

Senior clinicians' pensions: government asks for views on new proposals

A new consultation on [proposals to give senior NHS doctors and nurses access to more flexible pensions](#) has launched.

The new proposals include:

- giving clinicians the ability to choose a personalised pension growth level at the start of each tax year and pay correspondingly lower contributions – the level chosen would be a percentage of the normal scheme contribution in 10% increments, for example 50%, 30%, or 70% of the full accrual level.
- the option to fine-tune pension growth towards the end of the tax year when they are clearer on total earnings – this will allow them to 'top-up' their pension pot to the maximum amount without hitting their tapered annual allowance limit
- where an individual has a large increase in pensionable pay, phasing over a number of years the amount by which the new pay level contributes towards their pension – this smooths any spike in pension growth that can cause sudden pensions tax charges

The Department of Health and Social Care estimates that a third of consultants and GPs may be turning down extra shifts because of how the NHS Pension Scheme interacts with the wider pension tax rules.

The new proposals mean GPs and other senior clinicians have freedom to individually control how much their pension pot grows, allowing them to maximise the amount they can save without facing significant pension tax bills having breached limits on tax relief.

The department will also work with employers and staff representatives to develop a new tool to help clinicians tailor the new flexibilities to support their individual preferences, helping them to identify the best pensions approach to maximise their clinical work without facing large tax bills.

The department will work to introduce the new proposals in time for the start of the new tax year, subject to the consultation response.

Secretary of State for Health and Social Care Matt Hancock said:

I love the NHS – and our new plan means every senior clinician will be able to carry out life-saving work for patients safe in the knowledge they have more control over their pension, their future and their retirement than at any other point in NHS history.

Today we're taking a decisive step in fixing this issue for good so patients can feel the impact in GP surgeries and hospitals across England and we are already helping hospitals ease the immediate burden with new advice on action which can be taken now.

To make sure we get this right, however, it is vital we learn from the experiences of our dedicated frontline staff, so I urge them to have their say.

Danny Mortimer, Chief Executive of NHS Employers, said:

We welcome this new consultation and the commitment from government to reform the scheme to address the impact of pension taxation on NHS staff, organisations and our patients. We support the introduction of greater flexibilities to allow members of the NHS Pension Scheme to better control the value of their pension growth and we believe this will have a positive impact on NHS service capacity and patient care.

These new proposals helpfully acknowledge that more scheme flexibilities are needed, over and above the previously proposed 50:50 section, to help senior clinicians to manage their pension growth within the pension tax allowances.

The consultation recognises the importance of the work of the Scheme Advisory Board, through which NHS Employers and our trade unions are leading the development of a recommendation on introducing scheme flexibilities for the benefit of all NHS staff. Employers continue to believe the greater scheme flexibilities are needed for all areas of our workforce.