

NHS Pensions Employer's Charter

Your roles and responsibilities in locally administering the NHS Pension Scheme

“Working in partnership to administer the NHS Pension Scheme”

This Charter has been produced by NHS Pensions, for the attention of HR and Finance Directors, Pension Officers and those responsible for administering the NHS Pension Scheme.

www.nhsbsa.nhs.uk/nhs-pensions

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Introduction

This document sets out the high level roles and responsibilities of each Scheme employer to enable successful administration of the NHS Pension Scheme. Detailed guidance on how to perform these duties can be found on the NHS Pensions website.

The NHS Pension Scheme is governed by rules laid down in regulations agreed by Parliament:

- The National Health Service Regulations 1995 (as amended)
- The National Health Service Regulations 2008 (as amended)
- The National Health Service Pension Scheme Regulations 2015 (as amended)
- And associated transitional provisions – The National Health Service Pension Scheme (Transitional and Consequential Provisions) Regulations 2015

These regulations are also bound by all primary legislation that has relevance to Occupational Pension Schemes. This means that the roles and responsibilities outlined within this document are legal requirements with which all Scheme employers must fully comply.

The Public Service Pensions Act 2013 (the 2013 Act) sets out the framework for the governance and administration of public service pension schemes and provides regulatory oversight by The Pensions Regulator. Codes of practice provide practical guidance in relation to the exercise of functions under relevant pension legislation and set out the standards of conduct and practice expected from those who exercise those functions.

The effective administration of the NHS Pension Scheme requires successful and timely interaction between employers and NHS Pensions. The Department of Health and Social Care and approved NHS Pensions organisations continue to work with NHS Pensions to improve not only the quality of service that you and Scheme members receive, but also the manner which we communicate. The introduction of the Service Improvement and Development Board has enabled employer representatives from each regional group to have a voice on future developments at NHS Pensions. The NHS Pension Board provides scrutiny and assurance of the administration of the NHS Pension Scheme. More information about the Pensions Board is available at:

www.gov.uk/government/groups/nhs-pension-board

This Employer Charter outlines roles and responsibilities that enables improved administration within all our organisations. It aims to provide you, as employers, with total clarity on your local Scheme administration requirements and summarise what you can expect from NHS Pensions.

This Charter is intended for those with Board accountability in addition to human resources, payroll and pensions staff who undertake operational Scheme administration activities. Ensure that all appropriate individuals within your organisations have access to a copy.

Strategic vision

The NHS Business Services Authority has outlined its vision relating to what and how we deliver our vital support services in the future in the NHSBSA strategy 2024-2029. This Charter reaffirms our values and commitments to customers and stakeholders. Specifically, NHS Pensions has committed to achieving higher satisfaction amongst both employers and members of the NHS Pension Scheme, acknowledging that to achieve this we must work in close collaboration with both groups. We aim to deliver a cost effective and efficient service that meets the needs of a modern pension service.

We are committing to reducing manual processes within our operating systems, aspiring to broaden accessibility and self-service for our customers. Employers will play a crucial role in the delivery of the Department for Work and Pensions Dashboard Programme which will enable greater visibility of member data.

These developments will be introduced in collaboration with all our stakeholders, whose input will help shape improvements.

Separate documents called 'The NHS Pensions Service Charter' and the 'NHS Pension Scheme Member Charter' have been produced by the NHSBSA to complement and support the Employer's Charter. They detail NHS Pensions' and members' roles and responsibilities with regards to the NHS Pension Scheme. You can find these documents on the NHS Pensions website.

NHS Business Services Authority aim to transform and deliver an exemplar pensions service with improved customer experience that meets NHS colleague expectations. As employers, you have a key role to play in this vision, by fulfilling the roles and responsibilities outlined within this Charter.

This document is important as the respective roles and responsibilities of NHS Pensions and Scheme employers continues to evolve over time. For instance:

- there have been changes to legislation that demand up to date accurate mandatory data
- the provision of accurate membership and service information are key elements to successfully producing Annual Benefit Statements
- increase in demand from pension Scheme members to obtain timely and accurate membership information
- any other changes as a result of consultations by the Government that lead to amendments of the Scheme regulations

1. Who is this document for?

This document is applicable to all Scheme employers. This includes all NHS organisations, GP Practices and approved NHS Pensions organisations who have access to the Scheme.

As appropriate, within these organisations this document should be used by:

- **HR Director / Finance Director** (or the Director with lead responsibility for the local administration of NHS Pension Scheme matters) who is accountable for the delivery and resourcing of local administration of the Scheme.
- **HR administrators** who need to be aware of the organisation's responsibilities regarding the NHS Pension Scheme to be able to inform the staff employed within their organisation as necessary. The NHS Pension Scheme can and should be used as a key part of an employer's recruitment and retention program as it provides valuable staff benefits.
- **Pension administrators** who are responsible for the day-to-day administration of the Scheme.
- **Payroll administrators** within organisations that provide data to NHS Pensions.
- **Outsourced providers** who provide a pension administration service on behalf of a Scheme employer.

2. The role of the Scheme employer

Scheme employers play a vital role in the administration of the NHS Pension Scheme. Your local administrative responsibilities require the fulfilment of these primary activities:

- appointing a named person(s) who is responsible for the day-to-day administration of the NHS Pension Scheme within your organisation
- undertaking the necessary administration procedures for:
 - new employees, or GP and Dental Practitioners to join (or opt out of) the NHS Pension Scheme
 - maintaining active member records throughout their employment
 - employees who leave the organisation and either retire, defer their membership or obtain a refund (if eligible)
 - any employees who die whilst in NHS employment
- collecting employer and member Scheme contributions and submitting them on a monthly basis to NHS Pensions. This includes ensuring that the correct contribution tiers are applied at the right time
- provide accurate, timely membership data as required, and information about Scheme members currently or previously within your organisation (where available) to NHS Pensions on a standard basis or in response to a request. (This includes undertaking reconciliation between employer held and NHS Pensions held data)
- provide Scheme members with information about the Scheme, their individual benefits (where possible) and other basic retirement information
- undertake financial accounting requirements (for example, Greenbury)

Note: To undertake the activities listed, it is important that local administrators regularly keep abreast of NHS Pension Scheme changes which are outlined in the NHS Pensions Employer Newsletter, and on the NHS Pensions website. Employers who use ESR (Electronic Staff Record) should also refer to the best practice guidance available on the ESR Hub.

2.1 - Nominating a local Scheme administrator

Every Scheme employer must nominate:

- a lead person(s) who is responsible for the day-to-day administration outlined in this Charter and who will act as the main point of contact with NHS Pensions
- a named senior accountable officer. This is usually a Chief Executive Officer, or for GP Practices, a Lead GP

Contact details must be kept up to date and you must notify us of any changes by completing the Employer Organisation Contact Details form found on the NHS Pensions website at: www.nhsbsa.nhs.uk/employer-hub/employer-forms. This information is held by NHS Pensions and used for communication and administration purposes.

Outsourcing administration and/or payroll

If your payroll and/or pensions administration has been outsourced, NHS Pensions requires contact details for:

- who is accountable within your organisation for the local administration undertaken by the outsourcing organisation
- who is undertaking the actual administration within the provider

Outsourcing does not remove an organisations accountability under the Scheme's Regulations. Therefore, the Scheme employer must ensure that any outsourced administration is carried out effectively.

2.2 - Administration of pension events

The list below outlines the primary 'pension events' which Scheme employers must undertake as part of their local administration responsibilities:

- new starters (joiners)
- opting in/out
- transferring into the Scheme
- increasing pension benefits
- estimates
- member record maintenance
- redundancy
- ill health retirement
- bereavements
- retirement (including early retirement, partial retirement, and retire and return)
- leavers

Detailed guidance including all relevant forms and documentation on how to administer each of these pension events can be found on the NHS Pensions website at:

www.nhsbsa.nhs.uk/employer-hub.

Note – NHS Pensions will only accept current versions of all forms on receipt. Any submissions made on old forms will not be accepted. NHS Pensions will exercise discretion for short periods (or where reasonable) after any forms are changed and will ensure that employers are informed when new versions are published via the Employer's Newsletter.

2.3 - Collection and submission of contributions

The Scheme employer must:

- assign the member to the correct pension tier based on their pay
- collect the correct member contributions as determined by their tier rate and collect any applicable additional contributions (such as additional pension or early retirement reduction buy out (ERRBO))
- return any overpaid non-pensionable contributions to the member that were made in error
- re-assess contribution rates as appropriate, that is, following an increase in pay whether that is a pay point increment or annual pay award
- submit both the employer and member contributions due in a prompt and accurate manner. Failure to submit contributions will result in escalation to the Department of Health and Social Care and the Pensions Regulator. More information on contribution collection and payment can be found on the NHS Pensions website at: www.nhsbsa.nhs.uk/employer-hub/nhs-pensions-finance

2.4 - Providing information to NHS Pensions

Successful administration of the NHS Pension Scheme is completely dependent on the accuracy of membership records. This enables information to be provided to members quickly and for pension benefits to be paid on time and accurately.

NHS Pensions relies on central administrative databases and processing systems, which

obtain Scheme membership information from Scheme employers.

It is therefore imperative that all Scheme employers provide accurate membership data and information about Scheme members currently or previously employed within their organisation to NHS Pensions on a regular, timely basis or in response to an information request. Specifically, this requires:

- the submission of the annual return of service and salary details
- the submission of relevant changes to NHS Pensions within a month of those changes being notified to the local administrator or effective. These include:
 - reverse terminations
 - opt out cancellation
 - bank leaver cancellation
 - personal details
- Scheme employers to verify the members' date of birth before employment commences. This is a legal requirement
- Scheme employers to provide ad hoc service and salary information promptly and when requested by NHS Pensions
- undertaking reconciliation between data held by the employer and NHS Pensions
- Scheme employers to complete, authorise, and submit application forms to NHS Pensions for members
- the provision of information in line with relevant Government Legislation such as those relating to personal taxation

Note – NHS Pensions will return received data errors to employers via Pensions Online or reconciliation reports.

2.5 - Providing information to Scheme members

Employers:

- should be able to answer questions from Scheme members about the NHS Pension Scheme
- must provide Scheme information to new employees by giving them a copy of the relevant Member Guide and informing them that they are automatically members of the Scheme unless they opt out following enrolment or are not eligible to join the Scheme
- provide information to Scheme members about the value of the current pension benefits by referring them to their Total Reward Statement (TRS) / annual benefit statement (ABS), or providing them with an estimate through Pensions Online (or by requesting one from NHS Pensions if this is not possible)
- must provide Scheme information to leavers by giving them a copy of the Leaving Early and Transferring Out Guide to inform them of the different options regarding their pension

- must identify and inform members for whom abatement is applicable
- must ensure members are kept informed of any changes to the Scheme that may affect them, using information provided by NHS Pensions
- should educate members on options for planning how and when to retire
- should make members aware of the benefits of the NHS Pension Scheme throughout their careers

Note – Scheme employers should not under any circumstances provide financial advice to Scheme members. Only factual information about the rules of the Scheme, the potential value of the members benefits and the impact of any decisions they may make (such as losing death benefits

3. Consequences of non-compliance

Both NHS Pensions and employers are bound by the obligations of statutory regulations and must work together to adhere to their requirements. The principle regulations contained in the Occupational Pension Schemes (Disclosure of Information) Regulations require:

- the payment of pension benefits within 30 days of entitlement. To comply, Scheme employers should ensure that retirement application forms are completed and forwarded to NHS Pensions around three months before the date of retirement and that necessary membership information is accurate and up to date
- the provision of estimates of retirement benefits to members within two months of request. Employers must provide estimates to members on request through Pensions Online (access dependent) where a TRS/ABS statement is not available
- the Occupational Pension Schemes (Transfer Values) Regulations require NHS Pensions to calculate a Cash Equivalent Transfer Value within three months of request. To comply, Scheme Employers must ensure that data is kept up to date and that accurate information is provided to NHS Pensions promptly on request
- legislative requirements place a responsibility upon employers to provide information to NHS Pensions. The requirements specify that employers must provide pay (and membership) information to NHS Pensions by 6 July following the end of the tax year to allow Pension Savings Statements to be provided to members

Failure to comply with your requirements

Scheme employers who do not carry out their responsibilities in a timely and accurate manner can have a detrimental effect on their members. For instance, if membership records are not adequately maintained then NHS Pensions may not be able to pay out benefits on retirement to members, or we may not be able to provide accurate information to inform financial planning or enable transfers to be undertaken.

Scheme employers should note that it may not always be possible for NHS Pensions to later repair a situation which has had a detrimental impact on a member's pension position through the employer failing to carry out their responsibilities at the correct time.

Cases of member dissatisfaction can result in referrals to the Pensions Ombudsman or the Pensions Regulator, and they have the power to impose fines on employers and schemes (and their individual managers) who do not comply with Scheme requirements.

Further to this, the Department of Health and Social Care and NHS Pensions will escalate any serious instances to the Pensions Regulator.

In particular, failure by Scheme employers to provide accurate and timely member information as required by NHS Pensions, will result in appropriate escalation with the Department of Health and Social Care and senior NHS Management as applicable. This is consistent with the guidelines set out by the Pensions Regulator in regard to effective record keeping.

Employers should note that NHS Pensions will not accept some incorrect incoming data. NHS Pensions will continue to inform employers about any data errors via the POL notice board, error handling and the reconciliation reports. For employers without access to Pensions Online, data errors will be notified by email.

Contributions that are not paid on time will incur a late payment and interest charge. The standard rate of interest is a daily rate of CPI +3%, compounded annually, and applies to contributions due but unpaid on and after 1 April 2014. An administration charge of £75 will also be payable.

The late payment charge is not a 'penalty charge', but reflects the cost to NHS Pensions of recovering late payments, which is currently borne by all employers.

4. The role of NHS Pensions

NHS Pensions' role as central administrator of the NHS Pension Scheme is to maintain accurate membership records for Scheme members during their career and use this information to process applications for benefits.

To do this they are completely dependent on the work of Scheme employers and the information they provide. NHS Pension provides the following functions to work effectively with Scheme employers and support them to jointly administer the NHS Pensions Scheme:

NHS Pensions will:

- provide a dedicated helpline and email address to answer any queries you have about administering the Scheme.

Employer contact details –

nhsbsa.pensionsemployers@nhsbsa.nhs.uk

Employer Helpline – 0300 330 1353

- provide a dedicated helpline and email address to answer any queries from Scheme members about the NHS Pension Scheme.

Member contact details –

nhsbsa.pensionsmember@nhsbsa.nhs.uk

Member Helpline – 0300 330 1346

- provide you with detailed information about administering the Scheme via the NHS Pensions website
- provide you with Scheme information for members (whether posters, guides, leaflets for example) to meet our collective disclosure responsibilities
- provide you with the necessary tools whether manual or system based to enable you to administer the Scheme quickly and efficiently. (Note: NHS Pensions will continue to make improvements to these tools to improve local administration - subject to the availability of resources and other organisational priorities)
- provide regular information to you about administering the Scheme via the monthly Employer's Newsletter. These newsletters will be the standard method that NHS Pensions keeps nominated Pensions Administrators up to date with important changes or news about the Scheme. An email will be sent to all named administrators and senior officers accountable held within the NHS Pensions database when a newsletter is available. It is important that these details are kept up to date. Other staff can subscribe to receive the newsletter as needed.

(Scheme employers are also advised to subscribe to NHS Employers Workforce Bulletin which contains information about the NHS Pension Scheme from a HR and strategic application perspective)

- provide information on request to members in line with statutory time limits
- attend established regional pension forums to discuss Scheme administration issues and update/consult with you on Scheme developments
- listen to your feedback and use it to work more effectively together in the future
- continue to facilitate the Service Improvement and Development Board to give employers
- a say in NHS Pensions' systems and business process developments
- meet employers at organised stakeholder engagement events to provide education to different employer groups
- provide various educational materials to support employers

Note – NHS Pensions will over time, as appropriate, update and amend the information it provides as required by changes to the Scheme Regulations and the adaption of procedures, in order to adopt these changes and/or improve the administration of the Scheme. They will inform employers when this is the case and consult where necessary.

NHS Pensions is obligated to provide information under what is known as Disclosure Legislation. Scheme employers are provided with information to pass on to Scheme members as part of these requirements.

5. When will this Charter be updated?

This Charter will be updated as new legislation is introduced or administration changes are made. Scheme employers will be informed about any changes or revisions agreed and consulted where necessary.

The version on the NHS Pensions website will be the latest, most up to date version so employers are advised to check on a regular basis (if they have previously downloaded or printed out copies) that they have the most recent version. Any revisions will be notified to employers via the Employer's Newsletter.

NHS Pensions welcome any feedback or suggestions on any part of this Charter and its contents. Feedback can be sent to: ***communicationsteam@nhsbsa.nhs.uk***.

Note – In the absence of any updates this guide will be subject to the minimum of an annual review by NHS Pensions.

6. Help and support

We provide a range of information to help you understand and administer the NHS Pension Scheme.

- the NHS Pensions website contains all the factsheets, guides and forms you will need to understand and administer the NHS Pension Scheme at: ***www.nhsbsa.nhs.uk/nhs-pensions***
- the 1995/2008 Scheme Member Guide gives you an overview of the 1995/2008 Scheme
- the 2015 Scheme Member Guide gives you an overview of the 2015 Scheme
- online videos provide you with an overview of the NHS Pension Scheme and how members' pensions may be affected
- the Employer's Newsletter is published monthly to provide you with important information that may impact the administration of the Scheme
- ***Knowledge Base*** contains numerous support references and enables you to get answers to questions you may have about the NHS Pension Scheme. The system can be used to answer queries 24 hours a day, seven days a week without the need to call the helpline.
- employer helpline: 0300 330 1353 or ***nhsbsa.pensionsemployers@nhsbsa.nhs.uk***
- dedicated Stakeholder Engagement Team

7. Stakeholder Engagement Team

The Stakeholder Engagement Team is in place to foster positive relationships with our stakeholders, support employers in understanding and complying with their administration responsibilities, and raise awareness for members on the range of benefits the NHS Pension Scheme provides.

Our purpose is to engage, educate and escalate any issues, acting as the voice of employers and ensuring collaborative working within our organisation.

The team consists of a number of Stakeholder Engagement Managers, as well as dedicated experienced administrators who assist with maintaining the stakeholder email account, updating contact details, and coordinating events. As a team we play an active role in:

- attending regional pension group meetings
- facilitate the NHS Pensions Service Improvement and Development Board
- hosting some regional pensions Special Interest Group (SIG) meetings
- providing regular updates to employers
- delivering educational training events to members and employers
- providing one-to-one support for employers administering the Scheme

The Stakeholder Engagement Team can be contacted by emailing:

stakeholderengagement@nhsbsa.nhs.uk