

KING EDWARD'S HOSPITAL FUND FOR LONDON.

K.F. 18/26

PENSIONS FOR HOSPITAL OFFICERS AND NURSES.

OUTLINES OF SCHEME AS APPROVED BY THE KING'S FUND FOR THE PURPOSE OF
SPECIAL GRANTS IN AID.

JUNE 1926.

King's Fund Grants towards an Approved Scheme.

1. The General Council of King Edward's Hospital Fund, on May 14th, 1926, passed the following resolutions :—
 - (A) that, in making annual grants to maintenance to Hospitals on its list at the ordinary distribution, the King's Fund should take into account (subject to such conditions as may be approved by the Management Committee) the amount spent by a Hospital on an approved contributory pensions scheme, including amounts spent in respect of existing officers and retired officers ;
 - (B) that the assistance offered by the King's Fund should be on the following scale, viz.: a maximum sum for 7 years of £20,000 a year, or 25% of the expenditure of the Hospitals on the approved scheme, whichever is the smaller ; this amount to be provided as far as possible by means of a special appeal in selected quarters, and to be increased if sufficient funds are realised by such appeal.
2. The Management Committee have considered these resolutions, and also the opinions expressed at the Conference of representatives of Hospitals in sympathy with the scheme, held at the Mansion House on May 19th (see the memorandum "Report of Conference," K.F.17/26). The decisions of the Management Committee as to the conditions of special grants from the King's Fund are set out in the Appendix on page 6 below. On the question what is meant by an approved scheme for the purpose of such grants, the Management Committee have resolved as follows :—

"that by an 'approved scheme' the King's Fund will mean the Scheme
"as set out in paragraphs 3 to 12 of this memorandum, subject to such
"decisions on points of detail as the Council of the Scheme may make
"and the King's Fund may approve."

*Outlines of Approved Scheme
as defined in paragraph 2 above.*

3. GENERAL BASIS OF SCHEME (*cf.* K.F.18/25, par. 11).

The scheme is to be on the general lines of the Federated Superannuation System for Universities, *i.e.*, it is to be a contributory scheme whereby

insurance policies are taken out for the individual employees, the annual premiums being based on a percentage of salary and emoluments, and paid partly by the employer and partly by the employee. The policy, which is held by the Institution, follows an officer or nurse who leaves before pension age for another Institution within the scheme, or (within certain limits) who leaves the service altogether.*

4. CLASSES OF OFFICERS AND NURSES TO BE INCLUDED (*cf.* K.F.18/25, pars. 17-20).

(i) Officers: The scheme is to include all salaried staff, administrative, clerical or dispensing, within the following range of remuneration, including emoluments (the Hospital contributions being returnable if the officer leaves Hospital service altogether within a stated term of years—*see* 8 ii below):

- (a) where the total of salary and emoluments is less than £100 the officer is not to be eligible to join;
- (b) where the total of salary and emoluments is £100 or over, but is under £160, the Hospital is to have the option of admitting the officer if he wishes to join;
- (c) where the total of salary and emoluments is £160 or over, it is to be compulsory for all new entrants into the service of the Hospital to join the scheme, or to continue membership if already members;
- (d) there will be no maximum pensionable salary limit, but it will be open to an individual Hospital to arrange with an individual officer that an increase of salary beyond a specified high level shall not carry with it any increase in the contribution of either the Hospital or the officer, or consequently in the amount of pension.

(ii) Nurses: (A) The scheme is to include all female professional nurses, whether nursing the sick or doing work under a public authority: it is to be compulsory for all new entrants into the service of the Hospital to join the scheme, or to continue membership if already members;

(B) The scheme in its complete form includes all probationers after one year's training, but it will be open to each Hospital to decide whether to admit probationers after one year's training or not until they are State registered as nurses: it is to be compulsory for all new entrants into the service of the Hospital to join the scheme according to the period the Hospital may have decided to adopt for the admission of probationers (the Hospital contribution being returnable if the probationer does not remain in the profession for a stated term of years—(*see* 6 i (b) and 8 v, below).

(For the attitude of the King's Fund towards the alternative methods of dealing with probationers, *see* Appendix, paragraph iv, below).

* *See* footnote on page 5.

THE KING'S FUND INFORMATION CENTRE 11-13 CAVENDISH SQUARE LONDON W1G 0AN	
Class mark	Extensions
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- (iii) It is to be optional for existing officers and nurses within these classes to join the scheme : (for details *see* 9, below).

5. CONTRIBUTIONS (*cf.* K.F.18/25, pars. 21-26).

- (i) The total contribution is to be 15% of salary and emoluments.*
- (ii) The contribution is to be apportioned as follows :—Hospital : 10% ; Officer or Nurse : 5%.
- (iii) Emoluments are to be reckoned for the purposes of the scheme as follows :—

Officers—lunch and tea, £30 per annum : full board and residence, on the merits of each individual case.

Nurses—probationers and nurses £50 ; ward sisters £60 ; home sisters £80 ; assistant matron £80 ; matron £150.

6. FORM OF BENEFIT (*cf.* K.F.18/25, pars. 27-38).

- (i) Policies are to be taken out with insurance companies (*see* 11 i (b), below) :
 - (a) initial policies, and increment policies (or endorsement of original policies) on increases of salary ;
 - (b) premiums for probationers (where included) are to be held on deposit during training and then used to take out policies ;
(For the method of dealing with existing policies *see* 11 i (b), below.)
- (ii) The officer or nurse is to have a choice of alternative benefits as may be determined by the Council of the scheme, including :
 - (a) endowment assurance policies with profits ;
 - (b) deferred annuity policies with return of premiums ;
 - (c) deferred annuity policies without return of premiums.

7. PENSION AGE (*cf.* K.F.18/25, pars. 40 and 41).

- (i) For Officers :—policies are to mature at 60 : retirement to be at 60 or later in accordance with the regulations of the institution concerned : contributions to be accumulated after 60.
- (ii) For Nurses :—policies are to mature at 55.

* For nurses in private nursing service a special scale is suggested by the College of Nursing, viz. : employer, weekly, 7s. 6d. plus 1s. 6d. to cover intervals between employment ; nurse, weekly, 3s. 9d.

8. MEMBERS LEAVING SERVICE OF HOSPITAL (*cf.* K.F.18/25, pars. 42-52).

- (i) An Officer migrating within hospital service is to take the benefit of both contributions.
- (ii) An Officer leaving hospital service altogether within 10 years of joining the scheme is to take the benefit of his own contributions only.
- (iii) An Officer leaving hospital service altogether after 10 years is to take the benefit of both contributions.
- (iv) A Nurse migrating within nursing service is to take the benefit of both contributions.
- (v) A Nurse leaving nursing service altogether within 5 years of joining the scheme is to take the benefit of her own contributions only.
- (vi) A Nurse leaving nursing service altogether after 5 years from joining the scheme is to take the benefit of both contributions.

9. EXISTING OFFICERS AND NURSES (*cf.* K.F.18/25, pars. 53-56).

- (i) Membership is to be optional as regards future service.
- (ii) The position will be unaltered as regards back service ; but, in the case of an existing officer or nurse who joins the scheme, or who is over age for joining, it is suggested that the Hospital should promise either that the pension should not be less than it would have been had the scheme not been established ; or that it should not be less than a pension on the old Civil Service scale of 1859 (*viz.* : one-sixtieth of salary and emoluments for each year of service up to forty-sixtieths) ; or that it should not be less than the pension that would have accrued under the scheme if back premiums had been paid up.

(For the method of dealing with existing policies *see* 11 i (b), below ; for the conditions on which the King's Fund will take into account expenditure on pensions to existing officers and nurses, *see* Appendix, paragraph ii, below.)

10. DISABLEMENT (*cf.* K.F.18/25, pars. 57 and 58).

No immediate special provision is possible other than the surrender value of the policies, but the question is to be considered by the Council of the scheme.

11. MACHINERY (*cf.* K.F.18/25, pars. 59-68).

- (i) Central Council representing Hospitals*, Officers and Nurses :
 - (a) to settle the details of the scheme, and any subsequent changes therein ;
 - (b) to settle the panel of Insurance Companies ; and the terms on which to admit existing policies ;
 - (c) to settle the list of alternative forms of policy open to members ;
 - (d) to settle the definition of institution eligible to join the scheme, and the conditions of joining or withdrawal* ;
 - (e) to settle the definition of officer and nurse eligible to join the scheme ;
 - (f) to elect committees, &c.
- (g) to (o) to hold policies, &c., &c., for nurses not in hospital service (with College of Nursing Ltd. as Trustee, and a standing nurses committee) ;
- (p) to delegate powers.
- (ii) Individual Hospitals :
 - (a) to be represented on Council ;
- (b) to (o) to hold policies, &c., &c. for own officers and nurses ;
- (p) to take precautions against anticipation, &c.
- (iii) Incorporated Association of Hospital Officers :
 - To nominate Officers' representatives on Council, whether members of Hospital Officers' Association or not ;
- (iv) College of Nursing Limited :
 - (a) to nominate Nurses' representatives on Council, whether members of College of Nursing or not ;
 - (b) to act as trustee for holding (in trust for the Council and the nurse) policies of nurses not in hospital service.
- (v) Individual officers or nurses, members of the scheme :
 - (a) to be represented on Council under (iii) and (iv) (a) above ;
 - (b) to (g) to enter into agreements with Hospitals or (for nurses not in Hospital service) with Council ; &c., &c.

12. FINANCE (*cf.* K.F.18/25, par 69).

- (i) Commissions to be used to increase benefits ;
- (ii) Expenses to be met out of annual contributions from hospitals participating in the scheme.

* While participation in the scheme is intended primarily for hospitals, it is suggested that the Council should have the power, within certain limits, to decide what kinds of institution should be admitted as hospitals, and also to extend admission to suitable institutions whose work is closely connected with hospitals or with nursing. The use of the term "hospital" in this memorandum is intended to include institutions so admitted, except where this is inconsistent with the context.

APPENDIX.

DECISIONS OF GENERAL COUNCIL AND MANAGEMENT COMMITTEE
AS TO CONDITIONS OF SPECIAL GRANTS IN AID.

The conditions of special grants in aid will be on the following general lines, subject to amendments in detail :—

- (i) in making annual grants to maintenance to hospitals on its list at the ordinary distribution, the King's Fund will take into account (subject to such conditions as may be approved by the Management Committee) the amount spent by a hospital on an approved contributory pension scheme as defined in (v) below ;
- (ii) the King's Fund will further take into account the amount spent by a hospital on, or in providing for, supplementary pensions to present existing employees when retired, provided (a) that the hospital has joined the approved scheme from the outset or within an approved period ; (b) that a policy has been taken out under the scheme in respect of the employee (if not over age) from the outset or within an approved period ; and (c) that the amount so taken into account by the Fund in respect of an employee does not exceed the amount of the pension that would have accrued under the scheme if the premiums in respect of his back service had been paid up ;
- (iii) the King's Fund will also take into account pensions now being paid to retired employees of the classes included in the scheme, provided (a) that the hospital has joined the scheme, and (b) that the amount so taken into account by the Fund in respect of an employee does not exceed the amount of the pension that would have accrued under the scheme if the premiums in respect of his back service had been paid up ;
- (iv) the King's Fund will take into account the amount spent by a hospital in contributions in respect of probationers after their first year, after allowing for such contributions as would revert to the hospital through probationers leaving nursing altogether during such initial period as may be prescribed in the approved scheme ; but that the King's Fund will not regard a hospital as not having adopted an approved scheme solely because the hospital does not make contributions in respect of probationers ;
- (v) by an "approved scheme" the King's Fund will mean the scheme as set out in paragraphs 3 to 12 of this memorandum, subject to such decisions on points of detail as the Council of the scheme may make and the King's Fund may approve ;
- (vi) the assistance offered by the King's Fund will be on the following scale, viz. : a maximum sum for 7 years of £20,000 a year, or



25% of the expenditure of the Hospitals on the approved scheme, whichever is the smaller; this amount to be provided as far as possible by means of a special appeal in selected quarters, and to be increased if sufficient funds are realised by such appeal.

(vii) the Management Committee will consider the question by what method the funds required to carry out the above recommendations can be provided without affecting the grants that would otherwise have been made ;

(viii) the Distribution Committee will consider the question by what method and on what bases the three items of expenditure mentioned in (i), (ii) and (iii) above should be taken into account, respectively, within the total mentioned in (vi) above.

7 WALBROOK, E.C.4,
June 8, 1926.

