



# Business Services Authority



**Welcome to our 2025  
pensioner newsletter for  
NHS Pensions**

# **The 2025 Pensions Increase – your pension is increasing**

**Every year, pensions in payment are reviewed by HM Treasury. This review is called 'the annual Pensions Increase (PI).' This year, NHS Pensions will increase by 1.7%. Any increase is subject to the conditions outlined in this newsletter.**

## **When is the annual Pensions Increase (PI) applied?**

When you receive an increase to your pension, it will start on the first Monday after 5 April each year. This year the PI will take effect from 7 April 2025. Your first payment on or after 7 April 2025 will only include the PI from that date. Details of the new annual rate will be shown on your pension advice note. This will give a forecast of your next payment with the increase applied, providing your yearly rate, tax liability and other deductions do not change.

## **What is the PI based on?**

PI is based on the rise in the Consumer Price Index (CPI) in the 12 months ending 30 September 2024. The increase for 2024/25 will be 1.7%.

## **Who receives PI?**

Your pension normally increases if you are over the age of 55, or if your pension is an ill health pension. This also applies to adult dependant's pensions for spouses, civil or nominated partners and child dependant's pensions.

## Why you may not receive the full increase

You may receive a lower percentage increase if your pension started after 22 April 2024 or receive no increase if it started after 23 March 2025. Where your pension started after 22 April 2024 you will receive a proportion of the 1.7% increase.

## If you retired after 1978 and receive a State Pension

Guaranteed Minimum Pension (GMP) rules mean that you may not receive the full PI on your NHS Pension. Any shortfall will be offset by a proportional increase to your State Pension.

## If you reach your State Pension age on or after 6 April 2016

Your NHS pension will include the full increase because your occupational pension scheme was contracted out of the additional State Pension. This used to be known as the State Earnings Related Pensions Scheme (SERPS). Refer to your annual letter from the government Pensions Service for confirmation, shown under 'Contracted out Deductions.'

## Changes in circumstances

You must inform us immediately of any changes in circumstances that may affect your pension.

Tell us immediately if you change **address**, **bank or building society account** details. If you have used the Current Account Switch Service to change your bank or building society account you do not need to tell us of your change of details, we will already be aware of these changes.

If you move abroad and **want your payments to be made to an overseas bank**, you can access the Pensioner hub on our website, where you will find a factsheet and links to the relevant bank mandate forms:

**[www.nhsbsa.nhs.uk/pensioner-hub](http://www.nhsbsa.nhs.uk/pensioner-hub)**

**If you marry or form a civil partnership after you have retired** from the NHS, you should let us know as it may affect the value of any benefits due to your new spouse or civil partner in the event of your death.

If you are in receipt of a surviving partner pension and you remarry or form a new civil partnership, this could affect your existing benefits.

**If you are thinking of returning to the NHS**, take a look at the Pensioner hub on our website, where you will find up to date information on returning to work for employers with access to the NHS Pension Scheme:

**[www.nhsbsa.nhs.uk/pensioner-hub](http://www.nhsbsa.nhs.uk/pensioner-hub)**. This may include some organisations delivering services to the NHS. If you decide to return to work after retirement, have a new re-employment or make changes to a re-employment, you should let us know using the 'NHS Pensioner Re-employment Form' available in the Pensioner hub on our website:

**[www.nhsbsa.nhs.uk/pensioner-hub](http://www.nhsbsa.nhs.uk/pensioner-hub)**

## Your tax code

Your tax code tells us how much tax to take from your pension. The tax code on your P60 is the code that was applied to your last pension payment made in 2024/25. We cannot change your tax code unless we're instructed to by HM Revenue & Customs (HMRC). If you want to ask about your tax code or tax liability, you can:

### **Ask HMRC's digital assistant online:**

**[www.gov.uk/government/organisations/hm-revenue-customs/contact/income-tax-enquiries-for-individuals-pensioners-and-employees](https://www.gov.uk/government/organisations/hm-revenue-customs/contact/income-tax-enquiries-for-individuals-pensioners-and-employees)**

### **Write to:**

Pay As You Earn and Self Assessment,  
HM Revenue and Customs, BX9 1AS,  
United Kingdom

### **Call:**

0300 200 3300 or from overseas +44 135 535 9022 (open Monday to Friday, 8am to 6pm, except for weekends and bank holidays)

## Your P60

Your P60 shows your total pay, pension, and tax paid in the previous tax year up to 5 April 2025.

If you have not received your P60 with this newsletter, we'll send it to you before the end of May.

The gross pay on your P60 is usually different from the annual rate paid for most of that year. This also means that the total amount on your P60 will not match the amount in payment on the 'Advice of Payment' you receive.

This can be for one or more reasons:

- The first NHS pension payment that you received in that tax year covered a period running across two tax years
- Your pension started partway through the tax year
- The last NHS pension payment that you received in that tax year covered a period running across two tax years.

If you think you have paid too much or too little tax, you are responsible for reporting this to HMRC.

You should keep your P60 in a safe place. It not only proves the amount of tax you have paid, but it is a handy way of proving your income for loan or mortgage applications.

## P60 glossary

**Tax year** – the UK tax year runs from the 6 April in one year, to the 5 April the following year.

**PAYE reference** – this is your 'pay as you earn reference.' You will be asked to provide this in any communication with HMRC.

**NHS pension** – this is the gross amount of your NHS pension payments received in the 2024/25 tax year and the tax deducted from all taxable payments.

**In previous employment** – HMRC lets us know of any pay you have earned, and tax paid in previous employment in the 2024/25 tax year.

**Final tax code** – this is the code that was used for your final NHS pension payment in the 2024/25 tax year. We may have used other codes previously.

## **The lifetime allowance was abolished on 6 April 2024**

New allowances were introduced including the Lump Sum Allowance (LSA) and the Lump Sum and Death Benefit Allowance (LSDBA). If you are affected by these allowances, we'll write to you separately. If you took pension benefits before 6 April 2024 and have remaining pension benefits to take, then you may wish to consider applying for the new Transitional Tax-Free Amount Certificate (TTFAC). More information about the TTFAC can be found on HMRC's website:

**[www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm174300](https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm174300)**

## **Retired and returned to work? You're able to re-join the NHS Pension Scheme**

If you've returned to NHS employment after retiring, or you'd like to, you're able to re-join the Scheme and build up further pension benefits in the 2015 Scheme.

From 1 April 2023, retired members with 1995 Section benefits can return to NHS employment and re-join the Scheme. If you're already in employment and would like to re-join the Scheme, you should speak to your employer.

You can return and earn 2015 Scheme benefits even if you have 45 years of service in the 1995 and 2008 Sections, as long as you're under 75.

### **If you decide to re-join, you can work as many hours as you choose**

You just need to have had a minimum break of 24 hours from your previous job when you retired although you can take a longer break if you prefer.

Previously, members of the 1995 Section were limited to working 16 hours a week in the first month after retirement to avoid their pension payments being affected - this rule was removed on 1 April 2023.

### **Partial retirement**

If you've taken partial retirement you'll have claimed part, or all your pension benefits while continuing to work in NHS employment and build pension benefits in the 2015 Scheme.



Your pensionable pay / working commitment must stay at the reduced level for at least 12 months after you take partial retirement, or you'll no longer be eligible for the pension you've taken.

To find out more about partial retirement visit the Member hub on our website:

**[www.nhsbsa.nhs.uk/member-hub/partial-retirement](http://www.nhsbsa.nhs.uk/member-hub/partial-retirement)**

**If you held Special Class or Mental Health Officer status**, claimed age retirement pension benefits, and return to NHS employment before age 60, you will no longer have your pension payments reduced. This means you can return to work in the NHS or increase your working commitments without having your pension payments reduced.

To find out more visit the Pensioner hub on our website: **[www.nhsbsa.nhs.uk/pensioner-hub/re-employment](http://www.nhsbsa.nhs.uk/pensioner-hub/re-employment)**

## **The NHS Retirement Fellowship**

Retired NHS staff, their partners and friends are eligible to join the NHS Retirement Fellowship charity to access a wide range of benefits including travel insurance deals, discounts on holidays / holiday opportunities and a range of finance and wellbeing benefits to help support you.

They have friendly and welcoming branches around the country which meet regularly for a variety of activities, or you can join as a national member and still access their benefits and support for retired NHS staff.

Get involved and remain part of the NHS family at local, regional, and national level.

Visit their website at  
**[www.nhsrf.org.uk/join-us](http://www.nhsrf.org.uk/join-us)**.

## **Have you registered for My NHS Pension yet?**

We're introducing new tools to help you access information about your NHS pension, and we'd like to invite you to register for our online portal, My NHS Pension.

My NHS Pension allows you to access details about your NHS pension, including your P60s and payslips, in one place. On My NHS Pension, you can also add and amend your nominations, bank details, and contact information easily online.

You should have already been contacted with instructions on how to register. If you have not received a letter or email from us, email **[nhsbsa.mynhspension@nhsbsa.nhs.uk](mailto:nhsbsa.mynhspension@nhsbsa.nhs.uk)**, and we'll provide you with your personalised registration details. Remember to include your membership number and postcode so that we can find your pension record.

You can find out more about My NHS Pension by visiting our website at **[www.nhsbsa.nhs.uk/member-hub/my-nhs-pension](http://www.nhsbsa.nhs.uk/member-hub/my-nhs-pension)**.

## Did you retire after 1 April 2015?

In April 2015, the government made changes to most public service pension schemes. The Court of Appeal later found this to be discriminatory against younger members. The government is removing this age discrimination from public service pension schemes including the NHS Pension Scheme, this is often referred to as The Public Service Pensions Remedy or McCloud.

### **Only some members will be affected**

If you joined a public service pension scheme on or before 31 March 2012 and you were still a member of the scheme on 1 April 2015, or you left service after 31 March 2012 but returned within 5 years, the changes will apply to you. The changes may also apply if you've received a spouse's or dependant's pension since 1 April 2015, and the member joined a public service pension scheme on or before 31 March 2012 and they were a member on 1 April 2015.

### **If you're affected**

You'll be asked to make a choice retrospectively of which pension scheme benefits you would like to receive for your service between 1 April 2015 and either 31 March 2022 or the date you left the Scheme, whichever is earlier. You can choose either legacy benefits (in the NHS this is the 1995/2008 Scheme) or reformed scheme benefits (the 2015 Scheme). From 1 April 2022, all active members transitioned to the 2015 Scheme and membership from that date forward is counted towards 2015 Scheme benefits.

We have made progress working through the complexity of The Public Service Pensions Remedy to offer affected members their choice. We've begun contacting retired members in stages, prioritising those who have been most severely affected first. You can stay up to date with the latest information, including a timeline showing when different members can expect to be offered their choice, at **[www.nhsbsa.nhs.uk/public-service-pensions-remedy-mccloud/when-youll-make-your-decision-about-your-nhs-pension-benefits](http://www.nhsbsa.nhs.uk/public-service-pensions-remedy-mccloud/when-youll-make-your-decision-about-your-nhs-pension-benefits)**

You do not need to do anything just yet – if you're affected, we'll contact you with more information when it's time to do something.

## Contact us

### Website:

There are lots of resources on our website to help answer any questions you have, without the need to contact us first. You can find factsheets and resources including our knowledge database at:

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

When contacting us by email, please make sure you provide your membership number or full name, date of birth, and a daytime telephone number.

You can find your membership number at the top of any letters you've received from us. Older letters may show it like this, 'SD 00 / 123456' but this format is being phased out and only the 8 digits of the membership number will be used, for example, 00123456.

If you also have pension benefits relating to a pension credit, dependant's pension, or other NHS Pension Scheme provision, you may have additional membership numbers.

### Email us:

**[nhsbsa.pensionsmember@nhsbsa.nhs.uk](mailto:nhsbsa.pensionsmember@nhsbsa.nhs.uk)**

### Write to us:

NHS Pensioner Admin, PO Box 683, Unit 5,  
Newcastle upon Tyne, NE5 9EE

### Call us:

0345 121 2522 or from overseas + 44 191 283  
0303 (open 8am to 6pm Monday to Friday)