

NHS employee misled into working too long

By Pippa Stephens | 12 December 2011 |

NHS Pensions was fined £4,000 after one member mistakenly carried on working for two years, having been led to believe accrual in her pension could continue.



Ms Foster was told she could carry on contributing to her pension, despite having reached the maximum 45 years' pensionable service. The scheme originally offered £250 compensation.

She had contacted the scheme to ask if she could carry on contributing despite having already accrued the maximum service, and the scheme informed her if she did, she will have the benefit of getting a higher final pay figure at retirement.

Two years later, the scheme wrote to Ms Foster informing her that contributions should have stopped on her 65th birthday and refunded her £3,457.53, with an interest of £112.51.

Ms Foster said she would have worked only part-time in light of this information – and requested the extra pension paid to her should be from her last three, instead of her first three, years of employment as she “cannot buy back lost leisure time”.

Deputy ombudsman Jane Irving ruled “distress and inconvenience” had been caused by maladministration on the part of NHS Pensions, and instructed it to recompense Ms Foster £4,000 in 28 days.

Jennie Kreser, partner at Silverman Sherliker, said she was not surprised at the ruling.

“How do you quantify someone working for two years when they clearly did not need to?” she said.

But Kreser added Ms Foster's request of the final three years being paid was slightly “cheeky” and agreed the amount recompensed was just.

Anne-Marie Winton, partner at Nabarro, said: “Some confusion can easily arise due to the A-day changes, where those involved in the running of schemes may now not be 100% sure what benefits are provided under the scheme rules when old revenue limits are met – such as a maximum 45 years of pensionable service.

“But ignorance is no excuse, as this decision shows, even though having members with more than 45 years in the same job in a defined benefit scheme with continued accrual may well be a pretty rare occurrence.”

James Davenport, communications manager at the NHS Business Services Authority, said: “NHS Pensions did not object with the final determination of the pensions ombudsman in this case and has fully complied with the directions given.”

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