

Launch of NHS Pension Scheme Review consultation

Embargoed until 10:30am Monday, 10 January 2005

The details of the year long review of the NHS Pension Scheme have been released today by NHS Employers. The document, "Moving to a 21st century pension scheme", jointly produced by both management and staff side partners, proposes a pension scheme for new staff that is more flexible and gives staff more control over their pensions and retirement.

"Our aim had always been to ensure the NHS Pension Scheme meets the needs of a modern NHS and its staff, by making benefits more appropriate for today's workforce", said review sponsor and chair David Jordison. "I am pleased that today we can release details of the recommendations in a document that both employers and trade unions are signed up to."

The proposed new scheme will provide a higher accrual rate but with benefits paid at 65. Staff will be able to choose the size of lump sum they take up to 25% of the value of their pension. Retirement will no longer be a one-off event but instead staff will be able to take their pension flexibly whilst continuing to work. If staff chose to work after 65 their pension will be enhanced. Unmarried partners will receive the same survivor benefits as married or civil partnerships.

Existing staff will be offered the opportunity to transfer into the new scheme and access all the improved benefits, or remain in the existing scheme and access a more limited package of improvements.

Eddie Saville of the Society for Chiropractors and Podiatrists and staff side chair said "The trade unions welcome many of the proposals in the consultation document and recognise that these would represent real improvements. However, we have not agreed on all issues, in particular the proposed increase in normal pension age."

ENDS

1. The NHS Confederation was invited, by the Minister of Health, to lead a review of the NHS Pension Scheme on behalf of employers and in conjunction with the Department of Health, the NHS Pensions Agency and the National Assembly for Wales. The review has worked in partnership with NHS trades unions throughout the process.

2. The work of the review was handed to NHS Employers on its launch in October. NHS Employers is the employers' organisation for the NHS and is part of the NHS Confederation.

3. The consultation will run from 10th January until 11th April 2005. Copies of the consultation materials are available from the NHS Employers website at www.nhsemployers.org

4. Following consultation the review partners will make recommendations to Ministers who have responsibility for the final decision.

5. For more information contact Gemma Jeffcoate on 020 7074 3308 or Emma Stafford on 020 7074 3307.