

Changes to NHS pensions for senior clinicians: have your say

Health and Social Care Secretary, Matt Hancock, is [asking consultants, GPs and other senior clinicians for their views](#) on proposals to change NHS pensions to allow clinicians to take on extra work caring for patients without fear of receiving higher tax bills.

The Department of Health and Social Care is aware that some clinicians are considering reducing their workload and turning down additional work to slow down the rate at which their NHS pension grows each year. This is because they don't want to breach their annual allowance of up to £40,000.

The [NHS People Plan](#) set out plans to offer a fairer and more flexible approach to the NHS Pension Scheme for high-earning clinicians, following discussions with employers and doctors. Today the government has opened a consultation on a new 50:50 option, which lets clinicians halve their pension contributions in exchange for halving the rate of pension growth.

Improved flexibility will give clinicians more control to better manage their pensions growth and tax liabilities. This will:

- help them avoid cutting their hours
- allow them to work additional shifts to reduce waiting lists, or take on further supervisory responsibilities

The consultation focuses on 50:50 as the main option to resolving concerns, as it balances simplicity with the need to offer flexibility. The government welcomes views on whether this goes far enough.

Currently, while they work, every clinician has an option not to pay any tax up front on money that is saved into their pension. Instead, they can choose for the NHS Pension Scheme to pay the tax bill now, and the scheme will then recoup the tax, plus interest, by taking it off their pension fund at retirement. This is known as 'Scheme Pays'.

The consultation proposes to make Scheme Pays more transparent, so staff can better assess how deferring payment will affect their pensions. The suggestions in the consultation could make the calculations system more user-friendly and clearer in how the deductions are calculated and communicated to clinicians.

The NHS Pension Scheme is recognised as one of the most generous in both the private and public sectors, but the tapered annual allowance means some clinicians are facing significant tax bills. The tapered allowance was introduced in 2016 and reduces the amount that high earners can save into

their pensions tax-free.

Around a third of NHS consultants and GP practice partners have earnings from the NHS that could potentially lead to them being affected by the tapered annual allowance. This has led to some clinicians changing their working behaviour.

The government will listen to feedback on the 50:50 proposal and all ideas on pension flexibility by consulting for 12 weeks before making changes in time for the new financial year.

Health and Social Care Secretary, Matt Hancock, said:

“I love the NHS and the people who dedicate their lives to caring for patients. Each and every one of them is crucial to our Long Term Plan for the NHS, yet too many of our most experienced clinicians are reducing their hours, or leaving the NHS early because of frustrations over their pension.

“I want them to know that I am listening and I want to work with them to fix it for the sake of patients.

“We want to make it easier for our hardworking senior doctors to balance their workload, their pension pot and their tax bill – with more flexibility, more choice, and less need to pay upfront.

“It’s vital any changes are based on real experiences and I urge all consultants, senior nurses and GPs to have their say.”