

NHS Pension Schemes: Management and Mitigation

Sir James (Jim) Mackey

It is no secret that the impact of changes to annual and lifetime allowance is having a disproportionate impact on the NHS. There are multiple causes but it is clear that, around the country, waiting times are much longer than they were a few years ago and the pension rules have played a part in this as senior clinicians opt out of working extra shifts or retire early - understandable in the face of unexpected tax bills that can run into the tens of thousands annually.

Some options to resolve this are being consulted upon – a ‘flexible fix’ – which, whilst welcome, has been slow to take shape and remains some way off implementation. Fortunately, providers need not wait to take action. There are things that employers can do now to try and mitigate against the impact described above.

At my own trust we have followed the following path:

Step one: talk

The key first step is to talk to your staff – it sounds simple but it works. Make sure they know you are aware of the problem, really understand their concerns and are working on a solution. There are reports of some staff having to re-mortgage their homes to pay the bills, or borrow from family members - they need to know you *get it*.

Step two: signpost

The right solution will vary person to person; sometimes radically-and it is very complicated. Encourage affected staff to seek independent (professional) advice based on their own circumstances. Make this easier by providing, in one easy place, a list of key sources and documents that they will need to make the most of this. Establish a single point person to field enquiries and make sure their contact information – including a phone number – is cascaded widely.

Step three: do what you can

For members of staff in certain circumstances there are steps you can take.

At Northumbria we established a discretionary plan whereby – for those that exceed the lifetime allowance or regularly breach the annual one – staff can request to opt out of the scheme (permanently, or on an annual basis for defined periods) and the trust pay the employers contribution at the rate prior to the recent increase as taxable income. This then leaves them free to invest the additional income as they see fit.

So far just under 50 members of staff have availed themselves of this facility and, whilst not a complete solution, it has led to promising results; partially mitigating the issue and, importantly, providing certainty for these staff. Indeed, the outcome has been sufficiently promising that we intend to keep the scheme

in place even once the national solution reaches us; giving staff the freedom to choose.

This is a complex and – for those affected – a deeply and understandably emotive issue. In the NHS our staff is our greatest resource, the beating heart that makes the NHS the envy of the world. That they have historically been willing to work longer, take extra shifts and generally go above and beyond should not, cannot, be taken for granted. Instead it must be rewarded, supported and invested in.

These three steps are a start.

Sir James (Jim) Mackey is Chief Executive of Northumbria Healthcare NHS Foundation Trust and a member of the IHM's Advisory Board.