



# Implications of a raised retirement age

## Information for employees

The 2015 NHS Pension Scheme came into effect on 1 April 2015. There are many differences between the 2015 scheme and the 1995/2008 section arrangements, including a raised retirement age. Some NHS staff choose to work past their current pension age of 55 or 60, but in the future everyone will have to work into their late 60s.

This is part of a suite of resources produced by the UK Working Longer Group and adapted for Scotland by the Scottish NHS Working Longer Group which aims to help you to plan for and understand how the raised retirement age may affect you and where you can get further support about your career and pension choices.

### What does 'raised retirement age' mean?

From April 2015, the age that members can receive their pension under the 2015 Pension Scheme arrangements (without reduction for early payment) is set equal to their State Pension Age (SPA). For 70 per cent of NHS staff this means their pension age is between 65 and 68 years old. For example, if you were born in 1971 your state pension age is 67, but if you were born in 1983 it is 68.

You can find out your State Pension Age using the [SPA calculator at the Gov.uk website](http://www.gov.uk/state-pension-age) ([www.gov.uk/state-pension-age](http://www.gov.uk/state-pension-age)).

### Looking to the future


A longer working life means that you may want to consider your career, pension and retirement choices at an earlier age so that you can plan for the best pension provision possible. Your employer and union representatives will be able to explain the policies and practices available in your organisation to support working longer, e.g. flexible working, flexible retirement, voluntary job change and retraining.

### The 2015 NHSScotland Pension Scheme (NHSSPS)

There are three normal retirement ages in the current NHSSPS: 55, 60 and 65, depending on the section of the scheme you are in and your occupation. Under the 2015 scheme arrangements, the age that all members can claim their full benefits\* for that scheme service (not reduced for early payment) is set equal to their SPA.

The Career Average Revalued Earnings, or **CARE**, nature of the 2015 scheme, plus its higher build-up rate and flexible retirement options, means that earnings for your whole career will be taken into account when calculating your pension benefits. This could potentially reduce the impact on your overall pension benefits of a decision to step down a grade or work fewer hours as you approach retirement. But the difference in retirement age is the main concern for most staff.

\* This only affects the benefits made up from contributions made from April 2015. Guidance is available for those who will have benefits from the other, older, schemes.



Members who do not have 'full protection' – i.e. in April 2012 were more than ten years from their expected retirement date – will have joined the 2015 scheme if they chose to remain in the NHSSPS or joined it after 1 April 2015. Most will have transferred on 1 April 2015, but members with 'tapered protection' will transfer later depending on their date of birth. Further information on protection arrangements is available on the **Scottish Public Pension Agency (SPPA) website** ([www.sppa.gov.uk](http://www.sppa.gov.uk)).

## Choice Exercise

Following the last reform of the NHS Pension Scheme in 2008, all members were offered the opportunity to transfer their pension benefits from the older 1995 section of the scheme to the 2008 section. This was called the 'Choice' exercise. Many chose not to move as they wanted to keep their pension age the same.

The 2015 pension scheme arrangements have automatically increased the normal pension age for many staff. This means that during the first Choice exercise, when members were deciding whether they wished to remain in the 1995 section or move to the 2008 section, they did not know that their retirement age would be extended. Given this, some people may have wished to reconsider the decision they made. Those who chose not to move their benefits to the 2008 section in the original Choice were offered the opportunity again in a time limited exercise known in Scotland as the 1995 Section Choice Exercise.

Members of the 1995 Section with full protection were not eligible for the 1995 Section Choice Exercise and will not have received a communication. You can check your membership status at the 'My Pension – Online Member Services' section of the **SPPA website** ([www.sppa.gov.uk](http://www.sppa.gov.uk)) or by contacting SPPA.

## Further information

**Scottish Public Pension Agency (SPPA)** ([www.sppa.gov.uk](http://www.sppa.gov.uk))

**Age UK** ([www.ageuk.org.uk/work-and-learning/retirement/](http://www.ageuk.org.uk/work-and-learning/retirement/))

**Which?** ([www.which.co.uk/money/retirement/my-retirement-what-do-i-need-to-know/](http://www.which.co.uk/money/retirement/my-retirement-what-do-i-need-to-know/))

**Money Advice Service** ([www.moneyadvice.service.org.uk/en/categories/pensions-and-retirement](http://www.moneyadvice.service.org.uk/en/categories/pensions-and-retirement))

**Scottish Terms and Conditions Committee** ([www.stac.scot.nhs.uk/working-longer](http://www.stac.scot.nhs.uk/working-longer))

**State Pension Age Calculator** ([www.gov.uk/state-pension-age](http://www.gov.uk/state-pension-age))

Your trade union website may also have some useful information on pensions and retirement.