

2015 Scheme arrangements: The impact of salary sacrifice

In response to concerns raised at the last National Pensions Employer Group, we have been asked to outline the impact salary sacrifice will have on a members pensions should they move into the 2015 Scheme.

Each year of pensionable pay counts separately towards the build up of final pension benefits. Therefore entering into any salary sacrifice arrangement (e.g. Childcare Vouchers, Lease Car Schemes etc) that reduces gross pensionable pay will have a negative effect on the amount of pension built up in that year. The overall effect from participating in any salary sacrifice scheme would reduce the amount of final benefits earned.

It is the responsibility of each organisation to contact their salary sacrifice scheme providers to ask them to update their literature around this.

More information about the features of the 2015 Scheme can be found in the 2015 factsheet at <http://www.nhsbsa.nhs.uk/4017.aspx>