

NHS Pensions Review

FAQ - Allocation to Tiers Practitioners and Non-GP Providers

2008/9

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Contribution Rates

1. What are the employee contribution rates?

Tier	2007/08 pay rates	2006/07 pay rates	2005/06 pay rates	Contribution 2008/09
1	Up to £19,682	Up to £19,165	Up to £18,697	5%
2	£19,683 to £65,002	£19,166 to £63,416	£18,698 to £61,869	6.5%
3	£65,003 to £102,499	£63,417 to £99,999	£61,870 to £97,560	7.5%
4	£102,500 plus	£100,000 plus	£97,561 plus	8.5%

2. What is the employer's contribution rate?

The employer's contribution rate remains at 14%.

3. What about pence?

When allocating a tier, pence should be ignored. That is, you always round down.

4. Is a tier applied to the whole amount or only to income over the threshold?

Once a tiered rate has been determined it is applied to the whole amount. For example, someone with pensionable pay of £150,000 will pay contributions of 8.5% x £150,000.

5. Will there be a new table for 08/09?

An updated table will be issued during 2008/9 once the AfC pay award is agreed.

6. Will tiers be revised when the new table is issued?

No. The updated table will be used for new starters who start after the new table is issued. It won't be applied retrospectively.

7. When do the new tiered contributions start?

The new contribution rates are to be applied from Tax Week 1 / month 1 2008/9.

8. Why weren't the tiers linked to pay scales?

There are many members of the NHS Pension Scheme, for example staff in hospices and GP surgeries, who are not on NHS pay scales. The tables also apply to Practitioners who are not paid on pay scales.

9. Can a member appeal against a tier?

There are no formal procedures for appeal. If a member believes they have been allocated an incorrect tier by an error in applying the Regulations then they should contact their employer. It should be noted that querying a tier on the grounds that income in 07/08 was not representative of income expected in 08/09 is not valid grounds for a challenge and the employer has no discretion in applying the Regulations.

10. How do employers of GPs other than the Host PCT / Board know what tier to deduct?

Employers of GPs who are not the host PCT/LHB are obligated to approach the host PCT/LHB for the correct contribution rate to use for deductions. This will include any out of hours providers, GP surgeries who employ salaried GPs, and all other organisations who employ or engage GPs.

11. Will the contribution tier for 2008/09 be adjusted when 08/09 earnings are finalised?

No. Contribution tiers for 08/09 will not be revised when income for 08/09 is certified / finalised. Arrears / refunds in 08/09 for level of earnings will be calculated based on the unadjusted contribution tier.

Aggregated Pay

12. What is Aggregated Pay?

For General Medical Practitioners (inc. Ophthalmic Medical Practitioners) aggregated pay is the total of:

- a. Type 1 (Principal) medical Practitioner certified pensionable profits, and
- b. Type 2 (Assistant) medical Practitioner pensionable income, and
- c. Locum Practitioner income, and
- d. Any 'fringe' GP income such as OOHs, PEC, GPsWSI, and Bed Funds.

For non-GP providers (NGPP) aggregated pay is the total of their certificated share of partnership pensionable profits.

For General Dental Practitioners (GDPs) aggregated pay is the total of:

- a. Type 1 (Partner, Associate) dental Practitioner pensionable income,
- b. Type 2 (Salaried GDPs employed by PCTs/LHBs or vocational trainees) dental Practitioner pensionable income,

with a) and b) being scaled to a full year equivalent.

Officer posts (i.e. clinical assistant) are not aggregated. Officer income is ring fenced and allocated a contribution tier separately based on the Officer rules.

13. Should we use Capped or Uncapped pay?

If the Practitioner is capped then you should use capped pensionable pay. For example, if Dr Smith's aggregated GP capped pensionable pay in 06/07 was £88k by virtue that concurrent Officer work was 'pensioned first' then he shall pay 7.5% in 08/09 on his total Practitioner earnings (GMS profits, Out of Hours, PEC, etc).

14. Do we scale Practitioner earnings to full year, full time?

Earnings for General Medical and Ophthalmic Medical Practitioners are not scaled to full year

or full time.

Earnings for Dental Practitioners are scaled to full year but not to full time.

15. What happens if a GP changed their host PCT/ LHB in the reference year?

Total aggregated GP earnings across the whole year should be used subject to there being no breaks.

16. What is pensionable pay for someone on sick pay or maternity pay etc?

For Practitioner Scheme members who are entitled to pay in respect of maternity leave, parental leave, paternity leave, sick leave (half pay, no pay, SMP, SSP etc) or approved career breaks etc, normal 'deeming' rules apply. Pensionable pay used to determine the tier should be based on their deemed (i.e. unreduced) rate of pay.

17. Does the tiered contribution rate for 2008/09 change if a GP (or non GP) Provider submits a revised Certificate for 2006/07 (or 2005/06 if appropriate)?

Yes. If the Provider's aggregated GP pensionable pay in 2006/07 (or 2005/06) is revised and takes them into a different tier that new tier rate must be used for 2008/2009.

18. What do I do if the member has multiple Medical Practitioner or multiple Dental Practitioner posts?

All GP pensionable pay is aggregated to a single total, as is General Dental Practitioner pensionable income.

19. What do I do if the member has Dental and Medical Practitioner posts?

There are very few Practitioners who are both Medical and Dental Practitioners. However, in such cases, medical and dental practitioner income are aggregated separately and allocated a contribution tier separately.

20. What do I do if the member has an Officer posts as well as a Practitioner post(s)?

If the Practitioner also has an Officer post the tier for the Officer post is set by the employer based on the Officer rules. That is, they are tiered for the Officer post based on full year, full time pensionable pay for that post. They will receive a separate tier for their Practitioner work, allocated by their host PCT / Health Board (or the Dental Services Division) according to the Practitioner rules.

21. If someone gets promoted, steps down, changes employer etc. will pensionable pay be recalculated and a revised tier allocated?

No. Once set a tier in 08/09 it will not be revised for promotions, 'step downs', change of employer etc. See ***"Taking your tier from job to job"***.

New starters in 2008/09

22. How do I set a contribution tier for a Practitioner starter?

This depends on whether the Practitioner has already been assigned a tier:

- a. If the Practitioner member was employed on 31st March 2008 and 1st April 2008 then they will have been allocated a tier. If this is the case then they will retain their existing tier unless, in the unlikely event, that they are moving from an Officer zero hours contract or from Officer multiple part time employment. See **“Taking your tier from job to job”**.
- b. If the Practitioner was not in pensionable service on the 31st March / 1st of April or is a new joiner then they won't have been assigned a tier. If this is the case then the Practitioner member should be allocated a tier based on an estimate of aggregated pay based on the new post. Estimated pay should be determined as explained in **“Aggregated Pay”**.

Taking your tier from job to job

23. When I move Practitioner posts do I get a new tier?

No. Once a tier has been set for 08/09 it will not be revised for changes in level of income, change of employer etc. The allocated tier will also be used for any additional Practitioner work.

24. If I move from an Officer's post to a Practitioner's post do I get a new tier?

If the Practitioner member has an earlier Practitioner post in 2008/09 which had already been allocated a tier then the new Practitioner post will retain the tier allocated to the earlier Practitioner post.

Otherwise, the existing tier allocated to the Officer's post will be retained and applied to the Practitioner's post provided:

- a. The member has ceased employment as an Officer prior to starting as a Practitioner; and
- b. The Officer post was not a zero hours contract. See **“Zero Hours Contract Staff”**; and
- c. The Officer employment was a single full time / part time post not multiple part time posts. See **“Multiple Officer Employments”**; and

If conditions (a) to (c) are not met then the member will be given a tier for the new Practitioner post based on an estimate of aggregated pay based on the new post rather than carrying the existing Officer tier forward.

Zero Hours Contract Staff

25. What are Zero Hours Contract Staff?

These are Officer posts such as bank staff who are working under a contract which:

- a. does not guarantee to provide work for the member;
- b. has no specified working hours or working patterns;
- c. only pays the member for work actually done under it

Staff with guaranteed hours etc would be part time or full time Officers rather than Zero Hours.

Multiple Officer Employments

26. What do you we mean by multiple Officer employments?

By multiple employments we mean Officers with more than one pensionable, Officer, part time employment covered by separate contracts of employment with the same or different employers.

Officers with a full time and part time employment cannot have more than one pensionable employment as it is not possible to pension more than full time.

We do not count zero hours contracts when determining multiple Officer employments as these are always assigned a new tier when the member moved employment anyway.

We do not count multiple duties under a single contract of employment as multiple Officer employments even if the different duties attract a different rate of pay.

We do not count ant Practitioner employment when determining multiple Officer employments.

Employer Tier Guides

27. Where can I find out more about assigning a tier?

The Officers guide is at:

http://www.nhspa.gov.uk/nhspa_site/pdf/Officers_Allocation_to_Tiers_0809_V1.1.pdf

The Practitioners guide is at:

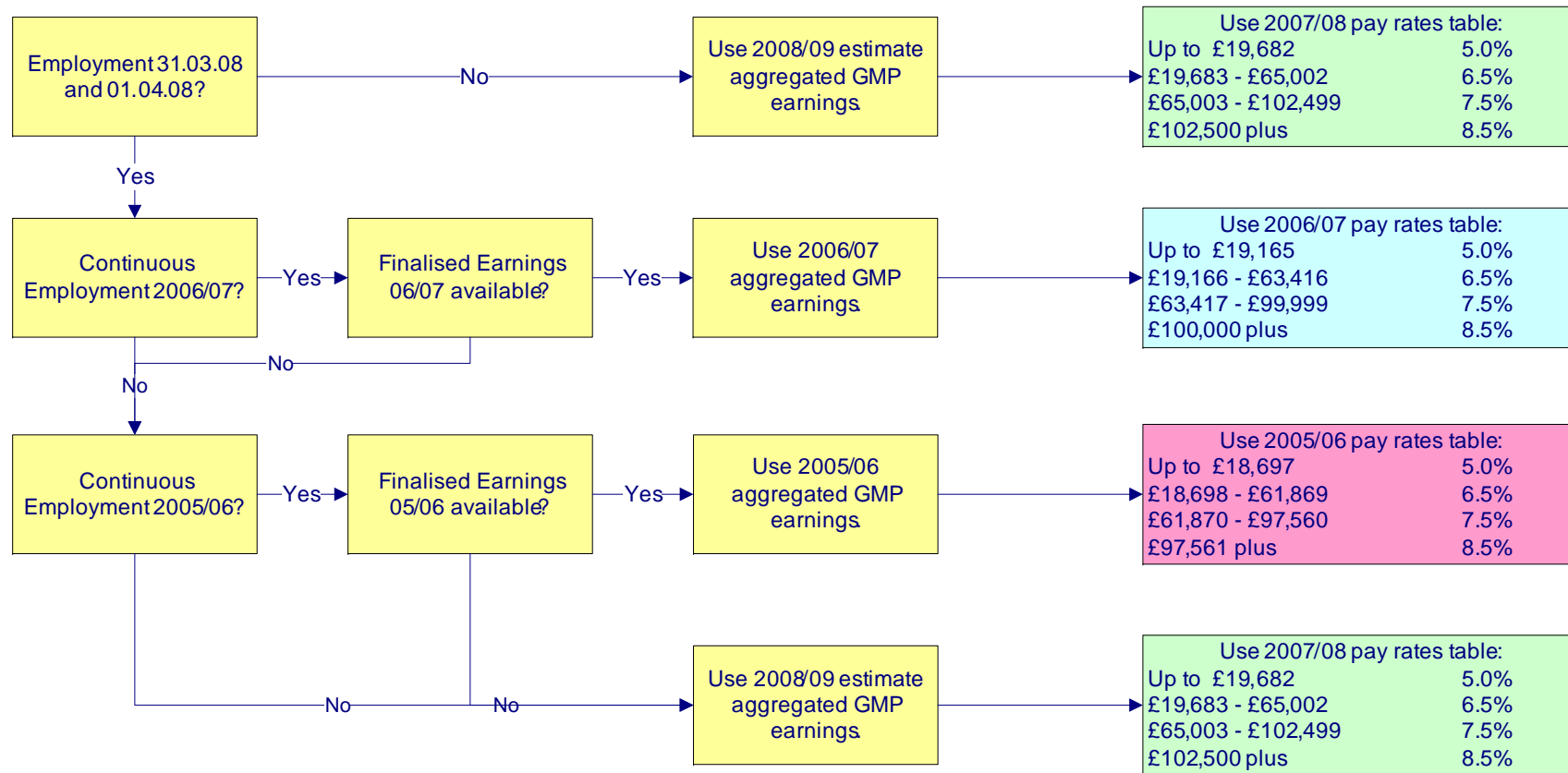
http://www.nhspa.gov.uk/nhspa_site/pdf/Practitioners_Allocation_to_Tiers_0809_V1.pdf

General Medical Practitioners, Ophthalmic Medical Practitioners and Non GP Providers

GMP, OPM, NGPP Step through guide to allocating a tier on 31.03.2008

Is this pre or post year end?	If it's for a change that took place in April then this step through doesn't apply - skip down to "Step through guide to allocating a Tier after 1 st April 2008" below	
a) If member employed 31/3/08 and 1/4/08 and: <ul style="list-style-type: none"> • 2006/07 pensionable earnings are finalised; and • Was the member was in Practitioner pensionable employment throughout 2006/07? 	Use aggregated pensionable pay for 06/07.	See "Aggregated Pay"
	And then compare aggregated pensionable pay to the contributions tier table with respect to 06/07 pay rates and allocate tier.	See "Contributio n Rates"
b) If a) does not apply. If member employed 31/3/08 and 1/4/08 and: <ul style="list-style-type: none"> • 2005/06 pensionable earnings are finalised; and • Was the member was in Practitioner pensionable employment throughout 2005/06? 	Use aggregated pensionable pay for 05/06.	See "Aggregated Pay"
	And then compare aggregated pensionable pay to the contributions tier table with respect to 05/06 pay rates and allocate tier.	See "Contributio n Rates"
c) If a) and b) do not apply. That is, in cases where the member was not in pensionable employment on 31 st March and 1 st April or did not have full year or finalised earnings for 2006/07 or 2005/06.	Allocation to contribution tier should be based on the host PCT's/LHB's best estimate of pensionable earnings for 2008/09.	See "Aggregated Pay"
	And then compare aggregated pensionable pay to the contributions tier table with respect to 07/08 pay rates and allocate tier.	See "Contributio n Rates"

GMP, OMP, NGPP - Allocation to Tiers 2008/09 – Existing Members on 31.03.08



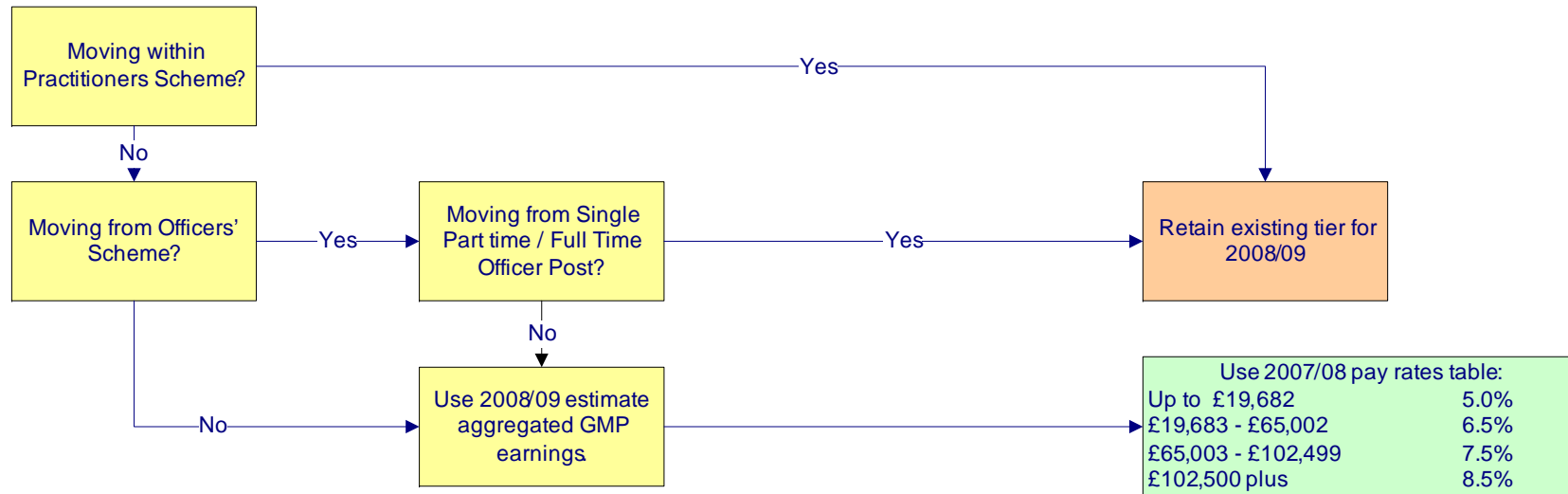
General Medical Practitioners, Ophthalmic Medical Practitioners and Non GP Providers

GMP, OPM, NGPP Step through guide to allocating a Tier after 1.04.2008

Is this pre or post year end?	If it's for the initial March tier setting then this step through doesn't apply – use the earlier "Step through guide to allocating a Tier on 31 st March 2008" below.	
<p>Has the member already been assigned a tier by a previous employer in 2008/09?</p> <p>If the member was employed by the same employer on 31st March and 1st April then they will have been allocated a tier.</p> <p>If the member changed employer on the 31st March / 1st of April or returned to the Scheme on or after 1st April or is a new joiner for the Scheme then they won't have been assigned a tier.</p>		
If Member has not already been assigned a tier then.	Allocation to contribution tier should be based on the host PCT's/LHB's best estimate of total pensionable earnings for 2008/09.	See "Aggregated Pay"
	And then compare aggregated pensionable pay to the contributions tier table with respect to 07/08 pay rates and allocate tier.	See "Contribution Rates"

If Member has already been assigned a tier then.	<p>If the member already has a Practitioner post or has had Practitioner employment during 08/09 then:</p> <p>The current Practitioner contribution tier is retained for the new employment.</p>	See "Taking your tier from job to job"
	<p>If the member has not had any 08/09 Practitioner employment but is moving from Officer employment then:</p> <p>If the member is moving from a zero hours Officer employment; or</p> <p>If the member is moving from multiple Officer employments.</p> <p>Then:</p> <p>Allocation to contribution tier should be based on the host PCT's/LHB's best estimate of total pensionable earnings for 2008/09.</p> <p>And then compare aggregated pensionable pay to the contributions tier table with respect to 07/08 pay rates and allocate tier.</p>	<p>See "Zero Hours Contract Staff" and "Multiple Officer Employments"</p> <p>See "Aggregated Pay"</p> <p>See "Contribution Rates"</p>
	<p>Otherwise, (i.e. the member is moving from a single, non zero hours Officer employment to a Practitioner employment) retain the tier from the last employment.</p>	See "Taking your tier from job to job"

Allocation to Tiers – Changes During 2008/09

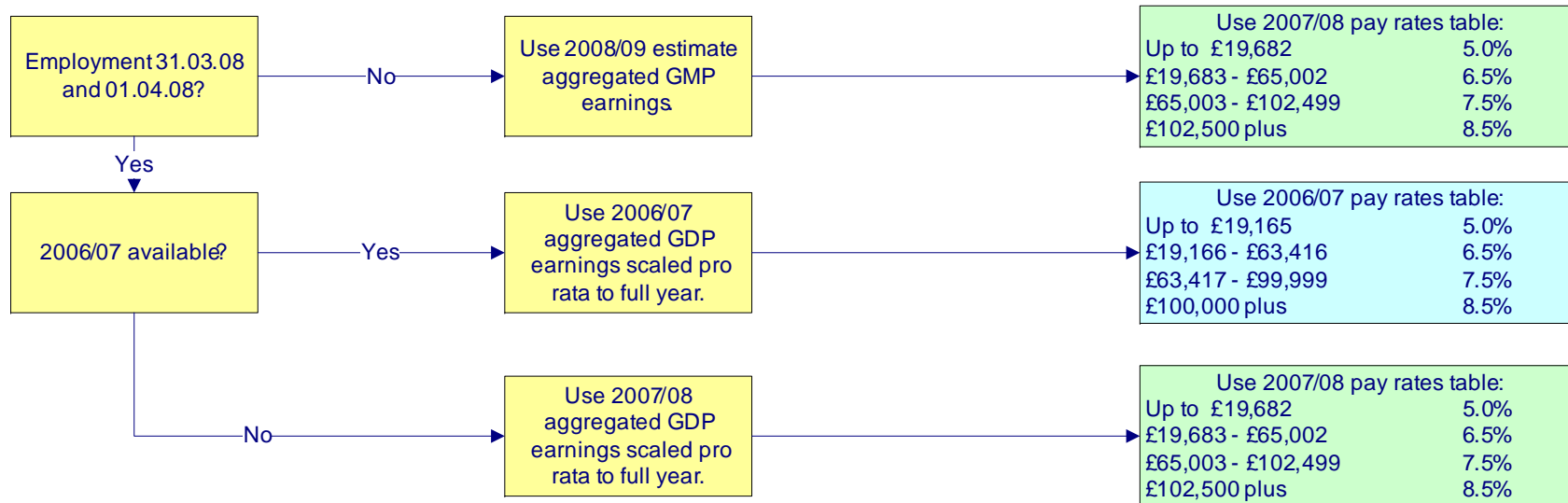


General Dental Practitioners

GDP Step through guide to allocating a tier on 31st March 2008

Is this pre or post year end?	If it's for a change that took place in April then this step through doesn't apply - skip down to "Step through guide to allocating a Tier after 1 st April 2008" below	
a) If member employed 31/3/08 and 1/4/08 and: <ul style="list-style-type: none"> Had GDP pensionable earnings in 2006/07 	Use aggregated pensionable pay for 06/07 scaled to full year where necessary.	See "Aggregated Pay"
	And then compare aggregated pensionable pay to the contributions tier table with respect to 06/07 pay rates and allocate tier.	See "Contribution Rates"
b) If a) does not apply. If member employed 31/3/08 and 1/4/08 and: <ul style="list-style-type: none"> Had GDP pensionable earnings in 2007/08 	Use estimated aggregated pensionable pay for 07/08 scaled to full year where necessary.	See "Aggregated Pay"
	And then compare aggregated pensionable pay to the contributions tier table with respect to 07/08 pay rates and allocate tier.	See "Contribution Rates"
c) If a) and b) do not apply. That is, in cases where the member was not in pensionable employment on 31 st March and 1 st April	Allocation to contribution tier should be based on the best estimate of total pensionable earnings for 2008/09 scaled to a full year.	See "Aggregated Pay"
	And then compare aggregated pensionable pay to the contributions tier table with respect to 07/08 pay rates and allocate tier.	See "Contribution Rates"

General Dental Practitioners - Allocation to Tiers 2008/09 – Existing Members on 31.03.08



General Dental Practitioners

GDP Step through guide to allocating a Tier after 1st April 2008

Is this pre or post year end?	If it's for the initial March tier setting then this step through doesn't apply – use the earlier "Step through guide to allocating a Tier on 31 st March 2008" below.	
<p>Has the member already been assigned a tier by a previous employer in 2008/09?</p> <p>If the member was employed by the same employer on 31st March and 1st April then they will have been allocated a tier.</p> <p>If the member changed employer on the 31st March / 1st of April or returned to the Scheme on or after 1st April or is a new joiner for the Scheme then they won't have been assigned a tier.</p>		
If Member has not already been assigned a tier then.	Allocation to contribution tier should be based on the best estimate of total pensionable earnings for 2008/09 scaled to a full year.	See "Aggregated Pay"
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If Member has already been assigned a tier then.	<p>If the member already has a Practitioner post or has had Practitioner employment during 08/09 then:</p> <p>The current Practitioner contribution tier is retained for the new employment.</p>	See "Taking your tier from job to job"
	<p>If the member has not had any 08/09 Practitioner employment but is moving from Officer employment then:</p> <p>If the member is moving from a zero hours Officer employment; or</p> <p>If the member is moving from multiple Officer employments.</p> <p>Then:</p> <p>Allocation to contribution tier should be based on the best estimate of total pensionable earnings for 2008/09 scaled to a full year.</p> <p>And then compare aggregated pensionable pay to the contributions tier table with respect to 07/08 pay rates and allocate tier.</p>	<p>See "Zero Hours Contract Staff" and "Multiple Officer Employments"</p> <p>See "Aggregated Pay"</p> <p>See "Contribution Rates"</p>
	<p>Otherwise, (i.e. the member is moving from a single, non zero hours Officer employment to a Practitioner employment) retain the tier from the last employment.</p>	See "Taking your tier from job to job"

Allocation to Tiers – Changes During 2008/09

