

NHS trusts act on staff pensions to stave off winter workforce crisis

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Research carried out by *The BMJ* has found evidence that some trusts are taking action to tackle the NHS pensions crisis ahead of the government's proposed national solution because of concerns about the impact on their workforce.

Frustrated with government inaction, several trusts across England are putting in place their own schemes to help plan for increased demand over the winter.

It follows government changes to pension rules that have led to many senior doctors cutting their working hours or retiring early to avoid punitive tax charges, which the British Medical Association (BMA) has described as "the greatest immediate threat" to medical workforce capacity and patient services.

The situation has increased pressure on an already overstretched workforce. The most recent survey by the BMA earlier this month found that of 6170 respondents, 42% of GPs and 30% of consultants had reduced their working hours because of pension tax charges.

In a bid to make things more flexible, the government recently said it will consult on plans to allow doctors in England and Wales to control how much they pay into their pensions from April 2020.

This is likely to prove more attractive than local schemes because it will allow staff to reduce contributions and therefore their tax burden whilst

staying within the NHS scheme—which is not permitted at present.

But some trusts say they can't wait until April and are already allowing doctors to opt out of the NHS scheme and receive employers' contributions in cash, while others are being forced to use agency staff to cover gaps.

The BMJ has learned that, as of July 2019, at least 16 trusts had either set up or were considering some form of salary flexibility scheme. Other trusts told *The BMJ* they had run seminars on pensions taxation and enlisted independent financial advisers to speak to staff.

Among the trusts to introduce a local scheme is Dorset County Hospital NHS Foundation Trust which, from September 2018, allowed staff to opt out of the NHS scheme and receive their employer's contributions directly.

Mark Warner, Director of organisational development and workforce at the trust, said in the absence of a national solution, "we felt we had to do something to address the operational concern of people reducing their working capacity."

Warner conceded that Dorset's scheme hasn't had huge pick up from doctors, who have been unsure about quitting the NHS pension scheme. But by offering the option, the [trust](#) had raised awareness of the issue and responded proactively.

NHS Providers said that reluctance to quit the NHS pension scheme was common, but warned this may not hold indefinitely, highlighting growing awareness of taxation pitfalls amongst staff.

The BMA says the new proposed flexibilities will provide short-term relief for many doctors, but argues that they do not tackle the core and

underlying problem, which lies in wider tax reform.

Finn O'Dwyer-Cunliffe, policy advisor on pensions at NHS Providers, agrees: "We need to see the detail of the consultation but this proposed solution may not wipe out the problem completely."

While Patrick Bloomfield, partner at the pensions consultancy firm Hymans Robertson, said the issue had shown that the UK's "malfunctioning [pension](#) tax system" needs to be simplified.

More information: NHS pensions crisis: trusts take matters in their own hands, [DOI: 10.1136/bmj.15173](https://doi.org/10.1136/bmj.15173)

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