

Reference Number: FOI202223/246
From: Commercial
Date: 30 September 2022
Subject: Recycling of employer pension contributions

Q1 Has your Trust ever had a "recycling policy" whereby the employer's pension contributions are paid to the employee as additional payment when they opt out of the NHS pension scheme? If so, please provide a copy of the latest policy.

A1 Yes, please see the [Pension Contribution Alternative Reward policy](#) attached.

Q2 If the answer to question 1 was yes:
a) Please confirm which date or dates the policy was/is operational.
b) Who is the recycling policy available to and are there any criteria that need to be met?
c) Does the recycling policy include members affected by Life Time Allowance?
d) Does the recycling policy include members affected by Annual Allowance or Tapered Annual Allowance?
e) What percentage of the employer's contribution was made available for salary, prior to deduction of employers National Insurance?

A2

- a. Information exempt under Section 21 of the Freedom of Information Act 2000 - 'Information reasonably accessible to the applicant by other means'. Please refer to the policy provided in A1 above (see policy front cover).
- b. Information exempt under Section 21 of the Freedom of Information Act 2000 - 'Information reasonably accessible to the applicant by other means'. Please refer to the policy provided in A1 above.
- c. Information exempt under Section 21 of the Freedom of Information Act 2000 - 'Information reasonably accessible to the applicant by other means'. Please refer to the policy provided in A1 above.
- d. Information exempt under Section 21 of the Freedom of Information Act 2000 - 'Information reasonably accessible to the applicant by other means'. Please refer to the policy provided in A1 above
- e. We are unable to provide response without clarification – both our Finance and Payroll Departments have been contacted and advise they are not sure what is being asked, please provide clarification.

Q3 If the answer to question 1 was no and you have never had a recycling policy, please provide the following information:
a. Has this ever been discussed by your remuneration committee, executive board or LNC?
b. If it has been discussed, please provide a copy of the minutes or outcome of this discussion outlining why it was not implemented.

A3 Not applicable as per A1 above.

Q4 How many consultants (whole time equivalent) does your trust employ?

A4 102 (99.53 WTE)

Q5 Does your Trust currently have vacant consultant posts, if so, what is the whole-time equivalent for these vacancies?

A5 2.5 WTE

Q6 What was your Trust spend in 2019/20, 2020/21 and 2021/22 for agency, locum and outsourced work that would be otherwise have been conducted by consultant staff?

	19/20	20/21	21/22
Agency	0	0	0
Locum Consultant Costs	327,863	111,850	136,129
Outsourced Work	0	0	0

Q7 As of 1st April 2022, how many consultant staff are deferred (opted out) members of the NHS pension scheme?

A7 As of 01/04/2022, there are 14 Consultants opted out of the NHS Pension Scheme

Q8 If you have a recycling policy, how many consultants have applied and been successful in receiving the payment of the employer's pension contributions as an additional payment. How many consultants have applied and been unsuccessful?

A8 Seven

Pension Contribution Alternative Reward

Policy

For completion by Author			
Author(s) Name and Title:	Sue Hodgkinson, Director of People and Culture Laura Brittles, HR Business Partner		
Scope:	Clinical Staff	Classification:	Human Resources
Version Number:	1.1	Original Review Date:	09/04/2020
		1 st Extended Review Date:	30/09/2021
		2 nd Extended Review Date:	31/03/2023
Replaces:	1.0		
To be read in conjunction with the following documents:	n/a		
Document for public display:	Yes		
Executive Lead	Karen Nightingall		

For completion by Approving Committee			
Equality Impact Analysis Completed:	Yes		
Endorsement Completed:	No	Record of Changes	No
Authorised by:	Local Negotiating Committee	Authorisation Date:	09/01/2020
1 st Extension Authorisation:	Partnership Forum	1 st Extension Authorisation Date:	05/01/2021
2 nd Extension Authorisation:	Local Negotiating Committee	2 nd Extension Authorisation Date:	09/03/2022

For completion by Document Control					
Unique ID No:	D19DC019	Issue Status:	Approved	Issue Date:	24/05/2021
				2 nd Issue Date:	19/05/2022
After this document is withdrawn from use it must be kept in archive for the lifetime of the Trust, plus 6 years.					
Archive:	Document Control		Date Added to Archive:		

Officer responsible for Archive:	IG and Document Control Facilitator
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Document Statement

This policy outlines arrangements and options for clinical employees who are current active members of the NHS Pension Scheme (the NHS Scheme) who may be affected by the annual allowance and lifetime allowance in respect of their pension savings in the NHS Pension Scheme.

This policy is in place to reflect the flexibilities set out in the NHS Employers Pension tax guidance for employers. It is effective from 26th November 2019 to 31st October 2020.

1. Roles and Responsibilities

Director of People and Culture

- Responsible for overall compliance with policy
- Oversees process detailed in this policy
- Work with divisions to ensure arrangements are in place for clinical staff to be aware of this policy

Clinical Staff

- Comply with the requirements of this policy
- Ensure they have taken independent financial advice prior to taking any steps with regards to Pension Alternative Reward
- Completes all relevant paperwork in order to receive alternative rewards
- Forwards all completed paperwork to relevant email address

2. Controlled Document Standards

2.1 This policy outlines an option for clinical employees who are current active members of the NHS Pension Scheme (the NHS Scheme) who are affected by the annual or lifetime allowances in respect of their pension savings in registered pension schemes in the UK. For most employees, it will likely be in their best financial interests to remain in the NHS Pension Scheme. This policy is only intended for employees affected by the potential additional tax charges which will result from exceeding the allowances. This policy proposes one option for these individuals. This may not be the best financial option for affected employees and so individuals should consider this policy and any associated information carefully before making a decision. Employees are strongly encouraged to obtain their own financial advice before making any changes.

2.2 This policy has been introduced to address operational risks that have been identified as a result of the pension tax regime. In particular, the Trust has experienced a number of requests for reduced contractual hours, a reluctance to take on additional work and a desire to focus on private work as a direct result of the pension tax regime, in particular following the introduction of the tapered annual allowance. This policy is an attempt to address these operational issues by setting out an alternative option. Other options for addressing the issue may be available but are outside the scope of this policy.

- 2.3 This policy does not form part of any employee's contract of employment and the Trust may amend or remove it as its sole and absolute discretion.
- 2.4 This policy will come into effect on 26th November 2019. No retrospective payments would be made for those eligible staff who had opted out of the pension scheme prior to the approval of the policy, but all eligible staff - irrespective of whether they had previously opted out – may access the restructuring payments from the date the policy is initiated.
- 2.5 In July 2019, the Government published a consultation on proposals to enable high-earning clinicians to halve pension contributions in exchange for halving the rate of pensions growth. In August 2019, it was then announced that the Department of Health and Social Care will open a new consultation replacing this consultation to enable senior clinicians to have full flexibility over the amount they put into their pension pots. It may be that legislative change in this area is on the horizon, but nothing is certain at present.

3. Procedure

3.1 Annual allowance (AA)

- 3.1.1 While there are no limits on the amount of pension savings an individual may make each tax year, the AA is the maximum amount of saving that you can make in a registered pension scheme each tax year without incurring a tax charge.
- 3.1.2 For the 2019/20 tax year the AA is £40,000. Any pensions savings in excess of this will be subject to an annual allowance tax charge. Pensions savings for the purpose of calculating the AA include both employer and employee contributions. The government may change these limits in the future. Different annual allowance limits may apply to any separate defined contribution pension savings you may have.
- 3.1.3 From 6 April 2020, the taper will apply to those with a threshold income (taxable income including earnings from all employment and income from other sources such as rental properties, investments and pensions) of over £200,000 and adjusted income (threshold income plus the value of pension savings) of over £240,000.
- 3.1.4 Both thresholds have been increased by £90,000 from the previous values of £110,000 and £150,000 respectively.
- 3.1.5 The rate of reduction in the annual allowance (from the current maximum of £40,000) is by £1 for every £2 that the adjusted income exceeds £240,000. The reduction is applied up to a minimum annual allowance of £4,000 once adjusted income reaches £312,000. This means an individual's tapered annual allowance will be between £40,000 and £4,000.
- 3.1.6 Benefits are tested against the tapered annual allowance by applying a factor of 16 to the increase in the benefit (the pension input amount) over the year.

- 3.1.7 You can work out if the taper applies to you here:
<https://www.gov.uk/guidance/work-out-your-allowances-if-youve-flexibly-accessed-your-pension>.
- 3.1.8 Additional information is also provided in the following guidance from NHS Employers:
- <https://www.nhsemployers.org/-/media/Employers/Publications/Reward/Annual-Allowance-briefing-Sept-2018.pdf>.
 - <https://www.nhsemployers.org/-/media/Employers/Publications/Reward/Pension-tax-changes-April-2020-Info.pdf>
- 3.1.9 As the calculation of the taper is based on levels of pensionable and non-pensionable income from all sources, it is likely that most of the requests Trusts are seeing for reduced hours or reluctance to take on additional shifts are based on concerns around the impact of the tapered annual allowance.
- 3.1.10 Currently unused AAs from the preceding three tax years can be carried forward, and these can reduce or in some cases eliminate an AA charge that would otherwise apply.
- 3.1.11 If you exceed your AA you will have to report this in your annual tax return, and any pension savings which exceed the AA will be taxed at your marginal rate.
- 3.1.12 If an annual allowance tax charge arises, you may (depending on the circumstances) be able to request that the NHS Scheme pays the tax charge on your behalf. This means that any tax charge is paid from your pension rather than you having to pay this from your other savings. This is referred to as “scheme pays”. Further information on scheme pays for the NHS Scheme can be found here: <https://www.nhsbsa.nhs.uk/member-hub/annual-allowance>

3.2 Lifetime allowance

- 3.2.1 While there are no limits on the amount of pension you can build up or the amount which can be paid into your pension arrangement over the course of your working life, the LTA is the maximum amount of pension savings that you can build up in all of your registered pension schemes without incurring a tax charge.
- 3.2.2 In the 2019/20 tax year the lifetime allowance is set at £1,055,000 (unless you have lifetime allowance protection). The LTA will be indexed rising annually in line with the increase in the Consumer Prices Index (CPI). The government may decide to change these limits in the future. Current HMRC limits in place from time to time can be found here: <https://www.gov.uk/tax-on-your-private-pension/lifetime-allowance>
- 3.2.3 The test against LTA is normally assessed at the date that any of your benefits are drawn, or age 75 if you have not taken your benefits by then. This is known as a benefit crystallisation

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event.

3.2.4 Currently, in basic terms, pension savings which exceed the LTA on the date of a benefit crystallisation event will be subject to a one-off tax charge of 25% and will then be taxed at your marginal income tax rate. Additionally, any benefits above the LTA taken as a lump sum payment will be subject to a tax charge of 55%.

3.2.5 Those staff with pension benefits that are approaching the lifetime allowance value may wish to discuss their options with an independent financial advisor.

3.3 How do annual and lifetime allowances operate?

3.3.1 The AA and LTA operates differently dependent on the relevant pension scheme arrangement as summarised in the table below:

	AA	LTA
Defined contribution	Total amount of contributions paid in by you or anyone else.	Capital value of all pension pots that goes towards paying benefits, however you decide to take them.
Defined benefit (such as the NHS Scheme)	The annual increase in the pension benefits promised to you when you retire in accordance with the rules of the scheme.	Calculated using a set formula of usually 20 times the pension you get in the first year plus your lump sum.

3.3.2 If you have been building up pension benefits or have pensions savings in more than one registered pension scheme in the UK, the you will need to add up the amount in all the pension schemes you belong to when determining if you are approaching or have reached the AA or the LTA (as applicable).

3.4 Your options

3.4.1 If you are currently an active member of the NHS Scheme, and will be affected by the AA or LTA you can:

- a) Continue in the NHS Scheme and bear any additional tax charges that arise; or
- b) You can opt out of the NHS Scheme and be paid a separate cash payment as

explained in 3.5/3.6 below (“Separate Cash Payment”).

If you opt out of the NHS Scheme you will become a deferred member. You will also not be able to make any further money purchase additional voluntary contributions into the NHS Scheme.

The Separate Cash Payment that will be paid to you in the event that you opt out of the NHS Pension Scheme will be the sum equivalent to the Employer’s Contribution (amount that the employer would pay into the relevant NHS Pension Scheme if you were still a member of that NHS Pension Scheme) net of the employer’s National Insurance contributions, maintaining cost neutrality to the NHS. This will be paid as a supplement to your salary and so will be subject to income tax.

From 1 April 2019, NHS Employers have confirmed that 6.3% of the employers’ 20.6% contribution has already been passed to the NHS Pension Agency meaning this is not available for the employer to pass onto staff. In addition, any increase in salary as a result of receiving employer contributions will be liable for national insurance contributions.

Your pensionable pay for the purpose of calculating the Separate Cash Payment will be determined by the Trust but will be based on what your pensionable pay would have been for the purpose of calculating employer contributions to the NHS Scheme had you continued to participate in the NHS Scheme.

3.4.2 If you opt out of the NHS Pension Scheme, it is your responsibility to provide the pension scheme administrator with effective notice of the opt-out. You must provide the Trust with a copy of this notification and evidence that the opt-out is effective, before any cash payment will be paid. Please see the application form for more information.

3.4.3 If you opt out of the NHS Scheme, there may be a significant impact on the level of benefits you may receive from the NHS Scheme. In particular, there is likely to be a notable reduction in your ill-health benefits and death benefits from the NHS Scheme. Some of these benefits will no longer apply to your employment and you are advised to contact the NHS Pension Scheme directly to find out the effect on you and your dependents. Additionally, benefits on redundancy may be affected. You should carefully review and consider the impact of opting out of the NHS Scheme on all of your benefits and may wish to seek to implement your own insurance or other protection in order to replace these lost benefits.

3.4.4 This is only one option that may be available to you. Other options may be available. If you are concerned about this issue, we suggest you discuss the matter with the Trust to determine the options available to you.

3.5 Impact of the separate cash payment

3.5.1 The Separate Cash Payment would not form part of your base salary and would not be included in the calculation of any overtime, bonus, long-term incentive plan, or other benefit entitlements that you may have.

3.5.2 Although not forming part of your base salary, the Separate Cash Payment will increase the amount that you receive each month. It will also impact on the following:

- a) The separate cash payment will be included in the calculation of holiday pay;
- b) The amount of any redundancy pay calculation, but only in so far as the statutory cap applies (currently £508). Where your week's pay is higher than the statutory cap applicable at the point of redundancy, then the Separate Cash Payment will not be included in the calculation.
 - i. Where possible the Separate Cash Payment would be paid in equal monthly instalments in arrears depending on the number of requests and payroll/pension team capacity. Individuals will be notified when payments will be processed.
 - ii. Payments would be subject to deduction for income tax and national insurance contributions.
 - iii. As noted at the onset of this policy document, the Trust may amend or remove the policy at any time. The Trusts' discretion is absolute in relation to the policy as a whole and/or its ongoing application to any individual employee, and that discretion will be exercised taking into account the purpose of this policy as set out in paragraph 1.2 above (i.e. there will need to be a clear and justifiable operational need to retain the member of staff before the Trust can agree to making a Separate Cash Payment).

3.6 Making a request

3.5.3 In order to make a request under this policy you must provide evidence that you are affected (or about to be affected) by the AA (including the tapered AA) or the LTA if your current pension arrangements continue.

3.5.4 Individuals are responsible for obtaining whatever financial advice is necessary for them to make an informed decision, including where appropriate (though not limited to) professional advice from an accountant or independent financial advisor, guidance from the NHS pension scheme: <https://www.nhsbsa.nhs.uk/nhs-pensions> information from reputable sources such as professional organisations and unions, HM Revenue & Customs.

3.5.5 Retrospective Evidence that you are or would be affected by:

- a) AA will usually be in the form of acceptable document evidence from NHS Business Services (and any other pension provider) confirming the annual increase in your NHS pension benefits (and any other contributions paid to any other applicable pension scheme) and acceptable documentary evidence confirming that you may be subject to an annual allowance tax charge (note that if you are subject to the tapered annual allowance this may take the form of proof of earnings from all income sources);
- b) The LTA will usually be in the form of confirmation (such as benefit statements) from all your pension arrangements detailing your total pension entitlement

3.5.6 Prospective Evidence that you will be affected will typically be in the form of pension/pay modelling data using evidence from sources contained within 3.5.4 & 3.5.5 taking into account for ample, incremental pay progression and changes in working patterns and/or proof of projected income from multiple sources.

3.5.7 If your request is granted and the Trust subsequently determines that you did not have reasonable grounds to anticipate being subject to AA/LTA charge (as applicable), any sums paid to you as cash payments in accordance with this policy may be deducted from your salary or any other sums owed to you by the Trust if determined appropriate and reasonable in the circumstances. Vulnerability to AA charge will be judged with regard to the possibility of large Pension Input Amounts in future years through, for example, incremental progression.

3.5.8 If you are interested in taking advantage of this policy, you should speak to the HR department before submitting a formal request to change your current pension arrangements. You will be provided with a copy of a Request Form, which will require completing and submitting via Pensions@LHCH.nhs.uk with the relevant evidence to make a formal request.

3.5.9 In some cases there will need to be a meeting with you before making a decision.

3.5.10 Your request should be made as soon as possible. The Trust accepts no responsibility for changes to pension benefits or arrangements not being made in sufficient time to avoid the impact of the AA or LTA (as applicable).

3.5.11 If your request is accepted, or where the Trust proposes an alternative to the arrangements you requested, we will write to you with details of the new arrangements, an explanation of the changes to your contract of employment, and the date on which the new arrangements will commence. You will be asked to sign and return a copy of the letter. This will be placed on your record to confirm the variation of your terms of employment.

3.5.12 Changes to your terms of employment will be for the period up to 31st October 2020. However, the Separate Cash Payment will apply to your current role only. In the event that you apply for or otherwise change roles, then the continuation of the Separate Cash Payment will be at the absolute discretion of the Trust, although not unreasonably withheld.

3.5.13 If your request is refused you will not be able to make another request to change your pension arrangements by means of this policy unless there has been a change in circumstances in terms of how the AA or the LTA (as applicable) affects you. You may still have the right to opt-out of the NHS Scheme or discuss alternative options.

3.5.14 If your request is refused, reasons for refusal must be provided in writing, and you may appeal to the Chief Executive in the case of factual inaccuracy. Acceptance of requests shall not be unreasonably withheld.

3.7 Your responsibilities

3.6.1 The Trust cannot advise you if the options set out above will be right for you. If you believe that you may be affected by the AA or the LTA (as applicable) you must take a decision based on your individual circumstances and we strongly advise you to take independent financial advice. Some Trade Unions (including the BMA) offer advice to their members as part of their membership offering.

3.6.2 Evidence that you have taken independent financial advice (such as a statement from your Financial Advisor) or a statement from you that you have fully understood the risks of choosing a particular option with regard to your pension will need to be submitted with your Request Form. The Trust accepts no liability or responsibility for the consequences of any changes to your pension benefits or arrangements, or consequences of no changes being made.

3.6.3 The Trust will not provide you with financial advice. You may receive notifications from the NHS Pension Scheme about your annual and lifetime allowances. However, ultimately you are responsible for keeping track of your total pension benefits and for managing your personal tax allowances and affairs. You are responsible for notifying the Trust if you are affected by the AA or the LTA, and wish for your pension arrangements to be changed in accordance with this policy.

3.6.4 You are responsible for monitoring the AA and the LTA limits (as applicable) in place from time to time. If you are affected by the AA or the LTA (as applicable) it is your responsibility to report this to HMRC and to ensure that any tax charges are paid.

3.8 Automatic enrolment

If you opt out of the NHS Scheme, the Trust will be under an obligation to automatically enroll you into a qualifying pension scheme in the future (unless you have LTA protection or are not eligible for automatic enrolment). You will need to arrange with the Trust's Pension Manager to opt out of membership of the qualifying pension scheme before contributions are paid to ensure that further pension benefits do not start to accrue. If you choose to remain within that

qualifying pension scheme, any Separate Cash Payment would be reviewed and could be stopped or adjusted to take into account the employer contributions being paid on your behalf.

4. Policy Implementation Plan

The Director of People and Culture will be responsible for implementation of this policy.

This Policy has been consulted widely throughout the Trust with Lead clinicians and staff side partners.

The policy will be implemented on a Trust wide basis to Clinical staff only. The policy will be made available on the intranet and disseminated to all wards / departments.

Awareness will be provided via divisional and corporate structures and via the Trust Newsletter, Team Brief and Corporate Communications.

5. Monitoring of Compliance

5.1 A report will be produced monthly in order to monitor the demand, financial impact and in line with any legislative or national changes. This will be reviewed through the Trust Executive Committee.

6. References

6.1.1 NHS Employers – Lifetime Allowance and Annual Allowance

6.1.2 NHS Employer guidance – Pension tax guidance for employers – local measure to support staff and service delivery during the 2019/20 financial year.

7. Endorsed By:

Name of Lead Clinician / Manager or Committee Chair	Position of Endorser or Name of Endorsing Committee	Date

Appendix 1

NHS Pension Taxation Flexibilities Form

Full Name:

Job Title:

Assignment Number:

NI Number:

Pension SD Number:

Pension Flexibilities applying for:

(Please cross all that apply)

- Paying the employer contributions as additional salary**
If chosen, you MUST complete and return Appendix 2 contained within the Trust Pension Contribution Alternative Award Policy along with this form.
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Disclaimer

In making this request, I acknowledge that neither the Trust or any of its representatives has sought to advise me or influence my decision in any way and I can confirm that I have taken independent financial advice in respect of the options I am requesting under this form.

I acknowledge that the financial consequences of my decision may be worse than choosing to remain in the pension scheme. I confirm that I indemnify and hold harmless the Trust in respect of all and any consequences of my making this decision. In signing this form, I confirm that I understand and agree to the terms of this disclaimer.

Signed (Handwritten signature):

Print Name:

Date:

Please complete and email to Pensions@LHCH.nhs.uk

Appendix 2: Pension contribution alternative award policy

Request form for separate cash payment

Full name	
Job title	
ESR assignment number	
NHS Pension Scheme membership reference	
Proposed opt out date of the NHS Pension Scheme	

I confirm that:

- I have read and understood the Pension Contribution Alternative Award Policy.*
- I am affected (or about to be affected) by the Annual Allowance or Lifetime Allowance if my current pension arrangements continue and have provided evidence of this (as per section 9.3 and 9.4 of the policy).
- I have obtained whatever advice is necessary to allow me to make an informed decision in relation to this application and have provided evidence of this (as per section 10.2 of the policy).

I understand that:

- The policy and the separate cash payment do not form part of my contract of employment.
- The Trust may amend or remove this policy and payment at its sole and absolute discretion.
- The separate Cash Payment does not form part of my base salary and is not included in the calculation of any overtime, bonus, long-term incentive plan, or other benefit entitlements that I may have.
- Payments will be subject to deduction for income tax and national insurance contributions.
- The Trust accepts no liability or responsibility for the consequences of any changes to my pension benefits or arrangements, or any consequences of no changes being made.

Disclaimer:

In making this request I acknowledge that neither the Trust or any of its representatives has sought to advise me or influence my decision in any way and I can confirm that I have taken independent financial advice in respect of the option I am requesting under this form.

I acknowledge that the financial consequences of my decision may be worse than choosing to remain in the pension scheme. I confirm that I indemnify and hold harmless the Trust in respect of all and any consequences of my making this decision. In signing this form, I confirm that I understand and agree to the terms of this disclaimer.

Signed	
Name	
Date	

Please email with accompanying evidence to Pensions@lhch.nhs.uk

* NHS Employer guidance – Pension tax guidance for employers – local measure to support staff and service delivery during the 2019/20 financial year.

Appendix 3: Equality Impact Analysis

Desk Top Screening Form (EA1)

Introduction and Guidance

Equality Analysis has two key stages within it. Stage 1 involves **screening** the strategy, policy or function to help determine if a **full equality analysis** is required -Stage 2

Equality Analysis Desktop Screening helps to determine the potential or actual impact (both positive and negative) that a strategy, policy, practice, may have on one or more groups of people who may share a protected characteristics. These protected characteristics as defined by the Equality Act 2010 are listed below:

- Age
- Race
- Disability
- Gender
- Gender Identity
- Marriage and civil partnership
- Pregnancy and maternity
- Religion or belief (including lack of belief)
- Sexual orientation

This desktop screening template (EA1), forms part of LHCH's new **Equality Analysis Guidance Pack** and has been designed to ensure that the screening process is done effectively and efficiently.

If the outcome from this initial screening is that there will be or is little or no impact, then a full Equality Analysis may not be deemed as necessary. It will be important to qualify your rationale for determining little or no impact, so please outline this as clearly and concisely as you can on this form.

Please refer to the Factsheets* to guide your **Desktop Screening** process.

Remember to ensure that the form is attached or included as appendices in any relevant reports and that or documents and is attached and filed with the strategy, policy, and practice documentation accordingly. **A copy of this form must be kept within your department for audit purposes.**

To keep up to date on the latest guidance go to the website of the Equality and Human Rights Commission: www.equalityhumanrights.com

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Equality Analysis Desktop Screening Template EA1

Section One

1. What strategy, policy or practice are you screening?	Pension Contribution Alternative Reward Policy
2. Can you summarise the strategy, policy, practice purpose, aims, objectives and outcomes?	The Policy outlines the arrangements and options for employees who are currently active members of the NHS Pension Scheme who may be affected by the annual allowance in respect of their pension savings in registered pension schemes in the UK
3. Is this a new or existing strategy, policy or practice?	New Policy
4. Who is responsible for this strategy, policy or practice?	Sue Hodgkinson, Director for People & Culture
5. Who is leading on this desktop screening and who else may be involved or consulted to help complete this desktop screening?	Rachael McDonald, HR Business Partner & Lead for E&I Vicki Wilson, Head of HR
6. Is the strategy, policy or function related to other strategies, policies or practice? Please list which ones	No
7. Who are the key stakeholders or intended beneficiaries of the strategy, policy or practice?	This policy outlines an option for employees who are currently affected by the annual or lifetime allowances in respect of the pension savings in the registered pension scheme

Section Two

- Is there potential/risk for **negative** impact on one or more groups who may share a protected characteristic or be in another socially excluded group?
- Is there potential benefit/ opportunities for **positive** impact on one or more groups who may share a protected characteristic?

Please refer to Factsheet * for more information, but this may include:

- Possibility of discriminating against older people, people with mental health problems, or Gypsy/traveller communities?
- Alienating people with particular religious belief, in pursuit of promoting inclusion for people who are lesbian, gay and bisexual
- Increasing levels of participation from younger patients, or people with learning disabilities by targeting events at them?
- Potential for people to work part time, not to feel as included in staff engagement programmes as their full time colleagues.
- Cuts to services, meaning that vulnerable people living in more deprived areas will have accessibility challenges in the future.

Process Followed

This EQIA involved a review of the Trusts overall workforce profile and then comparison between the workforce group that would be eligible for the Pension Alternative Option and those who would not. Whilst it is not possible to identify with certainty who would be eligible, for the purpose of this EQIA, the workforce has been categorised as those who are recorded as staff as earning 90k or above in the 2018-19 financial year. This confirmed 74 staff were in scope for this assessment.

This assessment showed that a number of protected characteristics are significantly underrepresented in the eligible group, proportionately to their representation in LHCH workforce as a whole

Protected Characteristic/Other Groups	Positive Impact (please specify)	Negative Impact (please specify)	Neutral Impact (please mark)	Unknown (please mark)
(Socially Excluded groups) i.e. Carers, people living in deprived areas, refugees, asylum seekers, rough sleepers	N/A	N/A	<input type="checkbox"/>	✓
(Age) i.e. Older or younger people	Older staff are proportionally over represented – 30% of the Trust is 50 or over and 42% of the eligible group are over 50	Younger staff are proportionally under represented. 24% of LHCH staff are under 40 yet only 0.01% of the eligible group are under 40.	<input type="checkbox"/>	<input type="checkbox"/>
(Race) i.e. People who are from majority or minority ethnic groups(i.e. White British, Black or Asian,	BAME staff are proportionally over represented – 12% of the workforce identify as BAME and 36% of the eligible group are BAME		<input type="checkbox"/>	<input type="checkbox"/>
(Disability) i.e. People who are blind or visually impaired, those with learning disabilities or mental health problems.		3% of the workforce report as disabled, however, not a single member of the eligible identify as such. The assessment also shows that the eligible group were significantly more likely to	<input type="checkbox"/>	<input type="checkbox"/>

		choose not to disclose their disability status		
(Gender) i.e. Men or Women – including Pregnancy or maternity for women, paternity for men or parental leave for both		Females are proportionally underrepresented . 74% of the Trusts workforce is female, yet only 19% of the eligible group are females	<input type="checkbox"/>	<input type="checkbox"/>
(Gender Identity) i.e. people who may not identify as the gender assigned at birth, or undergoing gender reassignment			<input type="checkbox"/>	Not recorded in ESR
(Marriage& Civil Partnership) People who are in same sex or heterosexual relationships with a religion or belief (or who choose not to have a religion or belief)			<input type="checkbox"/>	<input type="checkbox"/>
(Religion and Belief) i.e. People who have no religious belief, those who identify with a specific religion- Hinduism, or have cultural norms and practices linked to their spiritual beliefs or ethnic background, such as vegetarianism or halal			Whilst Christianity is the predominant religion amongst the overall workforce, there is more varied representation of religious belief amongst the eligible group	<input type="checkbox"/>
(Sexual Orientation) i.e. People who are straight, gay, lesbian, bisexual		TBC	<input type="checkbox"/>	<input type="checkbox"/>

<p>6. Where potential adverse impact has been identified, can any low level action be taken to change the likely impact of a decision on a particular group?</p> <ul style="list-style-type: none"> • Where low level action can be taken <u>there may be no need to proceed to a full equality analysis.</u> • Where low level action cannot be taken, or impacts are judged to be unknown, or 	<p>The assessment above clearly shows that the Policy is potentially indirectly discriminatory to a number of protected characteristics. However, the law provides for '<i>objective justification</i>', which gives a defence for applying a policy, rule or practice that would otherwise be unlawful indirect discrimination where the organisation can show that it is 'a proportionate means of achieving a legitimate aim'. It is clear from the clinical, operational and financial impact described above that there is significant objective justification for implementing Pension Contribution Alternative Reward Policy for some individuals at the Trust</p>
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considered to be major; <u>a full impact equality analysis will need to be completed.</u>	
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Section Three

<p>7. For FULL IMPACT ASSESSMENT ONLY</p> <p>On a scale of high, medium or low, assess the strategy policy or practice in terms of its priority for full impact assessment.</p> <p>Priority could be linked to:</p> <ul style="list-style-type: none"> - the achievement of objectives in the Strategic Plan; - securing funding (etc.); - responding to complaints or other areas identified for action. 	<table border="1"> <thead> <tr> <th>Priority</th> <th>Rationale (please add any commentary)</th> <th>Please select</th> </tr> </thead> <tbody> <tr> <td style="background-color: #c06060;">High</td> <td>Needed within 1 – 2 months</td> <td style="text-align: center;">x</td> </tr> <tr> <td style="background-color: #f4a460;">Medium</td> <td>Needed within 3 – 6 months</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="background-color: #a4d4a4;">Low</td> <td>Needed within 6 months – 1 year</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </tbody> </table>	Priority	Rationale (please add any commentary)	Please select	High	Needed within 1 – 2 months	x	Medium	Needed within 3 – 6 months	<input type="checkbox"/>	Low	Needed within 6 months – 1 year	<input type="checkbox"/>
Priority	Rationale (please add any commentary)	Please select											
High	Needed within 1 – 2 months	x											
Medium	Needed within 3 – 6 months	<input type="checkbox"/>											
Low	Needed within 6 months – 1 year	<input type="checkbox"/>											

<p>8. <u>Signed (prime author of strategy, policy or practice under review)</u></p> <p>Name: Sue Hodkinson</p> <p>Job title: Director of People & Culture</p> <p>Date: 31/12/2019</p>	<p><u>Reviewed & Approval</u></p> <p>Name:</p> <p>Job title:</p> <p>Date:</p>
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9. Record of Changes

Section No	Version No	Date of Change	Description of Amendment	Description of Deletion	Description of Addition	Reason