

**NHS Pension Scheme: proposed changes to member contributions from 1 April 2022**

Chartered Society of Physiotherapy  
Consultation response

To: [nhspconsultations@dhsc.gov.uk](mailto:nhspconsultations@dhsc.gov.uk)

The Chartered Society of Physiotherapy ('CSP') is the professional, educational and trade union body for the UK's 60,000 chartered physiotherapists, physiotherapy students and support workers.

Physiotherapists are autonomous practitioners, able to independently assess, diagnose and prescribe medicines. The contribution of physiotherapy can be seen at many points of a care pathway as physiotherapists work as clinical leaders, first contact practitioners and multi-professional team members, to support patients in hospital, home, community and leisure environments.

We are responding in our role as the voice of physiotherapy and as the professional body that represents physiotherapists, physiotherapy support workers and physiotherapy students working in the NHS.

**1. Do you agree or disagree that the member contribution rate should be based on actual annual rates of pay instead of members' notional whole-time equivalent pay? If you disagree or don't know how to answer, please explain why.**

- 1.1 The CSP agrees that member contribution rates should be based on actual annual rate of pay, rather than notional whole time equivalent pay.
- 1.2 With approximately 40% of the NHS workforce being part time, we are conscious that any member of the scheme must be made aware in advance the potential effects for part time staff undertaking overtime and how overtime payments could push them over a contribution threshold which would then be applied to their annual pay, and not simply the amount earned above any given threshold.
- 1.3 Where this is likely to be the case, members should be warned in advance through a flag raised within the payroll system in use within each employer
- 1.4 We would seek an assurance that where this occurs, the increased amount of contributions be claimed over a mutually agreed period of time, rather than landing the scheme member with an unexpected large "one off bill"
- 1.5 Members must also be made aware in advance that where they hold two or more jobs with access to the NHS pension scheme, their contribution rate to the scheme would be based on their aggregate pay.

- 1.6 There must be clear structures in place to support NHS staff that work through the bank system and pay into the NHS pension scheme.
- 1.7 Our members that work in this manner will not have a set annual salary, and they must be provided with clarity in advance on the level of contributions they will pay into the NHS pension scheme, with a guarantee that they will not receive or potentially face an unexpected bill each year if they undertake work that pushes them into a higher tier.
- 1.8 A potential way of doing this may be to base their level of contribution on their annual salary from the previous tax year.

**2. Do you agree or disagree with the proposed member contribution structure set out in this consultation document? If you disagree or don't know how to answer, please explain why.**

- 2.1 Whilst the CSP agrees with a reduction of tiers from seven to six, we are concerned and disagree with the lowest paid members in the NHS pension scheme, being burdened with the highest increases to their contributions tiers.
- 2.2 NHS pension scheme members are facing many financial pressures that are and will continue to have a negative effect on their standards of living down, with inflation at 4.2% at the time of writing, an increase in National Insurance contributions from April 2022 of 1.25%, along with up to 0.7% increase in pension contribution at the same time.
- 2.3 There is a risk that by raising the financial burden on the scheme members at the same time as increasing National Insurance contributions, some may decide that the increased financial burden is unsustainable and seek to leave the scheme.
- 2.4 Increasing member contributions also runs the risk of making the NHS a less attractive place to work, whilst exacerbating further the chronic, substantial and extremely damaging recruitment and retention problems that has hampered the NHS for many years.
- 2.5 It is also our belief that the yield requirements on the scheme are unjustified and too high following the increase made between 2012 - 2015, and that the same aims of a fairer contribution structure, resolution of the cliff edge problem and implementation of actual earnings could all be achieved via a small reduction in the yield requirement.
- 2.6 We would also raise that in the 2012 final agreement "Reforming the NHS Pension Scheme for England and Wales", the Chief Secretary to the Treasury gave a commitment to Parliament of no more reform for 25 years.
- 2.7 This means that no changes to scheme design, benefits or contribution rates should be necessary for 25 years outside of the processes agreed for the cost cap.
- 2.8 CSP members have stated:  
*"There is also a very real risk of undermining what little confidence NHS workers may have in public sector terms and conditions legislators when they are making yet more changes"*

**3. Do you agree or disagree that the thresholds for the member contribution tiers should be increased in line with Agenda for Change pay awards? If you disagree or don't know how to answer, please explain why.**

- 3.1 The CSP agrees that the thresholds for the member contribution tiers should be increased in line with Agenda for Change pay awards.
- 3.2 This is as the current system, particularly at the cliff edges can lead to members receiving no pay award or reduced pay due to moves into the next contribution tier. Changing thresholds in line with pay awards will ensure they remain the same relative value, is fairer to NHS staff and provides assurance that the cliff edge issue is finally removed

**4. Do you agree or disagree that the proposed member contribution structure should be phased over 2 years? If you disagree or don't know how to answer, please explain why.**

- 4.1 The CSP agrees that any changes should be phased in over two years.

**5. Do you agree or disagree that the proposed draft amending regulations deliver the policy objectives of implementing the first phase of changes to the tiered contribution rate structure and the assessment of a tiered rate using actual annual rate of pensionable pay for part-time members rather than notional whole-time equivalent? If you disagree or don't know how to answer, please explain why.**

- 5.1 The CSP agrees that the proposed amended regulations would deliver the policy objectives, however, we have noted how these could be met in another manner which would be fairer to scheme members, reduce the risk of opt outs and therefore the long term sustainability of the scheme in Q2.

**6. Are there any further considerations and evidence that you think the department should take into account when assessing any equality issues arising as a result of the proposed changes?**

- 6.1 CSP members that identity as female will be disproportionately negatively impacted by these proposals, as indicated in Table 1.

Table 1: percentage of CSP members employed within the NHS, by gender identity and AfC band

	Female	Males
Bands 2-4	1.6	1.0
Band 5	12.3	18.4
Band 6	42.7	37.8
Band 7	33.9	27.8
Band 8a+	9.5	14.9

- 6.2 It must be noted that the CSP membership breakdown by gender in 2021 is: Female: 74.1%; Male: 25.9%
- 6.3 The breakdown of gender identity figures only increases the disproportionate numbers of CSP members that will be adversely affected by the proposals as they stand, and a review of gender identity must be expanded across the wider NHS workforce in England and Wales.
- 6.4 CSP members from a Black, Asian or Minority Ethnic background have a higher concentration in the lower banding ranges of Agenda for Change, as indicated in Table 2

Table 2: percentage of CSP members employed within the NHS, by ethnicity and AfC band

	White	Asian, Black, Mixed, Other
Bands 2-4	1.5	2.9
Band 5	13.1	17.0
Band 6	41.1	40.1
Band 7	32.0	28.2
Band 8a+	12.4	11.8

- 6.5 This must be reviewed to see if this disproportionate concentration is seen across the wider NHS workforce in England and Wales.
- 6.6 CSP members with a declared disability are disproportionately concentrated in lower Agenda for Change bandings, as indicated in Table 3.

Table 3: percentage of CSP members employed within the NHS, by declared disability or long term condition and AfC band

	Declared disability or long term condition	No declared disability
Bands 2-4	2.9	1.7
Band 5	29.0	27.8
Band 6	40.6	44.4
Band 7	21.9	20.5

- 6.7 This leads to members with a declared disability being more likely to be negatively affected by the current proposals than those without a declared disability.
- 6.8 This must be reviewed to see if this disproportionate effect is seen across the wider NHS workforce in England and Wales.
- 6.9 Should any of the above concerns be replicated in the wider NHS context in England and Wales, then we would support reviewing the proposals to ensure that they are non-discriminatory in nature.
- 6.10 The CSP would support a delay to implementation should there be a concern of any potential discrimination contained within the current proposals.

Jim Fahie  
Assistant Director, Employment Relations and Union Services  
Chartered Society of Physiotherapy  
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For further information on anything contained in this response or any aspect of the Chartered Society of Physiotherapy's work, please contact:

Email: [enquiries@csp.org.uk](mailto:enquiries@csp.org.uk)

Website: [www.csp.org.uk](http://www.csp.org.uk)