: this should be the 1<sup>st</sup> of the month, and should be the same as the date given in the opt out form)*

### Declaration:

I confirm that I have taken the necessary steps to obtain appropriate advice in respect of my voluntary decision to opt out of the NHS Pension Scheme and understand the consequences of opting out of the NHS Pension Scheme on further and future pension savings and accrual.

I have attached evidence that I have either:

- i. a reasonable expectation of exceeding the Annual Allowance for pension growth in the current financial year (or financial year 2021/22 where an opt out has already taken place due to the LTA or AA) and that this breach is likely to generate a tax charge or;
- ii. reached the level of pension savings which would generate a Lifetime Allowance Charge

I confirm that to the best of my knowledge the information I have provided on this form is correct, including information I have provided to HMRC and/or NHSBA

I confirm that I understand that opting out of the NHS Pension Scheme will mean I will not benefit from active members provisions including ill health retirement benefits and death in service benefits.

Name.....

Signature .....Date .....

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Authorised by .....Date.....

(Chair of Panel)  
Authorised by .....Date.....  
(Director of Workforce & OD)

## **Pensions Flexibilities – Recycling of Pension Contributions (Alternative Payment) Process**

In order to limit the impact of tax on pensions, Hywel Dda LUHB has agreed to administer Pension Recycling which enables eligible employees to opt out of the NHS Pension Scheme and have the employer contributions paid direct to them.

The Health Board/Trust will make this option available to individuals who meet the following criteria.

### **Criteria**

Applicants will be accepted:

- Where an employee has opted out of the NHS Pension Scheme for the full scheme year for tax reasons i.e. reaching their annual allowance or lifetime allowance.
- The period where an employee has opted out of the scheme for part of the scheme year for tax reasons.
- Where the employee has opted out of the scheme for one contract for tax reasons.

Individuals who opt out of the NHS Pension Scheme will become deferred members and will not be able to make any further money purchase, added years or additional voluntary contributions into the NHS Pension Scheme.

**To take advantage of the Scheme, the eligibility requirements are that employee concerned must be employed by Hywel Dda LUHB and be paid via our payroll system, with the normal PAYE deductions.**

NHS Employers have compiled a [list of organisations](#) (Appendix A) which are able to give expert guidance and advice on pension tax issues for members of the NHS Pension Scheme. Their web page has been developed to support employers to provide access to education, guidance, and advice. **The UHB is simply signposting employees to the list of organisations and is not promoting or recommending the use of any organisation and may amend or update this list at any time.**

Hywel Dda LUHB's process will be:

1. The employee seeks financial advice in relation to their pensions arrangements or pension funds allowing individuals to make informed decisions about saving for their retirement.
2. The employee completes the application form (Annex B) and submits this to the Deputy Director of Workforce, together with the relevant supporting documentation:
  - Documentation providing reasonable expectation of exceeding the Annual Allowance for Pension Growth in the Current Financial Year and that this breach is likely to generate a tax charge or reached the level of pension savings which would generate a Life Time Allowance Charge.
  - Completed NHS Pensions Opt Out Form (SD502).

3. The Decision Making Panel will review the Application and confirm the decision in writing to the Employee.
4. If approved, the Decision Making Panel will confirm and send the NHS Pensions Form SD502 to NWSSP Pensions.
5. NWSSP Pensions Team will process the SD502, complete the Pension Recycling Worksheet and send to Payroll.
6. The alternative payment will be paid in equal monthly instalments in arrears. Payments will be subject to deduction for income tax and national insurance contributions.
7. Each application will be valid for the current financial year and a new application submitted each subsequent financial year.

## Access to pension tax guidance and advice



NHS Employers have compiled a list of Organisations below which are able to give expert guidance and advice on pension tax issues for members of the NHS Pension Scheme. Their web page has been developed to support employers to provide access to education, guidance and advice.

**We are not promoting or recommending the use of any organisation and may amend or update this list at any time.**

Our research into the impact of pension taxation on the NHS shows there is a clear lack of knowledge and understanding about the NHS Pension Scheme and associated tax issues. Employees need to understand their tax position, be aware of the options available to them and the action they may need to take.

Pension tax is a complex area and we strongly encourage employees take independent financial advice to ensure their decisions are well-informed, based on reliable and accurate information and positioned in the context of their overall long-term financial position.

### **Affinity Connect**

- **Website:** [www.affinityconnect.org](http://www.affinityconnect.org)
- **Tel:** 0800 019 6076
- **Email:** [enquiries@affinityconnect.org](mailto:enquiries@affinityconnect.org)

Affinity Connect is a specialist provider of financial education in the workplace for the public sector. We help employees understand their overall financial position by delivering financial education courses. We have a thorough understanding of public sector pension schemes and our success stems from our understanding of the unique cultures, structures and needs of the public sector. We provide a range of informative

and practical financial education courses throughout the UK to ensure all employees receive the support they need. These are delivered through workshop-based interactive sessions in the workplace. Topics covered include: Pre-retirement, Redundancy, Understanding the AA & LTA.

### **Barnett Waddingham**

- **Website:** [www.barnett-waddingham.co.uk](http://www.barnett-waddingham.co.uk)
- **Email:** [nhspensions@barnett-waddingham.co.uk](mailto:nhspensions@barnett-waddingham.co.uk)

We understand the challenges facing senior NHS staff in managing the tax imposed by the complex pensions taxation legislation and we provide a specialised service to meet each individual's requirements. Our briefing paper for senior NHS staff is available [here](#).

### **BW Medical Accountants**

- **Website:** [www.bw-medical.co.uk](http://www.bw-medical.co.uk)
- **Email:** [clientservices@bw-medical.co.uk](mailto:clientservices@bw-medical.co.uk)

NHS Pension Management Service & Consultancy/Educational support for Trusts. We have a unique forecasting model to help ensure we can stay ahead of any issues that may arise as a result of the continually changing landscape. We initially flagged the catalogue of errors being made by the NHS Pension Agency when issuing statements years ago, information provided by NHSPA is unreliable and continues, at times, to be inaccurate. Our initial step is to reconcile your pension data to ensure your starting figures are accurate! This is key to understanding your tax position and being able to make informed financial decisions.

### **Cavendish Medical**

- **Website:** [www.cavendishmedical.com](http://www.cavendishmedical.com)
- **Contact:** Rory McGlinchey  
020 7636 7006  
[www.cavendishmedical.com/contact/](http://www.cavendishmedical.com/contact/)
- **Email:** [info@cavendishmedical.com](mailto:info@cavendishmedical.com)

Cavendish Medical helps doctors to strategically plan their pensions, tax liabilities, savings and investments in order to achieve their desired lifestyle in later life. The financial landscape for medical professions is facing constant change and as you will have seen in the media recently, the tax position of successful doctors can be punitive. Talking to one of our advisers with expert knowledge of not only the NHS remuneration and pensions package, but also the wider financial industry will give you complete peace of mind that your personal objectives will be met.

## Chase de Vere

- **Website:** [www.chasedeveremedical.co.uk/financial-services-for-doctors/pension-advice-for-doctors/](http://www.chasedeveremedical.co.uk/financial-services-for-doctors/pension-advice-for-doctors/)
- **Contact:** Chase de Vere Medical  
0345 609 2008  
[enquiries@charlesdeby.com](mailto:enquiries@charlesdeby.com)  
[www.chasedeveremedical.co.uk/appointment/request-consultation/](http://www.chasedeveremedical.co.uk/appointment/request-consultation/)

We are the UK's largest specialist independent financial advisers to the medical profession. We have provided tailored financial advice to over 14,000 medical practitioners. We are experts in the NHS Pension Scheme, yet our advice for doctors is holistic, taking stock of the most effective private pension options and additional saving strategies to maximise your retirement resource. Our extensive experience and independent advice means your planning will be bespoke to your personal and professional circumstances.

## Circle Financial Services Ltd

- **Website:** <https://www.circlefinancial.co.uk>
- **Contact:** 0333 150 6083 [enquiries@circlefinancial.co.uk](mailto:enquiries@circlefinancial.co.uk)

Circle Financial Services Ltd has a proven track record in helping individuals and organisations at all levels of the NHS with regards to pension support and advice, especially in the complex matter of taxation. Our proposition and experience enables us to act as IFA's for individuals and/or to help organisations on a corporate level with their pension staffing engagement process.

## Cormack Wealth Management Limited

- **Website:** [www.cormackwealthmanagement.co.uk](http://www.cormackwealthmanagement.co.uk)
- **Contact:** Peter Cormack  
0131 4671268 / 07825 220219  
[CormackWM@sjpp.co.uk](mailto:CormackWM@sjpp.co.uk)

Cormack Wealth Management Ltd is an Appointed Representative of and represents only St. James's Place Wealth Management Plc (which is authorised and regulated by the Financial Conduct Authority) for the purpose of advising solely on the Group's wealth management products and services, more details of which are set out on the Group's website.

## First Actuarial

- **Website:** [www.firstactuarial.co.uk](http://www.firstactuarial.co.uk)

- **Email:** [NHS@firstactuarial.co.uk](mailto:NHS@firstactuarial.co.uk)

First Actuarial is the independent actuarial adviser to the Scheme Advisory Board of the NHS Pension Scheme. Using our experience, we work with NHS employers and their staff to help them understand and value the benefits that the NHS Pension Scheme provides. We also support employers by guiding consultants and senior managers through the complexities of pensions tax allowances – both in group seminars and one-to-one guidance sessions.

### **Golding Smith & Partners**

- **Website:** [www.goldingsmith.com/nhs-pensions.html](http://www.goldingsmith.com/nhs-pensions.html)
- **Contact:** Charles Golding  
020 7099 4054  
[enquiries@goldingsmith.com](mailto:enquiries@goldingsmith.com)

Golding Smith & Partners provides members of the NHS Pension Scheme with expert, independent pensions advice. Our standard review provides you with an in-depth, tailored analysis of your NHS pension with detailed projections. You will see how your pension will grow, and we will identify any tax issues and how they can be managed. Fuller information on the range of services that we offer to NHS professional staff can be found on our website. We are always happy to help and answer any questions by email or telephone.

### **Henry Spain**

- **Website:** [www.HenrySpain.co.uk](http://www.HenrySpain.co.uk)
- **Contact:** Michael Kennedy  
01858 898 023  
[Michael.Kennedy@HenrySpain.co.uk](mailto:Michael.Kennedy@HenrySpain.co.uk)

Henry Spain is an independent financial adviser and discretionary investment manager with offices in Market Harborough & Oakham. We work with medical professionals across the Midlands to plan for retirement, mitigate tax and protect their financial wellbeing. We work with you over the long term and build a relationship of trust, where you can have confidence in the advice you receive. In the complex world of pensions, tax and investing, our clients find our personal and straightforward approach to financial advice refreshing. If you'd like to see how we can help you, then contact us using the details provided.

### **Income for the Third Age**

- **Website:** [www.i3aguidance.co.uk](http://www.i3aguidance.co.uk)



- **Email:** mark.belchamber@i3aguidance.co.uk

We specialise in NHS Pensions tax advice and provide group seminars and individual support as well as helping Trusts understand their responsibilities and what options they can explore.

## ISIO

- **Website:** [www.isio.com](http://www.isio.com)
- **Contact:** Paul Moffatt  
0113 512 5619  
NHSpensionstax@isio.com, paul.moffatt@isio.com

Isio is the former KPMG pensions practice, and now a stand-alone pensions consultancy with a particular focus on public service pensions. We offer NHS specific pensions tax group seminars and one to one sessions which help your staff understand the implications of the Annual and Lifetime Allowances and any actions they need to take. All our sessions are currently delivered virtually. There is a lot for people to take in with changes to the taper for 2020/21, the NHS England compensation policy for clinicians, the new ready reckoner and McCloud on the horizon. We can help your staff navigate these issues and better understand their position and the value of their pension benefits.

## KP Financial Wellbeing

- **Website:** <https://www.kpfinancialwellbeing.co.uk/>
- **Contact:** kaye.price@sjpp.co.uk 07703 410651

Kaye has a proven track record of providing specialist financial advice to Medical Professionals, covering the NHS Pension schemes, Annual Allowance, Lifetime Allowance and taxation concerns. She has over 20 years' experience dealing with medics and has worked closely with her clients and local trusts providing pension seminars and drop in clinics. More recently this have moved online and she has been conducting meetings via zoom and hosting NHS Pension webinars online. She has a passion for helping you with your financial wellbeing. Please email for a discussion or to make an appointment.

## **KW Wealth Planning Limited**

- **Website:** [kingswood-group.com/specialist-advice/medical-professionals](http://kingswood-group.com/specialist-advice/medical-professionals)
- **Email:** [info@kingswood-group.com](mailto:info@kingswood-group.com)

Kingswood Group provide a full range of financial planning and wealth management services to medical professionals to meet their financial needs and circumstances. We have years of experience dealing with NHS Pensions, and we provide holistic advice for doctors, surgeons, consultants, and dentists who are looking for retirement planning advice.

We pride ourselves in having an expert understanding of the financial situations and lifestyles that medical professionals face and can offer sound, impartial, specialist advice based on many years of experience.

## **Lighthouse Financial Advice**

- **Website:** [www.lighthousegroup.plc.uk](http://www.lighthousegroup.plc.uk)
- **Tel:** 08000 85 85 90
- **Email:** [appointments@lighthousefa.co.uk](mailto:appointments@lighthousefa.co.uk)

Financial peace of mind – make it happen! You work hard for your money, but is your money working hard for you? We specialise in helping NHS staff make the most of their money. The advice we provide is practical, affordable and specific to you. Whether you are starting out or approaching retirement we can help you. Book a no obligation, initial consultation with one of our professional financial advisers now. Call 08000 85 85 90 or email [appointments@lighthousefa.co.uk](mailto:appointments@lighthousefa.co.uk).

Lighthouse Financial Advice is an appointed representative of Lighthouse Advisory Services, which is authorised and regulated by the Financial Conduct authority. [www.lighthousegroup.plc.uk/privacy-policy](http://www.lighthousegroup.plc.uk/privacy-policy)

## **Lloyd and Whyte**

- **Website:** [www.lloydwhyte.com/advice-zone/dentists/nhs-dentists-face-hmrc-fines-if-pension-annual-allowance-confusion-continues/](http://www.lloydwhyte.com/advice-zone/dentists/nhs-dentists-face-hmrc-fines-if-pension-annual-allowance-confusion-continues/)
- **Tel:** 01823 250750
- **Email:** [info@lloydwhyte.com](mailto:info@lloydwhyte.com)

Lloyd & Whyte have spent over 20 years helping healthcare professionals make informed decisions about their finances. With a history of advising NHS dentists, their Independent Financial Advisers have the expertise to help NHS pension scheme members understand their pension and how it fits with their financial objectives. Lloyd & Whyte are approved providers of financial services to prestigious healthcare associations as well as being Corporate Chartered Financial Planners. A combination

of expertise and experience in your industry is why Lloyd & Whyte are trusted by thousands of healthcare professionals.

### **Lovewell Blake**

- **Website:** <https://www.lovewell-blake.co.uk/contact>
- **Tel:** 01603 619620
- **Email:** [admin@lovewell-blake.co.uk](mailto:admin@lovewell-blake.co.uk)

The Lovewell Blake healthcare team has been advising a broad range of medical, dental and care organisations for many years. Led by our experienced Partners, we work with you to enable efficient management of your tax affairs whilst working around your busy schedule. As members of the Association of Independent Specialist Medical Accountants (AISMA) you can count on us to support your financial wellbeing. Our Financial Planning consultants work closely with our healthcare team to provide a holistic service on all areas including tax advice, retirement planning and wealth protection, backed up by expert knowledge of the NHS pension scheme

### **Medics' Money**

- **Website:** [www.medicsmoney.co.uk](http://www.medicsmoney.co.uk)
- **Contact:** [www.medicsmoney.co.uk/contact/](http://www.medicsmoney.co.uk/contact/)

Medics' Money is a doctor led initiative to help doctors and other NHS professionals find the best pension advice. Our nationwide network of independent specialist medical financial advisers and accountants are verified by us, with reviews from doctors and other NHS professionals. Our free matching service allows you to find your nearest suitable adviser.

### **Moore & Smalley**

- **Website:** [www.mooreandsmalley.co.uk/sectors/healthcare/](http://www.mooreandsmalley.co.uk/sectors/healthcare/)
- **Contact:** [mooreandsmalley.co.uk/member/nick-stevenson/](http://mooreandsmalley.co.uk/member/nick-stevenson/)

Our dedicated healthcare team act for over 800 healthcare clients across the UK. Our specialist knowledge is pivotal in our clients personal and professional success. Some of the areas we specialise in are:

- Obtaining pension update forecasts from NHS Pensions Agency in order to consider projected benefits on retirement.
- Obtaining pension update forecasts from NHS Pensions Agency in order to consider projected benefits on retirement.
- Assistance with drawing your NHS benefits on permanent retirement or 24 hour retirement.
- Assistance with superannuation forecasts

- Calculating appropriate estimates of pension and lump sum to assist in retirement planning.
- Assistance in calculating exposure to Pensions Annual Allowance tax charges and Lifetime Allowance tax charges.

### **Niche Pension Specialists**

- **Website:** [www.nicheifa.co.uk/ifa/services/nhs](http://www.nicheifa.co.uk/ifa/services/nhs)
- **Contact:** 01633 859555  
tom.powell@nicheifa.co.uk  
[www.nicheifa.co.uk/ifa/contact](http://www.nicheifa.co.uk/ifa/contact)

As Chartered Financial Planners and Pension Advice Specialists, we can provide independent fixed fee financial advice tailored to your situation, so whether you wish to continue to work and accrue benefits whilst being aware of the tax implications or seeking to retire early, we can help. Plus, as an employee owned business, we'll go above and beyond to provide you with a great service, ensuring you receive the highest quality financial advice.

### **Pen-gage**

- **Website:** [www.pengage.co.uk](http://www.pengage.co.uk)
- **Email:** [laura@pengage.co.uk](mailto:laura@pengage.co.uk)

Pen-gage can offer Trust wide group pensions tax guidance seminars, explaining the rules and principles of pensions tax, along with one-to-one guidance sessions, setting out individual annual and lifetime allowance calculations and options available.

### **Peter Harding Wealth Management**

- Website: [www.peterhardingwm.co.uk](http://www.peterhardingwm.co.uk)
- Contact: [peterhardingwm@sjpp.co.uk](mailto:peterhardingwm@sjpp.co.uk)
- Tel: 01202 830730

Peter Harding Wealth Management is an Appointed Representative of and represents only St. James's Place Wealth Management plc (which is authorised and regulated by the Financial Conduct Authority) for the purpose of advising solely on the group's wealth management products and services, more details of which are set out on the group's website [www.sjp.co.uk/products](http://www.sjp.co.uk/products).

Peter Harding Wealth Management is a trading name of Peter Harding Practice Ltd.

### **PKF Francis Clark**

- **Website:** [www.pkf-francisclark.co.uk/sectors/healthcare/](http://www.pkf-francisclark.co.uk/sectors/healthcare/)

- **Contact:** Luke Bennett  
luke.bennett@pkf-francisclark.co.uk  
01872 276477

PKF Francis Clark are the largest firm of accountants in the South West region. We act for many GPs and consultants and have developed an expertise in advising clients on their exposure to annual and lifetime allowance charges arising from their membership of the NHS Pension Scheme. We have had success in challenging and correcting Annual Allowance Pension Savings Statements resulting in significant savings for some clients. If authorised financial advice is required, this can be provided through our sister company Francis Clark Financial Planning Limited.

### **Quilter Financial Advisers**

- **Contact:** Dinesh Bharwani APFS, CeMAP, MBA, STEP Member  
07919 101221  
[dinesh.bharwani@quilterfa.com](mailto:dinesh.bharwani@quilterfa.com)

National network of specialists providing comprehensive financial planning services, tailored to Medical Professionals, covering NHS Pension, Wealth Management, Protection and Mortgages. Our bespoke pension report helps put you in an informed position, projecting your benefits and projecting Annual and Lifetime Allowance, so that you do not sleepwalk into large tax bills. Our services also include; working directly with NHS Trusts, pension analysis via salary sacrifice, pension drop-in clinics at your place of work and workplace seminars on all aspects of financial planning include NHS Pension taxation. Quilter Financial Advisers is owned by Quilter plc.

### **Regency Wealth Management**

- **Website:** [www.regencywm.co.uk](http://www.regencywm.co.uk)
- **Contact:** Amit Ghai  
07903 744 447  
[amit.ghai@sjpp.co.uk](mailto:amit.ghai@sjpp.co.uk)

I am a Chartered Financial planner at Regency Financial Planning I Joined Regency 3 years ago following a successful career with an international bank. I Provide holistic financial planning across a range of financial needs and concerns relevant to NHS employees.

### **RTS Financial Planning**

- **Website:** [www.rtsfinancialplanning.co.uk](http://www.rtsfinancialplanning.co.uk)
- **Contact:** Carl Roberts, Chartered Financial Planner  
01908 592544  
[carl@rtsfinancialplanning.co.uk](mailto:carl@rtsfinancialplanning.co.uk)  
[www.rtsfinancialplanning.co.uk/are-you-ready-to-take-action/](http://www.rtsfinancialplanning.co.uk/are-you-ready-to-take-action/)  
LinkedIn

I want to ensure you get the rewards you deserve out of life. I specialise in working with directors and senior NHS staff, helping them transition into retirement. Ensuring their funds do not run out before they do and so they can leave a legacy for their loved ones. I will ensure you and your family are invested properly according to the risks you are comfortable with. My company only charges fixed fees that are fair and transparent. This will ensure you are much better off in the long run compared to other Financial Adviser charging models.

### **Sandison Easson & Co**

- **Website:** [www.sandisoneasson.co.uk](http://www.sandisoneasson.co.uk)
- **Email:** [info@sandisoneasson.co.uk](mailto:info@sandisoneasson.co.uk)

Sandison Easson is a leading firm of specialist medical accountants who act for thousands of medical professionals throughout the UK. Their team of experts keep up to date with the most recent legislative changes and can help NHS employees understand and plan for potential tax issues associated with earnings and their NHS Pension. They are able to make complex matters easy to understand for everyone and are regularly invited to provide educational events for specialist associations throughout the UK including seminars for NHS. Through proactive planning Sandison Easson will be able to help you plan for the future and ensure you're paying the right amount of tax by structuring your affairs in the most appropriate way.

### **Simon Bell, Financial Adviser**

- **Website:** <https://partnership.sjp.co.uk/simonbell/specialist-advice/medical>
- **Contact:** Simon Bell  
[simon.bell@sjpp.co.uk](mailto:simon.bell@sjpp.co.uk)  
01635 582424  
07971 087703

Simon has been providing tailored financial planning advice to NHS Professionals for over 15 years and has an in-depth knowledge of NHS Pensions and benefits. Simon will build a long-term relationship with you to fully understand your situation creating a bespoke financial plan that will help you to achieve the lifestyle you desire.

### **Shubho Kundu Wealth Management**

- **Website:** [www.shubhokunduwmm.co.uk](http://www.shubhokunduwmm.co.uk)
- **Contact:** Shubho Kundu [shubho.kundu@sjpp.co.uk](mailto:shubho.kundu@sjpp.co.uk)  
07833 145983

Shubho Kundu Wealth Management is an appointed representative and represents St. James's Place Wealth Management plc (which is authorised and regulated by the Financial Conduct Authority) for the purpose of advising solely on the group's wealth management products and services, more details of which are set out on the group's website [www.sjp.co.uk/products](http://www.sjp.co.uk/products).

## Swallow Financial Planning

- **Website:** [www.swallow-financial.co.uk](http://www.swallow-financial.co.uk)
- **Contact:** Andrew Swallow  
020 3755 3235

Andrew has a long history of advising both NHS and USS members with regard to their financial affairs much of this work has been concerning Lifetime Allowance (LTA) and Annual Allowance (AA) issues. He is highly qualified and is able to advise on all aspects of your financial affairs. Andrew is happy to provide an initial telephone chat or face to face meeting an no charge.

## Tilney

- **Website:** [www.tilney.co.uk/specialist-advice/nhs-and-other-medical-professionals](http://www.tilney.co.uk/specialist-advice/nhs-and-other-medical-professionals)
- **Email:** [contact@tilney.co.uk](mailto:contact@tilney.co.uk)

Tilney's specialists work with medical professionals on retirement planning and the NHS pension scheme – from calculating allowances to protecting pensions against tax charges.

## Total Wealth Planning

- **Website:** [www.totalwp.co.uk](http://www.totalwp.co.uk)
- **Contact:** Neil Howchin  
0330 123 9925  
[neil.howchin@totalwp.co.uk](mailto:neil.howchin@totalwp.co.uk)  
[info@totalwp.co.uk](mailto:info@totalwp.co.uk)

Total Wealth Planning is a holistic Chartered Financial planning company which has extensive knowledge of the complex NHS pensions schemes.

This has recently been exacerbated since the April 2016 changes in pension legislation including:

- The standard Annual Allowance (£40,000) rules reducing to £10,000,
- Tapered and Adjusted Annual Allowance for many high earners,
- Lifetime Annual Allowance rules affecting long term NHS employees and high earners.

We have been meeting high earning and senior NHS members of staff for many years. We help with Financial planning and guiding them through the current and potential adverse effects of the above pension legislation.

## Wesleyan

- **Website:** [www.wesleyan.co.uk/nhsps](http://www.wesleyan.co.uk/nhsps)
- **Bespoke contact form:** [www.wesleyan.co.uk/nhsps](http://www.wesleyan.co.uk/nhsps)

Providing financial guidance and expert advice on the NHS Pension Scheme to medical professionals, from graduation to retirement and beyond. To access further information or to request your no obligation appointment, visit [www.wesleyan.co.uk/nhsps](http://www.wesleyan.co.uk/nhsps)



**Guide to Supported Pensions Flexibilities**

**APPLICATION TO ACCESS RECYCLING OF NHS PENSION CONTRIBUTIONS**  
**(Alternative Payment)**

*Please complete the form and attach the required supporting documentation. Then email to  
 [Steve.Morgan2@wales.nhs.uk]*

<b>Name (in full)</b>	
<b>Position</b>	
<b>Payroll Number</b>	
<b>NI number</b>	
<b>Health Board/Trust Pension ID</b>	<b>ECON Number – E390000M</b> <b>ESCOM Number – S2730000B</b>

*Please note : The alternative payment will start from 1st of the month following confirmation that the  
 opt out from the NHS Pension scheme has been processed.*

## **Checklist**

Applications can only be considered if the following supporting documentation is provided

<b>Supporting Evidence</b>	<b>Attached (tick)</b>
Documentation providing a reasonable expectation of exceeding the Annual Allowance for pension growth in the current financial year and that this breach is likely to generate <ul style="list-style-type: none"><li>• a tax charge or;</li><li>• reached the level of pension savings which would generate a Lifetime Allowance Charge</li></ul>	
Completed NHS Pensions Opt out Form SD502	

## **Declaration:**

I confirm that I have taken the necessary steps to obtain appropriate advice in respect of my voluntary decision to opt out of the NHS Pension Scheme and understand the consequences of opting out of the NHS Pension Scheme on further and future pension savings and accrual.

I confirm that to the best of my knowledge the information I have provided on this form is correct, including information I have provided to HMRC and/or NHSBA

I confirm that I understand that opting out of the NHS Pension Scheme will mean I will not benefit from active members provisions including ill health retirement benefits and death in service benefits.

<b>Applicants Name (please PRINT)</b>	
<b>Signature</b>	
<b>Date</b>	

Endorsed on behalf of <b>[Insert Health Board/Trust Name]</b>	
<b>Signature Medical Director</b>	
<b>Date</b>	
<b>Signature Director WF&amp;OD</b>	
<b>Date</b>	
<b>Signature Director of Finance</b>	
<b>Date</b>	
<b>Signature COO</b>	
<b>Date</b>	

## Recycling of NHS Pension Contributions Flowchart

Employee to seek Financial Advice in relation to their pension arrangements/pension funds in order to make informed decisions about saving for their retirement.



Employee completes the application form and submits to the Health Board/Trust, together with supporting documentation.



The Health Board/Trust reviews the application and Approves/Declines.



The Health Board/Trust confirm the decision in writing to the Employee and if approved confirm to NWSSP Pensions Team.



NWSSP Pensions Team will process the SD502 (Opt Out Form), complete the Pension Recycling Worksheet and to send to Payroll for processing



The Alternative Payment will be paid in equal monthly instalments, in arrears. Payments will be subject to deduction for income tax and national insurance contributions



Each application will be valid for the current financial year and a new application will need to be submitted for each subsequent financial year.

## SUMMARY EQUALITY IMPACT ASSESSMENT – XXX – Employer Pension Contributions – Alternative Payment Policy

<b>Organisation:</b>	Hywel Dda University Health Board
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<b>Proposal Sponsored by:</b>	<b>Name:</b>	Heather Hinkin
	<b>Title:</b>	Head of Workforce
	<b>Department:</b>	Workforce & Organisational Development

<b>Policy Title:</b>	<b>Employer Pension Contributions – Alternative Payment Policy</b>
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<b>Brief Aims and Objectives of Policy:</b>	<p>This is an All Wales Agreed policy, that Welsh Government did not mandate but have left it open to each individual employer to consider applying it where it is appropriate to do so. NHS Wales Employers have confirmed that the policy can be considered for application in local organisations following recent national negotiation with staff side colleagues.</p> <p>In recent years NHS staff have been affected by pensions tax rules related to their pension growth and the changes to annual and life-time allowance limits. Feedback suggests that this has had an impact on numbers of NHS staff leaving the scheme and in particular the ability of clinical staff to work additional hours.</p> <p>To further support staff, it was agreed to allow staff to purchase an element of independent financial advice via a Salary Sacrifice Scheme. This scheme therefore runs in parallel with this policy.</p>
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The aim of this policy is therefore to provide an optional alternative to pension contribution for those employees who can demonstrate that they are impacted by the Lifetime Allowance (LTA) or Annual Allowance (AA) pension tax thresholds and decide to opt out of the pension scheme thereby choosing to forego pension tax relief. This may not be the best financial option for affected employees and so individuals should consider the policy and any associated information carefully before making a decision.

The policy makes it clear that employees are strongly encouraged to obtain their own financial advice before making any changes.

The policy has been introduced to address operational risks that have been identified as a result of the pension tax regime. In particular, Health Boards have experienced a number of requests for reduced contractual hours, a reluctance to take on additional work and a desire to focus on private work as a direct result of the pension tax regime. This policy is an attempt to address these operational issues by setting out an alternative option. Other options for addressing this issue are available and these are set out in the "Pension tax guidance for employers - Local measures to support staff and service delivery" document published by NHS Wales Employers and which will be effective from 1 April 2022.

The policy does not form part of any employee's contract of employment.

It will allow those staff who believe they may be impacted by the LTA or an in-year AA tax charge an alternative choice, allowing them to continue to work in their present role at their present level of service, and continue to develop in their career journey. Health Boards/Trusts/SHAs operating this policy will also need to determine the effective date for any applications and consider whether any retrospective payments will be made for opt-outs already made within the current financial year.

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<b>Was the decision reached to proceed to full Equality Impact Assessment?</b>	<b>Yes</b>	<b>No</b> ✓
<b>If no, are there any issues to be addressed?</b>	<b>Yes</b> ✓	<b>No</b>
	<p>Policy is only available for those staff who meet the AA or the LTA and will therefore only be promoted to these two groups and so it will be imperative to ensure that no gender or perceived age bias is introduced as part of those communications.</p> <p>From an equality point, the aim of the policy is to support eligible staff to remain within the NHS and continue their existing hours without financial loss. Without this policy, some staff may reduce their hours or seek work in private practice, which will a detriment for patients care and increase waiting times for services due to a lower staff levels.</p> <p>Lower paid staff are not recognised by this scheme, as it is geared to higher earnings. But any lower paid staff who are unable to make pension contributions and therefore have opted out of the pension scheme may be negatively impacted by this scheme.</p> <p>There is no equivalent scheme for lower paid staff and the long-term impact of opting out of the NHS Pensions will be lower financial support in retirement and a reliance on government support. Examples of those that staff who feel they need to opt out of the NHS pension due to</p>	

financial pressures include those with student loan repayments (Mature students in particular), one parent families, divorce etc.

It is worth noting that those in the highest pay grades, may experience a negative impact in their income as a result of losing their rights to claim Ill health retirement. From our demographics, it also shows that more men may be impacted, but this is also because there are more men disproportionately in the higher earnings category.

The data set for those potentially impacted by the LTA or the AA is as follows:-

<b>SG 2020/21</b>		<b>SG 2021/22</b>	
Medical & Dental	309	Medical & Dental	327
Senior Managers	14	Senior Managers	18
Grand Total	327	Other	4
		Grand Total	349

The Gender breakdown for 2021/22 is as follows:-

<b>Gender and Age Band</b>	<b>26-30</b>	<b>31-35</b>	<b>36-40</b>	<b>41-45</b>	<b>46-50</b>	<b>51-55</b>	<b>56-60</b>	<b>61-65</b>	<b>66-70</b>	<b>&gt;=71 Years</b>	<b>Grand Total</b>
Female			5	13	19	19	15	4			75
Male	1	10	32	37	57	51	37	32	16	1	274
Grand Total	1	10	37	50	76	70	52	36	16	1	349

NHS Employers have worked closely with Trade Unions ensuring their involvement in both the decision making process in each Health Board also the development of the Model Policy.



	Each request will be dealt with on an individual basis and the application of a desktop appeal should enable concerns to be addressed in terms of the decision-making process applied at the material time.
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<b>Is the Policy Lawful?</b>	<b>Yes</b>	
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<b>Will the Policy be adopted?</b>	<b>Yes</b>	
	<b>If no, please record the reason and any further action required:</b>	

<b>Are monitoring arrangements in place?</b>	<b>Yes</b>	Workforce will analyse data arising from applications on an annual basis. Any appeals received will be dealt with on a case by case basis.

<b>Who is the Lead Officer?</b>	<b>Name:</b>	Lisa Gostling Approved by People, Organisational Development & Culture Committee
	<b>Title:</b>	Director of Workforce & Organisational Development
	<b>Department:</b>	Workforce & Organisational Development
<b>Review Date of Policy:</b>	Three yearly or sooner if required	

<b>Signature of all parties:</b>	<b>Name</b>	<b>Title</b>	<b>Signature</b>
	Heather Hinkin	Head of Workforce	H Hinkin 19/7/2022
	Alan Winter	Senior Diversity & Inclusion Officer	

**Please Note: An Action Plan should be attached to this Outcome Report prior to signature**