

# NHS Pensions

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# Member factsheet

# Buy back cost calculator guidance

## What is this calculator

This calculator will calculate the approximate cost to buy back remedy period service as a result of opting out of the NHS Pensions 2015 Scheme due to the discrimination introduced as a result of moving members to the 2015 Scheme.

The calculations are based on buying back service in the legacy 1995/2008 Section of the NHS Pension Scheme and take into consideration tax relief, at the members marginal rate, and the interest due on any contributions owed for buying back the service.

There are 4 versions of the calculator based on where you live and your type of service, these are listed below:

‘Officer’ for non-practitioner members living in England and Wales

‘Officer (Scotland)’ for non-practitioner members living in Scotland

‘Practitioner’ for practitioner members living in England and Wales

‘Practitioner (Scotland)’ for practitioner members living in Scotland

## When to use this calculator

Use this calculator if you opted out of the NHS Pension Scheme and want to buy back the opted out service for the remedy period.

Complete the required fields for each scheme year that you want to buy back opted out service to calculate the approximate cost of buying back the service. The costs are approximate and based on the information entered into the calculator and will only calculate the cost based on buying back whole months.

The calculator will only provide an approximate cost for members with a single employment and where the contract did not change over the scheme year. Members with multiple employments or who had different contracts during a scheme year, for example members who moved from whole time to part time mid-year, will need to perform a separate calculation for each employment or contract and amalgamate the costs.

The calculator assumes continuous service throughout the period of employment entered. If there are breaks in service, for example bank or casual working patterns, a separate calculation will be required for each continuous period of service.

The calculator uses the members total pay in a year to determine the tax rate on which to base the tax relief. The calculator assumes that this is your main employment and uses the standard personal allowance for each tax year. If that is not the case then the calculator may assume a lower tax relief than is applicable, however, the rate is shown for illustrative purposes.

If you decide to buy back your opted out service complete an ‘Application to buy back opted out service’ which can be found on our website [www.nhsbsa.nhs.uk/public-service-pensions-remedy-mccloud/contingent-decisions](http://www.nhsbsa.nhs.uk/public-service-pensions-remedy-mccloud/contingent-decisions) and we will provide you with a remedial service statement detailing the actual cost and details of the benefits being bought back.

## How to use this calculator

If you held concurrent officer and practitioner posts, you will need to complete a calculation for each post.

If you held concurrent office posts, you will need to complete a calculation for each officer post.

If you held concurrent practitioner posts, you will need to amalgamate all earnings and complete a single practitioner calculation.

## Officer calculators

Enter the following information for each scheme year you wish to buy back opted out service:

* dates employed during scheme year – Between 1 April and 31 March.
* buy back period (number of whole months)
* total pensionable pay
* total taxable pay (including any non-pensionable pay, across all employments)
* whole or part-time
* number of hours per week - only to be completed for members who worked part-time during the scheme year
* standard whole-time hours per week - only to be completed for members who worked part time during the scheme year

The calculator will highlight any data errors and prompt you to change the information provided.

You must include employment and pay details for the year prior to the period of opted out service that you want to buy back. This is to ensure the contribution tier rate is correctly calculated for each year of service you want to buy back. For example:

* if you want to buy back service in 2015/16 then you will need to enter the employment and pay information for 2014/15 as well as 2015/16.
* if you want to buy back service in 2019/20 then you will need to enter the employment and pay information for 2018/19 as well as 2019/20.

You must only enter information for a single continuing officer post. If you have multiple concurrent officer posts, you must calculate the cost to buy back each post separately.

## Practitioner calculators

Enter the following information for each scheme year you wish to buy back opted out service:

* dates employed during scheme year – Between 1 April and 31 March.
* buy back period (number of whole months)
* total practitioner earnings in Scheme Year
* Whether or not you were self-employed during the year

The calculator will highlight any data errors and prompt you to change the information provided.

You must include the earnings from all practitioner posts each year.

If you were self-employed the calculator will not deduct tax relief from the contributions that you will need to make to buy back the opted out service. You will need to report these contributions on your annual self-assessment to claim back the tax relief on the contributions in the relevant year that you repay the contributions.

## Examples

There are a number of examples below to show how to use the calculator.

### Example 1- An officer member wants to buy back all 7 years remedy service including some part time work and incomplete years.



### Example 2 - A practitioner member wants to buy back remedy service in 6 of the remedy years including some incomplete years.



**How we use your information**

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[www.nhsbsa.nhs.uk/nhs-pensions](http://www.nhsbsa.nhs.uk/nhs-pensions)