

NHS pension arrangements

A statement from the Academy of Medical Royal Colleges

June 2019

The Academy of Medical Royal Colleges (the Academy) has previously stated that the Government must address the problems around pension arrangements which are resulting in doctors reducing their hours, not taking on extra commitments or retiring early.

The Academy's concerns are about threats to capacity and retention of experienced staff in the NHS. The current pension tax arrangements are having a negative impact on the retention of senior doctors and therefore on the overall level of experienced medical staffing in the NHS.

The huge financial impact of pension taxation arrangements on individual doctors means that it does not make financial sense for them to undertake much needed, additional work or remain at work. This is affecting the overall level of medical staffing in the NHS and damaging the capacity of the NHS to provide safe medical care.

At a time when the Government is actively trying to increase the number of doctors and other clinical staff and maximise their input it is irrational that other Government action is resulting in senior doctors either leaving the service or being disincentivised to do more work. This is not about special pleading. It is about having pension and taxation arrangements that encourage staff to stay at work and contribute to the NHS. At present they are doing precisely the opposite in driving highly experienced doctors who want to continue to contribute away from the NHS.

We recognise that this problem is acknowledged by the DHSC and NHS Employers as well as staff bodies. The proposals announced today for changes to the scheme and further consultation are therefore welcome, but do not address all the pension issues. The Academy would support any proposals which enable more flexibility and ultimately the Government is going to need to grasp the nettle of the current taxation arrangements which are at the root of the problem.

The damaging and negative effects of the current situation on the NHS has to change and the publication of the People Plan today provides the opportunity for the Government to show a serious commitment to do so.