



HOUSE OF COMMONS  
LONDON SW1A 0AA

May 2019.

Dear Constituent,

**A Response to the NHS Pensions Campaign**

My colleagues at the Department of Health and Social Care recognise that the impact of pension tax can reduce the incentive for higher earners to continue scheme membership or increase their earnings by taking on additional work or responsibilities.

I welcome their commitment to tackling this, so we can retain more of the brilliant staff whose hard-work and dedication make our NHS such a treasured national institution.

The response to the consultation on NHS Pensions, which closed on 28th January, was published on 1st April. In response to concerns expressed by Doctors through the consultation on NHS Pensions, the NHS Pension Scheme Advisory Board (SAB) carried out a review of member contributions, exploring whether the rate payable should be determined using whole-time equivalent or actual earnings, what the range and number of tiers should be, and whether tier boundaries should be indexed. The SAB agreed that, while the principles in the current scheme should be retained (such as protection for the low paid), there is a need to explore ways to minimise opt-outs and other issues caused by pension taxation.

I understand that where an annual allowance tax charge is incurred, the Scheme Pays facility is available for individuals to settle their tax charges without needing to pay upfront. Individuals can elect for the NHS Pension Scheme to pay the tax charge on their behalf. The scheme then recoups the cost by reducing the value of the individual's pension by an amount equivalent to the tax charge plus interest.

I will continue to monitor this issue.

Yours sincerely,

A handwritten signature in blue ink that reads "Alister Jack".

**Alister Jack DL MP**  
Dumfries and Galloway constituency.