

The 2019/20 Pension Annual Allowance Charge Policy (Wales) – ‘The Policy’



What is the policy?

If you're a secondary care clinician, dentist or clinical academic and you're a member of the NHS Pension Scheme and have an annual allowance charge for 2019/20, you could benefit from the Policy if you use scheme pays to pay this charge.

Scheme pays uses your pension savings to pay your annual allowance charge, and your pension is reduced when you retire to offset the taxes paid on your behalf. The Policy will compensate you in retirement for any reduction to your pension from 2019/20 annual allowance charges paid in this way.



The Policy benefits are guaranteed by Welsh Ministers and compensation payments will be made to eligible clinicians who use scheme pays for 2019/20 when they retire.

How do I know if I have an annual allowance charge?

You should have received a Pensions Savings Statement for 2019/2020 (by 6 October 2020) if you exceed the £40,000 annual allowance.

Most people can accrue £40,000 tax-free growth each year in their pension. Some people have a tapered annual allowance which could be as low as £10,000. Any accruals in excess of your annual allowance may incur a charge.

Not everyone who is liable for an annual allowance charge automatically receives a pensions savings statement. If your total income is more than £110k, and you think you may have a tax liability, ask the NHSBSA to send you a statement.

How do I claim?

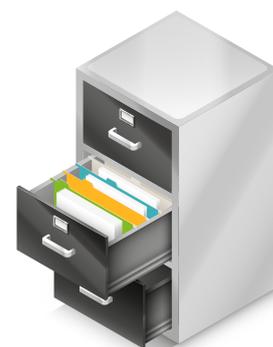
To access the 2019/2020 compensation policy you **MUST** do two things...

1 Download a scheme pays election form from www.nhsbsa.nhs.uk/member-hub/annual-allowance and submit to the NHSBSA by 31 July 2021.

2 Once you have completed your scheme pays form download the Policy application form from www.nhsconfed.org/NHSPensionsWales. **If you work in secondary care**, send your completed form to NHS Wales Shared Services Partnership (NWSSP). They will endorse your form on behalf of your employing authority. NWSSP will send your completed form to the NHSBSA. If you're a clinical academic, ask your university employer to complete Part 3 of the form.

If you're a dentist, complete the electronic Policy application form on Compass for NHS Dental Services to endorse <https://www.nhsbsa.nhs.uk/nhs-dental-services>. They will send your completed form to the NHSBSA.

You should retain a copy of the application form for your records.



How will I receive the compensation?



Payments will be made on a monthly basis into the same bank account as your pension. Once the compensation comes into effect you will receive an annual statement setting out the amount you can expect to receive during the next year.

Compensation payments will start to be made automatically after you retire.

Get more information from: www.nhsconfed.org/NHSPensionsWales