Ombudsman's Determination

Applicant	Dr Paul Alford
Scheme	NHS Pension Scheme (**the Scheme**)
Respondent(s)	NHS Pensions

Complaint summary

Dr Alford has complained that NHS Pensions' maladministration of the annual pension estimate process has resulted in him being liable for an Annual Allowance (**AA**) tax charge in the 2011/12 tax year.

Summary of the Ombudsman's determination and reasons

The complaint should not be upheld against NHS Pensions because there was no statutory duty to provide a Pension Saving Statement prior to the end of the 2011/12 tax year. While the estimate information that they gave could have been clearer it was not provided for AA purposes.

Detailed Determination

Material facts

1. HMRC sets an annual limit on the tax relievable amount of pension savings that an individual can have in a year. This limit is known as the “Annual Allowance”. If this amount is exceeded it gives rise to a tax charge known as the AA charge. For the tax year 2011/12 the AA limit was £50,000. The AA charge is applied in such a way as to generally restrict the tax relief that an individual receives to £50,000 for that tax year (the main exception is if “carry forward” applies, which is where an individual brings forward a shortfall in contributions from a previous year to offset again an excess in the current year). Excess growth over the limit is added to the individual’s other taxable income and then taxed at their resulting marginal rate.

2. For a member of a final salary scheme the way to calculate the amount to be tested against the AA is to take the opening capital value of the member’s benefits as at the start of the year in question and then subtract this from the closing capital value at the end of the year (this in turn involves multiplying the accrued pension amount by a factor of 16 and adding the difference in any additional lump sum as well). The opening amount is also adjusted for a change in the Consumer Prices Index. The difference gives the final value to test against the AA, which is known as the “Pension Input Amount”. Under the Scheme the pension input period runs from 1 April to 31 March each year.

3. HMRC’s Registered Pension Schemes Manual details when an individual must be given information about their Pension Input Amounts and also when an individual can request such information and what the scheme administrator must do (these details are contained in sections RPSM06107510 and RPSM06107520). In both cases for the 2011/12 tax year the information must be provided by 6 October 2013. The underlying legislation here is contained in the Registered Pension Schemes (Provision of Information) Regulations 2006. No mention is made in either the HMRC guidance or these regulations about scheme administrators providing estimates to members for AA purposes.

4. RPSM06109010 contains guidance on what an individual should do if they will not know their pension input details until after the self-assessment filing date. Essentially this says that if a member cannot get accurate information from their scheme administrator they should use an estimate of their pension input amount for the year to work out if they will exceed the AA. Once a member received the actual details that they need to work out their AA charge accurately, they can amend their tax return if this is within 12 months of the statutory filing date.

5. A NHS Pensions letter of 14 October 2010 gave an “estimate” of the accrued benefits for Dr Alford at 31 December 2010 of a pension of £35,060.74 a year and a lump sum of £105,182.23. It said these benefits were based on the latest total pensionable pay figure available at the year ending 31 March 2010 (it appears that this should however have been 2009, not 2010) and included any added years figures. His benefits included practitioner benefits worked out on his total pension pay, currently £1,759,475.99. This was worked out by uprating each year’s pay to values current at the end of his practitioner membership using dynamising factors for the year of his retirement. They also said that “Your basic practitioner pension is 1.4% of this amount”. The reason for not having more up to date information was either because the certificate for pensionable pay had not been submitted or his primary care trust had not updated his records. They said that if his pensionable practitioner pay stayed the same at approximately £154,156 a year then his benefits would go up for each complete year of pensionable service by £2,158.18 a year of pension and £6,474.55 on his lump sum. It was also said that these figures did not take into account future uprating factors. The subsequent paragraph went on to refer to Dr Alford’s basic practitioner pension being increased to include hospital or community membership before he became a practitioner. Mention was also made of the “estimate” including an amount in respect of added years.

6. NHS Pensions sent a letter on 4 March 2011 after receiving an earlier telephone enquiry from Dr Alford. This gave the accrued benefits as at 31 March 2011 and said this was an estimate based on the latest total pensionable pay figure for the year ending 31 March 2009 and assumed that he earned the same amount in the following years. The figures were £36,330.47 a year of pension and a lump sum of £108,991.41. The total pay was £1,834,312.77 followed by the comment that “the practitioner pension is 1.4% of this amount”. This included additional membership from added years. They went on to say that due to the special method of calculation it was “impossible to estimate projected benefits as you asked”. If his pensionable pay stayed the same at approximately £154,156 then his benefits would go up for each complete year of pensionable service by £2,158.18 a year of pension and £6,474.54 on his lump sum. Again these figures did not take into account future uprating factors. The subsequent paragraph went on to say that his basic practitioner service was increased to include hospital or community membership before he became a principal. The letter also went on to say the estimate did include credit for additional service purchased (Dr Alford has an added years arrangement under the Scheme). It was also impossible to estimate a future earnings cap figure, which would also affect his benefit calculation.

7. The 4 March 2011 letter also included some details for how the added years’ benefit is worked out. It said that the uprated pay credit is worked out by dividing the average remuneration over the period of the contract and multiplying this by the number of the years being purchased. Then the added years’ value subsequently included in the

dynamising in the year the contract finishes is the total uprated pay credit multiplied by 1.4% for the pension figure and 4.2% for the lump sum.

8. On 29 August 2011 Dr Alford wrote to NHS Pensions and asked for Pension Input Amounts for AA purposes for the tax years 2008/09, 2009/10 and 2010/11 and when details would be available for future years. He also asked for an estimate of his benefits to date.

9. NHS Pensions wrote back on 1 September 2011 to say they would not be in a position to provide such information for the 2011/12 year until after July 2012, when they received pay and service details. Due to this they could not provide information on the reduced AA and there was no present requirement on them to provide it. Since he had recently requested an estimate he would not be able to get another free estimate until 7 March 2012. They pointed to AA information on their website and a factsheet that they published.

10. Dr Alford wrote to NHS Pensions on 7 May 2012 to ask for details, including the Pension Input Amount for 2011/12 and an estimate of benefits. NHS Pensions responded initially to say that the AA information was not currently available but they would send an estimate of benefits. They followed up in 25 June 2012 with the estimate. They gave the estimated accrued benefits at 30 June 2012 as £44,670.85 a year plus a lump sum of £134,012.55. This was an estimate based on pay for the year ending 31 March 2012, currently £2,318,579.65. And if his pay stayed the same at £166,169.39 then his benefits would go up for each complete year of pensionable service by £2,326.37 of pension and £6,979.11 of lump sum.

11. In November 2013 Dr Alford was sent a Pension Saving Statement for the previous tax years. The PSS for the 2011/12 tax year gave a pension input amount of £85,131.71 against the AA.

12. Dr Alford then wrote to NHS Pensions with a number of queries, one of which was how his estimated pension benefits had reduced in 2013 from a figure given in 2012. He also asked for details of his accrued benefits as at 31 March 2012 and the calculation of the Pension Input Amount for 2011/12.

13. The NHS Pensions response of 2 December 2013 gave the actual closing value of his benefits as at 31 March 2012 as a pension of £43,241.68 a year and £129,725.04 lump sum, giving a CPI adjusted capital value of £736,460.21. The 31 March 2011 value was £37,595.60 a year pension and £112,786.80 lump sum, giving a capital value of £821,591.92. Figures for other years were also given. A follow up letter confirmed that the 2013 figures had not taken account of the latest figures and a revised amount was provided (this was in fact higher than the figures in 2012).

14. Dr Alford wrote back to say that there were large discrepancies between the figures given on his estimates and the actual final figures for his benefits. For example the 4 March 2011 letter gave figures of £36,330.47 a year of pension and a lump sum of £108,991.41, but the final figures turned out to be £37,595.60 a year pension and £112,786.80 lump sum. Similarly the 31 March 2012 final figures were a pension of £43,241.68 a year and £129,725.04 lump sum. But in October 2013 he was given figures of a pension of £42,896.11 a year and a lump sum of £128,688.33, which was actually lower. Dr Alford also pointed to issues with figures in earlier years, which he says were understated when compared to the actual growth on his benefits.

Summary of Dr Alford's position

15. He regularly contacted NHS Pensions for information in recent years due to potential issues with the AA and the Lifetime Allowance. The poor quality of information provided resulted in him not being able to anticipate a significant AA charge and hence take action to mitigate this. He has since learned that NHS Pensions did not take into account all the information available to them. He first became aware of a problem in November 2013 when he received his Pension Savings Statement. While HMRC gave until October 2013 to provide the relevant information it would be necessary for him to estimate the AA position for himself – and that would need an estimate of benefits from the administrator and therefore a reasonable level of accuracy. The margin of error cannot be unreasonably large without there being an element of maladministration, as there was here at a difference of 260%.

16. It was the responsibility of the Scheme administrator to obtain the necessary information to be able to provide a benefit statement. It was an internal issue if they were unable to do so and he cannot see where else he is able to obtain such information. He submitted his pensionable practitioners' earnings as requested in a timely manner. Had he drawn his NHS benefits via ill-health or transferred out, he would expect the correct benefits to be calculated – he sees little difference here.

17. The letters of October 2010 and March 2011 advised of an annual increase of £2,158.18 a year pension and £6,474.54 lump sum. This suggested that there would not be a problem with the AA for 2011/12 as the Pension Input Amount would be under £20,000. This left him with a margin of increase of over £3,600 a year in pension before he had any problem. It now transpired that his accrued benefits increased in 2011/12 by £5,646.08 a year pension and £16,938.24 lump sum. This is 260% of the amount advised. Had more accurate information been given he could have taken action to reduce his pensionable earnings, as he did in April 2013 when he reduced his hours.

18. Also the 4 March 2011 letter suggested an accrued pension figure of about £38,488.65 a year at 31 March 2012. But the final figure he was given is £43,241.86 – a difference of £4,753.21.

19. The accrued benefit information of 31 March 2012 suggested an increase in accrued benefits of over £5,500 a year pension and £16,500 lump sum. But statements received prior to 2010 suggested an increase in his pension of only £1,500 a year. And in a later year (2012/13) the information he received suggested a negative Pension Input Amount. He is not concerned about the method of calculation used by NHS Pensions but has grave concerns over the quality and accuracy of the data that has been input. If the inputs are wrong then so will be the outputs. This was of particular concern when the question of a tax liability is dependent on the output.

20. The injustice is the AA charge for 2011/12 of £15,195.00 plus interest as determined by HMRC. He asks to be reimbursed for this. This amount included a carry forward adjustment from a previous year (when Dr Alford was below the AA limit) else it would have been higher.

21. He has been informed that NHS Pensions in their estimates failed to take into account his pre-practitioner service, which was a known period of service which would not change and by omitting this would have understated his benefits. The 4 March 2011 estimate made no mention of this. The letter also went on to suggest that it was included.

22. He had an added years' contract which is for a known period of time to purchase a known period of service in the Scheme. Hence it should be possible to estimate the increase in added years' benefits on an annual basis.

23. NHS Pensions could not rely on information sent to him in June 2012 in their defence as it was too late for the 2011/12 tax year and thus for corrective action to be taken.

24. He accepted that his pensionable pay fluctuates but not to a significant degree. Remuneration for his concurrent hospital appointments was not significant, for 2011/12 being £7,997.52.

25. He was nearly at the Lifetime Allowance limit and had no intention of exceeding this limit. In March 2013 his benefits under the Scheme had a capital value of £1,102,298 and he would shortly reach his £1.25m personal limit. He was in his 40s and the Scheme had a normal retirement age of 60. There was no need for him to accrue benefits at a rate that incurred the AA charge and there was plenty of scope to reduce his benefit accrual before reaching the Lifetime limit. This also meant that he would not accrue any additional benefit from the AA charge he has incurred – he would still accrue the same benefits but at a greater cost to himself.

26. There was no statement or caveat on the information provided by NHS Pensions and it did not say that the information could not be used to estimate your AA position. Also requests for information from NHS Pensions were for financial planning purposes,

which included consideration of the AA. To say that information was not provided for AA purposes was the same as saying it was not provided for financial planning purposes.

27. Dr Alford has also posed a number of questions to our service about the range and purpose of information provided by NHS Pensions. As examples he asks what the reason for providing details of benefits is, why the information cannot be used for AA planning purposes, what additional information they would have needed to have provided for an estimate and who he should have contacted in order to obtain such information. He says that he needs to know where to go for AA issues as he will need to continue to estimate this in the future.

Summary of NHS Pensions' position

28. The estimated benefit statements Dr Alford received were appropriate and relevant to the requests he made. They clearly described how NHS Pensions were not in a position to provide the pension savings information he had requested. It was made clear that any information provided was an estimate and they detailed assumptions used. They were not intended as an indicator of or for AA usage but to help members estimate their future retirement benefits for planning purposes. Estimated statements can only reflect the pay and membership information that has been made available to NHS Pensions at the time that the statement is produced. So the figures were a snapshot, based on information available, at a point in time, provisional and subject to change – they were not a definitive statement of actual entitlement or an exact indication of future entitlement. There was plenty of guidance and also calculators on their website to help members assess AA liabilities.

29. They disagreed that their responses caused Dr Alford to miss the opportunity to mitigate the liability. The estimates given were a reasonable approximation of the value of his Scheme benefits at the time given the information available to them. It is not possible to predict which members may exceed the AA limit in any period and issue them an unsolicited estimate.

30. NHS Pensions were reliant on updates from the local pension administrator for the Scheme who in turn were reliant on Dr Alford submitting his "end of year certificate". They were also dependent on when the latest dynamising figures become available, and these became effective from the first working Monday of the new tax year. NHS Pensions were not aware of an individual member's earnings until after the end of any Pension Input Period. The Scheme's 1995 Regulations did not require an "end of year certificate" to be submitted until after the end of a year.

31. With practitioner members information to provide a forecast is not available. They could not predict future pensionable earnings, changes to dynamising factors or other relevant changes. Hence they include a paragraph in estimate letters saying it was impossible to predict projected benefits. Dr Alford's actual pensionable pay for 2011/12 was £182,643.16. If this figure had been used it would have given an increase in pension of £2,557 a year and £7,671 on the lump sum. This would not include the increase to dynamising factors of 6.7% which was not available at the time. Therefore the confirmation that benefits would grow by the amount described was correct for the information provided. Early estimates provided to Dr Alford understated the growth in his benefits and so it seemed unreasonable for him to rely on the figures in the third estimate. Also Dr Alford did not ask for a request for benefits at 31 March 2012 until after the end of the tax year, which he would have needed to make any AA assessment.

32. They could not give an estimate of potential growth in practitioners' benefits with any accuracy for the information to be used to calculate the potential growth of their benefits in respect of the AA. This could only be done when the relevant factors such as additional practitioner pay, added years contract, concurrent non-practitioner membership plus the value of the pre-practitioner hospital membership could be established.

33. Starting with the 2011/12 tax year they had an obligation to inform members if their pension savings exceeded the AA. They were given to 6 October 2013 to provide a Pension Saving Statement. This statement would confirm the Pension Input Amount, in contrast to estimated benefit statements.

34. The final figures they provided in December 2013 were correct. These included current pay figures and also dynamising factors. Factors other than pay affected pension growth such as the change in dynamising factors, service and added years' credits. Each years' pensionable earnings are dynamised and added together to give total pensionable earnings. The member then receives a percentage (1.4%) of this total revalued earnings as an annual pension.

35. The estimated figures were lower for the pension as at 31 March 2011 as it reflected information held on Dr Alford's record at that time. The estimate was understated for the following reasons. (i) His actual pensionable pay was higher than quoted. Dr Alford would have had a better indication for his pensionable pay for 2009/10 (£181,678) and 2010/11 (£166,169.39) as he was required to submit his pensionable pay details to his PCT. Had the pay details been available this would have given AA growth of £3,195.61. (ii) Any increase in the value of his added years contract is not included in practitioner estimates. Whilst this is not specifically stated in the estimate letter, neither does it confirm it inclusion in the projected figures. This would have given growth of

£9,003.34 (iii) The value of any future uprating is not included as the factor is not available until passed before Parliament. The 2011 Order was laid on 17 March 2011 and passed on 11 April 2011. This would have given growth of £16,524.30. (iv) Dr Alford's concurrent hospital membership is not included in the illustration. This would have meant growth of £2,730.87. These growth figures are illustrations and do not take account of all the complex assessments, known as flexibilities, undertaken when calculating benefits for a member with Dr Alford's membership pattern. Similarly they do not include a CPI adjustment. All the information needed to calculate the Pension Input Amount was not available until after the self-assessment period for that tax year.

36. Dr Alford also would have been aware from a previous October 2010 estimate that the indication of growth, when compared with the actual growth in benefits, was understated.

37. Dr Alford's Officer Membership is included by way of a factor (details have been provided to our service and Dr Alford in a table showing the changes over the years) which changes with every additional day of Scheme membership. This would also include an amount for the added years being purchased. The increase this adds to a member's pension is variable. Also the added years' contract accrues a membership credit in respect of both Office and Practitioner membership as well as a pensionable pay credit in respect of both. The credits were dependent on the value of the dynamising factors and pensionable pay earned, which makes it impossible to estimate the future value of an added years credit.

38. HMRC maintain that ultimately individuals are responsible for establishing and paying their AA charge. Dr Alford could have estimated his benefit growth using the estimate to 31 March 2011 and the estimate to 30 June 2012. By following information given by HMRC he would have come to a growth figure of over £100,000.

39. They accept that the 2013 estimate was incorrect. But other estimates were correctly produced based on the information available at the time.

40. NHS Pensions has confirmed to our service the "as at" estimate figures they provided Dr Alford did include all of his membership including his time in hospital posts prior to becoming a practitioner, any concurrent hospital membership whilst a practitioner, credits for his added years' contract (both hospital and practitioner) and the latest value of the dynamising factors. However the *projection figures*, for after the date of the estimate, were only based on members last known pensionable pay as a practitioner. This they say is confirmed in the text which said "…assuming that your pensionable practitioner pay remains at approximately…". This indicated that the other elements were not included in the potential growth figure. The value of the other variables could not be predicted and so were not included. Similarly the pay figure used was on the last

known value. This paragraph was only intended to give a basic indication of the possible increase to the member's benefits.

Conclusions

41. Dr Alford has claimed that the information that he was sent by NHS Pensions was inaccurate to a significant degree and not fit for financial planning purposes, which includes allowing for the AA limit.

42. I will deal with the statutory position first. In relation to their statutory requirements NHS Pensions were not required to provide Dr Alford with a Pension Savings Statement, showing the level of growth for AA purposes, until 6 October 2013. In practice this means that even if a scheme administrator complied with their statutory duty for information it would have been far too late for a member to mitigate their position for the 2011/12 tax year. So I could not uphold a complaint against NHS Pensions in relation to the Pension Savings Statement being provided in 2013 as they were given significant time to produce such statements and by then it would, in any event, be far too late to help with pension planning.

43. Dr Alford has said however that the nature of the estimates he received prior to the end of that tax year amounted to maladministration. He also appears to have wanted the information well in advance of the end of the tax year in order that he could take avoiding action. So while I note that NHS Pensions say that the estimate to 30 June 2012 could have been used by Dr Alford that would have been too late for him to take any action. Dr Alford himself points to issues with estimate statements for benefits in 2008 and 2013 (the latter of which NHS Pensions say was produced incorrectly). While I take on board his comments about these estimates and why he views that the estimates are flawed by the same token as which I have decided that NHS Pensions' comments about the June 2012 figures do not advance their position I do not think that these earlier or later statements advance Dr Alford's case about the information given relating to the 2011/12 tax year.

44. I find it difficult to see how NHS Pensions could have given Dr Alford an accurate indication, in advance of the end of the year, for how his pension growth would have fared against the AA limit. The method of calculation for the various parts of his membership is complex. Likewise the HMRC regulations complicate the matter further. I accept Dr Alford's argument that he would find it difficult, if not impossible, to estimate his benefit entitlement on his own. But it does not automatically follow that NHS Pensions were required to give him information in such a way that he would know his position in advance, or that the failure to do so would constitute maladministration.

45. A large part of the problem is that NHS Pensions would not have all the required information to hand before the end of the tax year. Indeed they would not have it until

sometime *after* the end of the tax year. At best they could only have provided an estimate in advance.

46. Dr Alford appears to have decided that the estimates given to him were sufficient and appropriate to use for AA planning purposes. I have some difficulty with this stance however. NHS Pensions said in the letter of 4 March 2011 that it was not possible to provide an estimate in the manner that he had requested. It was clarified again in September 2011, and other literature that they published, that they could not provide AA information until late in 2012. I do not consider that NHS pensions ever undertook to provide him with estimates for that purpose. Furthermore the letters were clear enough that some assumptions were being used. For example, Dr Alford would have known that an out of date salary figure was being applied. Also uprating factors had not been taken into account. And future earnings cap figures could not be known. So it should have been clear that the figures were just an estimate and based on a number of assumptions (and *both* the “as at” figures at 31 March 2011 and projected figures were estimates creating a potentially wider margin with the final figures – the AA check would of course be based on the *actual* figures as at 31 March 2011).

47. Where NHS Pensions were not so clear was in their provision of the estimates of future benefit accrual. The “as at” figures they provided included all the various tranches of Dr Alford’s membership. But the future estimates only included his practitioner service. NHS Pensions say this would have been inferred from the wording that said “…assuming your pensionable practitioner pay remains at approximately…” (in fact only the 2010 letter used the word “practitioner”, the 2011 letter did not but it would have been clear what the figure represented and so I do not view that anything turns on this). In my view, and from my reading of the letters, this was not made particularly clear. Both letters had text to the effect of “…each further complete year of pensionable service after *[date]* will increase the benefits shown above by…”. The subsequent paragraphs also went on to mention hospital/ community membership. And in the case of the 2010 letter the inclusion of added years. I could see no clear comment that this was the case only for the “as at” figures and not the future estimate, which only took into account practitioner service. Indeed the wording said that it “will increase the benefits shown above by…”.

48. But while I think that the presentation of the information could have been clearer I do not think that it would be correct to say that NHS Pensions undertook to provide an estimate for AA purposes or that Dr Alford was entitled to rely on the estimates produced for that purpose. They were only ever in a position to give very rough figures for any future estimate. And while I am sympathetic with Dr Alford’s difficulty in meeting the requirements of the HMRC legislation I do not view that the tax charge he has incurred is down to the actions of NHS Pensions or should be met by them. I will add

here that all the figures provided, bar those from 2013, were accurate based on the information that NHS Pensions had available, i.e. that no mistakes were made

49. Dr Alford adds that the estimates he was sent contained no caveats. But, as said above, he was told in a 2011 letter that NHS Pensions could not provide information about the reduced AA until the summer of 2013. This was also said on the AA section of their website and again in their AA factsheets. So their position was quite clear in my view. Also at the point that Dr Alford got the estimate letter of March 2011 which said that it was not possible for them to provide figures in the manner that he had requested my view is that he should have queried this. He suggests that he was still entitled to rely on the figures given. But I do not think it can be right that a letter containing a statement that it was “impossible” to provide figures on the basis requested could later be relied on by a member as being provided for the purpose it was requested (and then later make a compensation claim for the personal tax liability incurred for relying on that information).

50. Indeed having been told that it was impossible to provide figures on the requested basis he might well have queried (assuming he did not know himself) on what basis the figures were calculated. Had he done that NHS Pensions would no doubt have said that the projection was only based on his practitioner service (and not the other elements of his membership). Even if the wording was not completely clear this could also have been inferred from the 2010 and 2011 estimates in that the projection figure was simply 1.4% of the practitioner pay figure, and so did not include the other elements that made up his total entitlement.

51. Dr Alford also asks what the purpose of such illustrations is if they are not to be relied upon. The purpose of illustrations simply to give a *guide* as to what could likely be accrued in the future (and the projection estimate figure given here only gave a prediction on what the practitioner portion of his membership would likely accrue). That is quite different to saying that NHS Pensions undertook to work out a potential (and personal) tax liability on his behalf.

52. He has also queried what additional information NHS Pensions would have needed to have provided in order for an AA estimate to have been made. I do not consider that there was a duty on NHS Pensions to provide anything other than basic details here. It is not for our service to say what would be good practice and that is not our role. If there is an established standard of practice, e.g. from the Association for British Insurers or The Pensions Regulator, then I may refer to it (though whether it's met or not is not necessarily the test for maladministration). It is not part of our function to introduce standards for the industry where there are not any. There was no statutory duty for the administrator to help him work out his AA position in advance. Any judgment would be based on what I felt to be reasonable in the circumstances. As I

said above Dr Alford took the decision to rely on the estimate on only his practitioner benefits. A more accurate estimate would have been provided if the AVC and concurrent hospital membership were included. NHS Pensions likely would have given him more details on the calculation of the different tranches of his benefits if he had asked (but even then a large number of assumptions would have been needed in producing all of these figures, meaning that any figures would be only ever be rough estimates).

53. As I said earlier the calculation method for his benefits is complex. And the issue of the AA is a personal tax matter for Dr Alford. I can only suggest that he seek professional advice from an IFA, tax adviser, the BMA or similar party if he needs help with assessing a potential AA liability in the future.

54. Dr Alford has drawn an analogy with the situation where a member becomes a deferred member and transfers out of the Scheme or retires on ill-health grounds. However I do not think that this is an appropriate comparison. In the examples he highlights the member's benefits would crystallise. Then details such as his or her length of service and final pay become a matter of fact. That is not analogous with the situation where an estimate is sought *in advance* and there are many unknown factors in play when trying to prepare any future figures.

55. For the reasons given I do not uphold the complaint against NHS Pensions.

Jane Irvine

Deputy Pensions Ombudsman
30 March 2015