

## **Annual certificate of pensionable profits 2014/15**

Guidance notes for the completion of the certificate incorporating frequently asked questions

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## Introduction

This booklet is issued by NHS Pensions to give guidance for the completion of the Annual Certificate of Pensionable Profits 2014/15 (the “certificate”). The certificate is subject to change each year, and these guidance notes are aimed specifically at the 2014/15 certificate only. (Copies of guidance notes and frequently asked questions from earlier years are available on the NHS Pensions website).

In completion of the certificate you must be mindful of the overall requirements, rules, regulations and legislation surrounding the NHS Pension Scheme. The rules of the NHS Pension Scheme are laid down in regulations agreed by Parliament. They are the National Health Service Pension Scheme Regulations 1995 (“NHSPS Regulations”) and subsequent amendments, and the National Health Service Pension Scheme Regulations 2008 and subsequent amendments. You can view these on the NHS Pensions website at: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)

You should also have regard to tax law surrounding the preparation of personal and partnership tax returns.

This booklet does not seek to offer definitive guidance in any of these areas of legislation and specialist professional advice should always be sought in the event of any uncertainties.

Similarly, NHS Pensions cannot offer any specific advice on the completion of the certificate.

Background information on the NHS Pension Scheme can be found in the current versions of the “Scheme Guide” to the NHS Pension Scheme and in employers newsletters (“TN’s”) which can also be found on [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

## Purpose of the certificate and levels of contribution

The purpose of the certificate is to calculate a provider's pensionable NHS earnings, the level at which pension contributions need to be paid and the contributions due.

Levels of contributions payable can be found in the members hub area of the website under the membership, pay and contributions heading [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

This certificate can only be completed **after** your 2014/15 personal (and if applicable partnership) income tax return has been completed.

## Who should complete this certificate?

This certificate must be completed by:-

- Individual GP providers (i.e. type 1 medical practitioners) and
- individual non GP providers

who are either partners in practice or working as a single-hander.

### GP Providers

GP providers must 'pension' *all* their NHS GP Practitioner income; that is all practitioner income paid to them by an NHS Employing Authority. A GP provider can earn income from a number of different sources. If this is the case, the provider must pension all of their NHS GP practitioner income and cannot opt out of pensioning certain parts of it. A provider may however opt out of pensioning salaried officer posts, such as hospital based clinical assistant posts, but they cannot opt out of pensioning bed fund posts and they cannot pension 'opted out' Officer income by a 'back door route' through the certificate. GP providers will need to have regard to other relevant forms in the completion of this certificate, namely GP SOLO forms and Locum forms A and B.

There is an over-riding requirement that providers must complete **one certificate for each separate contract held**. Therefore, where the same GP provider receives income from more than one GMS/PMS/APMS contract a separate certificate is required for each.

### Non GP Providers

Non GP providers are required to complete the certificate. They are treated as "whole time officers" regardless of the hours they work. Non GP providers are only permitted to pension income from one source and will only complete one certificate each year. As a non GP provider partner in a GP practice, their pensionable pay will be based on their share of profits from the partnership. For the avoidance of doubt, non GP providers cannot 'pension' "SOLO" income.

If a non GP provider earns income from a number of sources they should seek specialist professional advice as to which of their NHS posts should be pensioned.

Please also note the final pay controls applicable to 1995 Section officer members with effect from 1 April 2014, apply to non-GP providers. The FAQs at Annex c provide more information.

A GP who is a type 2 medical practitioner (e.g. salaried GP, practice based long-term fee based GP, or career OOH/GPwSI GP) must complete the Type 2 Medical Practitioner Self Assessment Form.

A separate certificate must be completed where a provider is a shareholder in a limited company. The 'Limited Company Certificate' has its own separate guidance notes.

## What happens after I have completed the certificate?

Once you are happy the details contained in the certificate are correct, you should sign the relevant declaration on pages 6 and/or 7 and submit the signed certificate to your Area Team ("AT") or Local Health Board ("LHB").

The deadline for submission of the certificate is **29 February 2016**.

## Completing the certificate: Boxes A - K

### **Box A: Your name**

Write your full name; do not use initials. If your surname has changed in 2014/15 please also provide your previous surname.

### **Box B: Type of contract**

Specify the type of contract this certificate relates to, as in some cases, a provider may hold more than one contract to provide medical services.

### **Box C: National Insurance number or pension scheme reference number**

Enter your national insurance number or individual NHS Pension Scheme reference number. This is often known as your 'SD' number and begins with SD followed by two digits representing your year of birth (i.e. 1957 is 57) then six further digits.

Your national insurance number is also available from the front page of your income tax return.

### **Box D: Practice reference number and pension scheme Employing Authority code**

Your GP practice reference number is the unique reference number allocated to you by your AT/LHB; if not known please state 'not known'. The NHSPS Employing Authority code is a letter followed by three digits; i.e. A123. Your practice/payroll manager should know this code, however if not known please state 'not known'.

## **Box E: Host AT or LHB**

GP providers should be aware that their “commissioning” host may be different from their “listing” AT/LHB. For non GP providers, state the commissioning AT/LHB.

If you have moved practice during the year, or there have been area changes to your commissioning AT/LHB, you may be required to complete more than one certificate for 2014/15.

More than one certificate will be required in the following circumstances:-

- a) You have changed practice during the year, but have remained within the same AT/LHB.

In this situation, two certificates will be required and the reference in box D will be different on each.

- b) You have changed practice but have also moved to a different AT/LHB locality.

In this situation, two certificates will be required and the references in boxes D and E will be different on each.

It is acceptable in both situations (a) and (b) to account for personal expenses, personal capital allowances and any private fee income assessed on the self-employment pages of your income tax return on a pro-rata basis should specific calculations relating to each time period not be available.

- c) If a change of AT/LHB occurs as a result of a practice merger, but you remain with the same practice, only one certificate should be completed and the relevant entry in box E will be the AT/LHB at the end of the year.

## **Box F: Practice accounting year end**

The appropriate ‘year end’ will be the accounting year end which falls into the tax year 2014/15 (the year ended 5 April 2015), for example 30 June 2014, 31 October 2014 or 31 March 2015. This is the accounting year which forms the basis for the entries contained in your 2014/15 income tax return.

Your practice accountant will be able to provide this information.

## **Box G: Private fees year end**

Many providers earn private fees which are not paid in to the practice’s accounts. These fees will be separately accounted for on your income tax return.

The accounting year end for your private fee income may differ from your practice’s accounting year end. For example, your practice year end may be 30 June 2014, but your private fees may be accounted for on your 2014/15 income tax return for the year ended 5 April 2015. Alternatively, your private fees accounting year end may be exactly the same as your practice’s accounting year end i.e. 30 June 2014.

Either method is entirely acceptable.

If your accountant completes your income tax return, you should ask them which year end should be entered in box G.

### **Box H: Date of commencement**

Where you have commenced as a partner or as a single-hander in 2014/15 you should enter the date here.

If the date in box F and/or G is not 31 March, you will need to have regard to the overlap rules in determining taxable and pensionable pay. The overlap rules work in exactly the same way for income tax and pensionable pay.

You should consult an appropriately qualified accountant who will be able to assist you with these calculations. Alternatively you will find detailed guidance on the overlap provisions in earlier years certificate guidance notes at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

### **Box I: Date of retirement**

Where you have left or retired from a practice in 2014/15 enter the date you have either:-

- a. left the practice where you were a partner or single-hander, (i.e. moved to another practice or became salaried elsewhere), or
- b. taken 24 hour retirement,
- c. opted out of the pension scheme, or
- d. left the practice and taken your pension.

Use box 89 (the explanatory information box) to confirm the dates and circumstances of your departure, including the type of retirement (full or 24 hour) that you are taking and the details of any new practice or other organisation you may be joining (if known) as either a partner or an employed position.

Once again if you are retiring or leaving a practice, you may be affected by the overlap rules. You should consult an appropriately qualified accountant who will be able to assist you with these calculations.

If you have taken full or 24 hour retirement or opted out in 2014/15, you must complete a certificate for the period that you were a pensionable provider. Where a GP returns to practice following 24 hour retirement or has opted out but continues to work they may then wish to complete a second certificate for the entire year solely for seniority purposes. If a certificate has been completed solely for seniority purposes this should be made clear in box 89.

In subsequent years members who have taken retirement or opted out but continue to be providers may wish to voluntarily complete an annual certificate for the purposes of calculating their entitlement to seniority.

Full details about retiring from the NHS Pension Scheme (including taking 24 hour retirement) are available from NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

### **Box J: Added Years cap**

Prior to 1 April 2008 members who first joined the NHS Pension Scheme on or after the 1 June 1989 were subject to the pensionable earnings cap; i.e. the member could only pension NHS earnings in the NHS Pension Scheme up to a prescribed limit. If a member joined before 1 June 1989 but had a break in pensionable employment of more than a year after 1 June 1989 they were also subject to the cap.

With effect from 1 April 2008 the earnings cap has been removed and employee and employer contributions are based upon full NHS pensionable earnings.

**However, if an NHS Pension Scheme member who had previously been subject to the cap is buying Added Years under an agreement that started before 1 April 2008, those Added Years remain subject to the cap. Contributions in respect of those earnings subject to the added years cap are still limited to £145,800 for 2014/15. (See TN3/2014).**

Any added years agreements starting on or after 1 April 2008 are **NOT** subject to the earnings cap and contributions are payable on the full actual NHS pensionable earnings. Do NOT enter “YES” in Box J if this is the case.

Please also refer to the guidance notes for completion of box 38c.

Further information and guidance on the operation of the earnings cap can be found in Newsletters TN5/2011, TN17/2008 and TN3/2014 on [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). And also in a factsheet, Earnings Cap factsheet, in the Employers Hub area of the website under practitioner forms.

### **Box K: Provisional tax returns**

There are circumstances where it will be necessary to use provisional information on your income tax return, such as in your first year of self employment or when joining a new practice. If you have completed a provisional tax return for 2014/15, you should enter “Yes” in this box.

When an amended income tax return is submitted, a corresponding amended certificate should be completed and submitted to your AT/LHB, even though the submission date of the amended certificate is after the deadline for filing.

## **Calculating your pensionable earnings: Boxes 1-89**

### **Box 1: Provider’s share of partnership income**

The figure in box 1 should be your share of total medical related **income** derived from the appropriate partnership accounts.

This figure should allow for any prior shares of income allocated to you, for example seniority, property income, medical examination fees, appraisals etc.

Single handers should enter “Nil” in this box and proceed to box 2.

Tax adjustments to income (such as bank interest received, non-taxable income and certain legacies and bequests etc.) should be excluded.

### **Special note – salaried appointments/SOLO income**

#### i. Pooled Salary Income

GP providers often share income from their employed positions with their fellow partners in their practices. This is known as “pooled” income.

A GP provider who is a partner in a practice can have this income taxed in one of two ways:-

#### a. By the “statutory” method

This is where the pooled salaried position paid into the practice has been deducted for tax purposes on the partnership computation and taxed on the employment pages of the individual’s tax return.

#### b. By the “concessionary” method

This is where the pooled salaried position has been treated as self employed (i.e. partnership) income in accordance with HMRC Guidance noted at [www.hmrc.gov.uk/manuals/eimanual/EIM03000.htm](http://www.hmrc.gov.uk/manuals/eimanual/EIM03000.htm) and subsequent pages.

Care should be taken when preparing accounts, tax calculations and the certificate because pooled income may need to be grossed up for employer contributions to ensure sufficient earnings are pensioned.

#### ii. SOLO Income

Income declared on a GP SOLO form should be included gross.

If a provider has pooled any superannuable fee based income this **cannot** be declared on a GP SOLO form. This income should be included on the certificate as gross income plus employer contributions.

Please refer to FAQ 35 for specific guidance on CCG posts.

### **Box 2: Single handed provider/self employed income**

Box 2 is for single-handers to declare their GMS, PMS, APMS and SPMS income, private income and reimbursements.

Box 2 is also for GP partners who have private fees that are not included in the partnership tax return but which are reported separately on the self employment pages of their individual income tax return. This box will include GP SOLO income on a fee paid basis (i.e. not an employed position) and locum income.

If you are a partner in practice with private fee income that is fed into the partnership tax return, and not reported on the self employment pages of your personal return, there should be no entry in this box as the income will be included in box 1 above.

### **Box 3: Income from employment pages of income tax return**

Box 3 must include all salaried income where the GP provider is in receipt of a P60. This includes salaried employment income (e.g. clinical assistant, community medical officer, salaried GP, and bed fund posts) where income is subject to PAYE, regardless of whether tax or national insurance has actually been deducted. Also include any income that is recorded in box C of the GP SOLO form where the AT/LHB/OOHP have paid it under PAYE.

Where you receive a P60 in respect of a salaried position, but that income is pooled in the partnership (i.e. the “concessionary method” as described in the guidance to box 1), you **should not** include this income in box 3.

If however, your salaried income has been treated as employment income on your income tax return this figure **should** be included in box 3 (i.e. the “statutory method” as described in the guidance to box 1).

Where a figure is to be included in box 3, it will equate to the figure in box 1 of the employment pages of the income tax return i.e. taxable salary **excluding** any grossing up for employer superannuation contributions.

Do **not** include a salary received from a limited company that holds a GMS, PMS, SPMS or APMS contract. The pensioning of such salaries will be dealt with through the separate certificate for limited companies.

### **Box 4: Other medical related income**

Box 4 must include any ad hoc private work (e.g. university or medical school) and any fee based NHS work that was not salaried and is not included in boxes 1, 2 or 3 above. This may include income before a deduction for expenses reported at box 16 of page TR3 of your main tax return.

Do NOT include pensionable income derived from a limited company. Whilst the provider’s salary and dividend income from such a source may be pensionable, this will be dealt with through the separate limited company certificate.

### **Box 5: Income pensioned separately**

Box 5 is the income stated in boxes 1, 2, 3, or 4 of the certificate which has already been ‘pensioned’. This is likely to be NHS income from GP Locum work (the full amount before 10% reduction for notional expenses) and pensionable income from salaried NHS work (i.e. clinical assistant, hospital practitioner, CMO, salaried GP, bed fund and CCG officer posts). This will also include any salaried income pensioned through the University Superannuation Scheme.

Fee based (self employed) income that has had superannuation paid upon it and recorded on the GP SOLO form should NOT be included in box 5. Solely for the purpose of the certificate this income is not regarded as being ‘pensioned separately’.

Note that this box should only include income included in boxes 2, 3 and 4 that has been pensioned separately. No entry should be made in this box in respect of

salaries appointments that have been pooled in the practice. However, where the salaried position has been recorded on the employment pages of the individual's income return (i.e. the "statutory" method) you will be required to enter here the amount included in box 3 that relates to pooled income. See the guidance to box 1.

### **Box 6: Total medical NHS and non NHS income**

Box 6 is the total NHS and non NHS income, which has not already been pensioned elsewhere, for the purposes of this certificate.

### **Box 7: Share of partnership non NHS income**

The figure in box 7 should be your share of non NHS income from the practice accounts e.g. clinical trials, insurance medicals, DWP medicals, private patients, police work, medical school and university income paid direct from the school/university, medico legal reports, etc.

Box 7 will also include external locum income not already pensioned on Locum A and B forms e.g. locum work carried out on behalf of practices other than the one in which you are a partner.

### **Box 8: Single handed provider and self employed non NHS income**

The figure in box 8 should be the non NHS income reported through your self employment pages; clinical trials, insurance medicals, DWP medicals, private patients, police work, medical school income paid direct from the school, medico legal reports, etc.

Box 8 will also include external locum income not previously pensioned on Locum A and B forms.

For income from an Out Of Hours Provider ("OOHP) to be pensionable, the OOHP needs to be a NHSPS Employing Authority. A list of OOHPs that are Employing Authorities can be found in Annex B. Please refer to this list to determine if OOHs income is pensionable.

### **Box 9: Non NHS medical related employment income**

This figure should be the non-NHS income reported on the employment pages of your tax return.

### **Box 10: Non NHS medical related income declared elsewhere on income tax return**

Box 10 must include any non NHS ad hoc private fee work and fee based medical related work that was not salaried and is not included in boxes 7, 8 or 9 above. This may include income reported at box 16 of page TR3 of your main tax return.

### **Box 11: Non NHS income pensioned separately**

It will be rare to have an entry here, as there are few types of non NHS income that will already be pensioned separately. One example, however, would be university

income received direct and already pensioned through the University Superannuation Scheme.

### **Box 12: Total non NHS income**

Box 12 is your total non NHS income that has not already been pensioned.

### **Box 13: Ratio of non NHS income to total medical related income**

Box 13 provides the ratio to determine the percentage of expenses attributable to non NHS income under the standard and alternative methods of calculation. See notes to boxes 39, 40 to 45 and 89.

### **Box 14: Partnership expenses**

Box 14 must state your share of all of the practice partnership expenses derived from the practice accounts, e.g. staff salaries, administrative expenses, drugs etc. Exclude expenses that are disallowed for tax purposes; e.g. depreciation, entertaining, etc. Capital allowances claimed on practice assets such as computer equipment and furniture should be included.

Where personal expenses and capital allowances have been claimed and fed through the partnership tax return for tax reporting purposes, they should be included in box 14 after adjustment for private use.

### **Box 15: Single handed provider/self employed expenses**

This will include a single hander's total expenses, adjusted for tax purposes.

For providers in partnership, box 15 will include the tax adjusted personal expenses and capital allowances that are **not** set against profits in the partnership tax return, but are set against private fee income declared on the self employment pages of the personal return.

### **Box 16: Employment expenses**

Box 16 will include the tax relievable expenses entered on the employment pages in respect of employment income. Expenses set against employment income earned prior to commencing or after ceasing as a provider should **not** be included.

### **Box 17: Other medical related expenses**

Includes tax relievable expenses included, or set against income declared, elsewhere on your tax return; e.g. at box 17 of page TR3 of your main tax return.

### **Box 18: Qualifying loan interest**

Box 18 is interest payable on your share of a loan held personally for professional purposes not already declared in boxes 14 to 17, and will usually reflect the entry made at box 5 under 'Other tax reliefs' on page 2 of the additional information pages of your tax return.

### **Box 19: Total expenses**

These are your total expenses incurred in respect of **all** your income for the purposes of this certificate.

### **Box 20: Partnership taxable profit**

This figure will reflect your share of taxable partnership profit (box 1 less box 14) and should correspond to box 8 of the partnership pages of your income tax return.

### **Box 21: Single handed provider/self employed taxable profit**

This figure will reflect taxable single hander or private fee based self employed profit (box 2 less box 15) and should correspond to box 31 of the self employed (short) pages or box 64 of the self employment (full) pages of your tax return.

### **Box 22: Net taxable employed pay**

This figure will be your taxable employment pay (box 3 less box 16) and will reflect Box 1 less the total of boxes 17, 18, 19 and 20 from the employment pages of your income tax return.

### **Box 23: Other net medical related profit**

Will be your taxable medical related profit declared elsewhere on your tax return.

### **Box 24: Total taxable profit**

Is the total of boxes 20 to 23.

### **Box 25: Qualifying loan interest**

See comments re box 18.

### **Box 26: Income pensioned separately included in Box 24**

This total needs to include any elements of income included in boxes 20 to 23 which have been pensioned at source.

This box will include:

- Salaried appointments net of expenses (included in box 22)
- Locum income pensioned on Locum A and B forms (included in boxes 20 and/or 21)

This box will **exclude** GP SOLO income

Where salaried appointments have been pooled (also see guidance on boxes 1, 3 and 5) it will be necessary to include the GP provider's taxable pay i.e. the figure as noted on their P60 **plus** employee and added years contributions, and any employer's contributions where the practice's accounts have been grossed up. (For the avoidance of doubt this figure will **not** be just the providers share of the pooled salaried income).

Where salaried income has not been pooled, or the “statutory” method has been used for pooled salaried income, the income will have been recorded on the employment pages of the individual provider’s income tax return. The relevant figure will be the figure at box 22.

It should be noted that box 26 will not necessarily be equal to box 5 as a result of any pooled income. See guidance notes to box 5.

### **Box 27: Total non NHS income**

The figure to be stated in box 27 is the figure in box 12.

### **Box 28: Any pensionable NHS GP income**

Box 28 should include any ‘ad hoc’ NHS income (inclusive of employer contributions) not already declared on this certificate and not already ‘pensioned elsewhere’.

### **Box 29: Non NHS expenses**

See the notes in respect of boxes 39, 40 to 45, and 89.

### **Box 30: Non standard method of apportionment**

This box should be ticked if the standard method of non NHS expense allocation is not being used. See the notes in respect of boxes 39, 40 to 45, and 89.

### **Box 32: GP SOLO income**

Box 32 is the total of all income, from whatever source, declared in box C of the GP SOLO forms for the accounting year that falls in 2014/15. Reference should also be made to guidance notes referring to pooled income in box 1.

### **Special note – GP SOLO income**

Where a GP provider has performed SOLO work, the SOLO employer should have deducted employee contributions at the correct rate taking account of the GP provider’s global practitioner pensionable income. Where the correct rate has been applied the GP provider should enter ‘Yes’ in box M on page 6 of the certificate as they will make their own separate arrangements with the SOLO ‘employer’ (e.g. OOH).

Where a GP provider has performed SOLO work and the SOLO ‘employer’ has not collected tiered employee contributions at the correct rate the GP provider should enter ‘Yes’ in the box M on page 6 of the certificate and arrange to pay the arrears of SOLO contributions directly to the relevant SOLO ‘employer’.

The GP provider must ensure that their SOLO income is apportioned to each relevant SOLO ‘employer’ and send a copy of page 7 to each relevant SOLO ‘employer’ to assist with the payment.

NHS Pensions recognises that in some circumstances it is impractical for arrears of SOLO contributions to be collected by the relevant SOLO ‘employer’. Therefore, in

these circumstances, the GP provider may pay the arrears through the certificate. In this case they should enter 'Yes' in box L on page 6 of the certificate.

The GP provider must inform the SOLO 'employer' that they have paid any arrears through this certificate.

SOLO income should be recorded in the month to which the payment relates i.e. the month the work was done.

Contributions made monthly in arrears should be accounted for as creditors in the practice accounts. This enables reconciliation of boxes 32, 37 and 47 of the certificate to the Exeter system for SOLO income accounted for to a 31 March year end. (This would also enable the use of annual SOLO forms). Where the figures do not reconcile, the AT/LHB are entitled to query this with the GP/accountant.

If SOLO income has not been accounted for to a March year end, ATs/LHBs will not be able to reconcile figures from the Exeter system to Boxes 32, 37 and 47 of the certificate.

Whilst reconciliation is not possible, this method of accounting for SOLO income is acceptable and correct. This may result in an under or over payment of contributions due to timing differences. These under or over payments will be shown in box 88 and should be adjusted for as indicated on the certificate.

#### **Box 34: Reduction of Box 33**

The figure calculated in box 33 is assumed to be gross of 14% employer contributions. Therefore to reduce this number to the net amount, the fraction of 100/114 is applied to box 33.

In some PMS practices the AT/LHB continue to pay the 14% employer contributions directly on behalf of the practice. If this is the case, then the reduction to box 33 will **not** be required. In the event of uncertainty on this issue, PMS practices are advised to contact their AT/LHB to check if they are affected, and seek the advice of an appropriately qualified accountant when completing their provider certificates.

#### **Boxes 35, 35a, 35b and 35c: Pension Overlap Boxes**

The entries here will reflect any pension overlap figures calculated as a result of changes in accounting reference dates or cessation or retirement. For detailed guidance you should refer to the previous years guidance notes on overlap relief on [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions) or to your accountant.

#### **Box 36: Pensionable profit for 2014/15**

This is your individual GMS, PMS, APMS or SPMS practice profits after adjustment for any relevant pension overlap amount. You should now copy this figure to box 46.

#### **Box 37: Pensionable profit for GP SOLO purposes**

This is the figure from box 32 and you should now copy this figure to box 47.

### **Box 38: Total pensionable profit for 2012/13**

This is your total NHS pensionable profits (including SOLO income) prior to any potential 'capping' that may apply for added years purposes.

#### **Box 38a: Seniority**

The figure in this box should be the amount of seniority allocated to you in the practice accounts i.e the actual seniority for the relevant superannuation period included in the superannuable earnings figure in box 36. This may be a partner's prior share for seniority or their percentage share of total seniority if the practice does not prior allocate seniority. No adjustment should be made for employer superannuation contributions.

Seniority payments have to be separately identified for the purposes of calculating average adjusted superannuable income in accordance with the Statement of Financial Entitlements.

#### **Box 38b: Other excluded income**

This box should be any other excluded income not already removed from pensionable pay at box 26.

The purpose of box 38b is to identify any amounts that the AT/LHB may have to deduct from the pensionable pay declared at box 38, because it is not relevant for "pensionable pay for seniority purposes", and has not been previously deducted in the certificate calculations.

The Department of Health confirmed what constituted "pensionable pay for seniority purposes" in 2011/12. This includes mainstream GP income, OOH, GPwSI income, PEC positions, CCG income etc. Specific exclusions are income from honorary board posts, salaried clinical positions (other than bed fund posts) and salaried community medical officer posts.

#### **Box 38c: Amount of pension cap for Added Years purposes only**

See notes to box J. Enter a figure in this box if you are capped for Added Years purposes **only**. The figure in this box would normally be the earnings cap relevant to 2014/15 (£145,800). However, salaried income (e.g. clinical assistant posts etc.) will have been pensioned at the full amount thereby reducing the amount of the cap to below £145,800 for the remaining income sources such as partnership pensionable income. An allocation of the earnings cap may also need to be made between OOH income and main practice income.

Where the cap applies to your added years contract, your total NHS pensionable pay from all NHS sources in the year ended 31 March 2015 cannot exceed £145,800.

**NHS Pensions cannot advise on the application of the cap to any particular source of NHS pensionable income.**

**Professional assistance should always be sought on this issue from an appropriately qualified Independent Financial Adviser.**

For the above reasons, it is not possible for the Excel version of the spreadsheet to determine where the cap is first to be applied. Box 89 should be used to explain how the cap has been applied.

### **Box 39: Standard method for calculation of non NHS expenses.**

Non NHS expenses are calculated using the standard method where:

- Non NHS income (box 12) is less than 10% of total income (box 6), **and**
- Non NHS income (box 12) is less than £25,000.00

The standard method apportions the total expenses from box 19 in relation to the ratio of non NHS income to total income (box 12 over box 6).

### **Boxes 40 to 45: Alternative method of calculation of non NHS expenses**

Even though the conditions at box 39 above are met, it is not imperative that the standard method is used. The alternative method may be used, providing explanation and justification is given at box 89.

Where both the standard and alternative methods of allocating expenses do not provide a fair conclusion, you must use your own method of allocating expenses and clearly explain the reasons and methodology at box 89.

If an alternative method is to be used please remember to tick box 30.

### **Boxes 46 to 54: Establishing tier rates for employee contributions**

Employee contributions in 2014/15 range from 5% to 14.5% as stated on page 4 of the certificate. These tier rates are absolute and should not be time apportioned for anyone who is a member of the scheme for less than 12 months.

The purpose of these boxes is to determine the employee tier rate that is to apply to practitioner pensionable pay for 2014/15 and which appears in boxes 55 and 72.

#### **i. GP Providers**

The rate payable in 2014/15 will be determined by the GP provider's aggregated pensionable income for year 2014/15. The aggregate of pensionable income includes:

- Type 1 (principal) practitioner certified profits
- Type 2 (assistant) practitioner income
- Pensionable GP locum (practitioner) income (i.e. 90% of the gross)
- OOHs posts
- PEC posts
- Salaried bed fund posts, which are treated as practitioner positions
- Pensionable pay from limited company certificate of pensionable profits

Income from PAYE salaried officer (i.e. clinical assistant/hospital) posts should be excluded from the aggregation above and should be allocated a contribution tier separately according to the rules governing officers within the scheme in 2014/15.

Salaried bed fund posts are, however, considered to be practitioner positions and should be included.

ii. Non GP Providers

Non GP providers can only pension income from one source and therefore tier allocation will be based on their pensionable earnings from that single source.

**Important note – GP Locum work and employed practitioner posts**

Where, as a result of the above, it transpires that, following aggregation and allocation to a tier, the incorrect percentage of employee contribution has been paid on 2014/15 GP Locum income through forms A & B, salaried practitioner or bed fund posts, the GP must contact the AT/LHB to correct any arrears/apply for a refund. Any arrears or refunds in respect of such contributions are outside the scope of this certificate. Please refer to the notes on the Type 2 Medical Practitioner Self Assessment Form and GP Locum form B for further information.

In the rare circumstance the organisation no longer exists and there are tier adjustments to the contributions, please contact NHS Pensions for further advice using the following email address: [nhsbsa.practitioners@nhs.net](mailto:nhsbsa.practitioners@nhs.net)

GP SOLO income is not, for the purposes of this certificate, considered as income pensioned separately, although its pensioned amount is split out at box 37. See notes to box 32 regarding under/overpayments for SOLO work.

**Boxes 55 to 58 (and boxes 72 to 75): Contribution Rates**

These boxes state the percentages at which the varying classes of contribution are paid for both main contract and GP SOLO income.

i. Added Years

Where an Added Years contract ends in 2014/15, an apportioned percentage for the days to the end of the contract should be calculated. Remember the earnings cap may apply to the Added Years contract. If you are uncertain about this you should contact NHS Pensions at [nhsbsa.practitioners@nhs.net](mailto:nhsbsa.practitioners@nhs.net)

ii. Money Purchase AVCs

The figure in box 57 (and 74) is your provisional NHSPS money purchase AVCs if you have an NHS money purchase AVC contract with Prudential, Standard Life or Equitable Life. This is generally based on a percentage of your pensionable pay, but in some cases may be a fixed amount. Where the contribution is a fixed amount, the annual amount should be entered in boxes 57a (and 74a) rather than boxes 57 (and 74). The amount in boxes 57a (and 74a) should then be copied into boxes 61 (and 78).

Do not enter details in respect of any free standing AVCs.

iii. Additional Pension purchase (AP)

Where an AP contract exists in 2014/15 it will be necessary to enter the contributions due in boxes 57b (and 74b) for the period from 1 April 2014, or commencement if later, up to 31 March 2015.

Contributions for AP can be made either by a single lump sum or monthly payments. For single lump sum payments made during 2014/15, enter this sum in boxes 57b (and 74b). Where payments are made monthly, enter the monthly amount multiplied by the number of whole months paid during the year ended 31 March 2015.

For further guidance about added years, AVCs and Additional Pension, please visit [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

### **Boxes 59 to 62 (and Boxes 76 to 79): Contributions due**

These figures equate to the pension contributions due for the year. As noted in the guidance to box 38c above, manual entries must be made in respect of Added Years contracts. The default formulae in these boxes assume that no apportionment will be necessary. These default formulae may therefore need to be overwritten.

Where you have an NHS Money Purchase AVC paid as a fixed amount, the figure in box 61 (78) will match that in box 57a (74a).

Where you have an Additional Pension contract, the figure in box 61 (78) will match that in box 57b (74b).

Where you have a combination of both of these arrangements the amount at box 61 (78) will reflect the total amount.

### **Boxes 63 to 66: Contributions already paid**

These boxes must state the practice based contributions already paid that relate to 2014/15 (i.e. not including payments made in respect of a previous year).

These figures should include payments already made to your host AT/LHB or deducted from your global sum or contract price payment 'on account' throughout the year by the AT/LHB.

It should be emphasised that there is no link between the figures in these boxes and the level of contributions which are claimed for tax relief. The entry in these boxes will relate to those contributions made in respect of 2014/15 that were paid or deducted by the AT/LHB before this certificate is submitted.

### **Boxes 67 to 70: Contributions due less contributions paid (main contract)**

These are the balance of contributions to be paid (or refunded) in respect of the provider's main contract pensionable pay.

### **Box 71: Total under/over payment (main contract)**

This is the total of the practice contribution adjustments in boxes 67 to 70.

If the provider has underpaid contributions, the arrears will either be adjusted through contract payments by the AT/LHB, or must be paid immediately to the

AT/LHB. Refunds of contributions will be adjusted through contract payments made to the practice.

### **Boxes 80 to 83: Contributions paid in respect of GP SOLO income**

These figures should include payments made to or deducted on your behalf by NHSPS Employing Authorities in respect of GP SOLO income, and include a credit for employer contributions deemed to have been paid by that Employing Authority, and which are entered on the Exeter system as relating to the pension year ended 31 March 2015.

The entries will reflect the totals from boxes D, E and F of all your GP SOLO forms relating to income for the year ended 31 March 2015, even where the income assessed on this certificate as pensionable is for an accounting year other than the pension year (i.e. a non March year end). The contributions shown in these boxes will always be those from April to March.

Out of Hours Providers registered as NHS Pension Scheme Employing Authorities are listed in Annex B.

### **Boxes 84 to 87: Contributions due less contributions paid (GP SOLO income)**

These are the final payable (or refundable) GP SOLO contributions for 2014/15 after taking account of the contributions that have already been paid.

### **Box 88: Total under/over payment (GP SOLO income)**

This is the total of the GP SOLO contribution adjustments in boxes 84 to 87.

Please see note to box 32 regarding adjustments and the completion of pages 6 & 7.

### **Box 89: Explanatory information**

You should include here **any** explanatory information or points that will assist the AT/LHB in processing your certificate.

This will include justifications for using the alternative method of calculating non NHS expenses entered at box 29 even where the conditions for use of the standard method described above are met.

You should also use this box to provide dates and reasons for leaving a partnership/practice e.g. 24 hour retirement, full retirement, providing details of any new posts after leaving a partnership. Also provide dates relating to opting out of the scheme, and any information regarding Added Years apportionment or application of the earnings cap etc.

## Annex A - GP providers pensionable pay 2014/15

GP providers (i.e. type1/Principal Practitioners) pensionable income is listed below and is subject to the payments being net of expenses. The fees must be in respect of NHS primary medical services and be paid **directly** to the GP (or practice) by an AT, an LHB, or Out of Hours Provider (that qualifies as a NHSPS Employing Authority).

### GP providers must pension income in respect of the following;

Additional services

Adoption and fostering work (collaborative services)

APMS (Alternative Provider of Medical Services: TN06/2007 refers).

Appraisal work

Blue (disabled) badge scheme (collaborative services)

Board and advisory work; i.e non clinical NHS work including appraisals and CCG Board work

Case conference and other meetings arranged by Social Services (collaborative services)

Certificates to enable chronically disabled/blind persons to obtain telephones (collaborative services)

Certification services

Clinical Commissioning Groups (CCGs) payments directly from CCGs are pensionable from 01.04.13. See FAQs for further details.

Collaborative services (in accordance with section 26(4) of the 1977 Health Act)

Commissioned services

Contact price (PMS)

Dispensing

Dispensing services (i.e. the provision of drugs, medicines, and appliances).

Educating medical students or GPs in a practice (The fees must come directly from the AT/LHB and not a medical school or university)

Enhanced services (direct, local, or national)

Essential services

Family planning (Commissioned services)

Food poisoning notifications (Commissioned services)

General/Personal Dental Services

General Ophthalmic Services

Global sum (GMS)

GMS

GP Locum work (This work must always be recorded on GP Locum forms A, & B which can be downloaded from the NHS Pensions website. It must never be recorded on form SOLO or paid (as pooled pensionable income) into the practice accounts. A GP provider cannot record locum work in their own practice i.e internal locum work, on Locum forms A & B)

GPsWSI (GPs with special interests) work (Commissioned services)

Health Education England payments directly to individual GPs or practices

IT

Lecture fees (Commissioned services)

Local authority work in England in respect of collaborative services, section 75 work and local enhanced services

Marriage difficulty sessions (Commissioned services)

Medical certificates (as listed in the GMS Contracts Regulations)

Out Of Hours work for an AT, LHB, Trust, or an OOHP that is an Employing Authority.

Area Team sessions (Commissioned services)

PCO administered funds

PMS

Practice Based Commissioning (PBC) (Only if paid direct to a GP, or GMS/PMS practice, by a AT/LHB)

Premises (e.g. cost or notional rent)

Priority housing reports requested by local authorities, (Collaborative services)

Prisoners' healthcare (Fees in respect of prisoners' healthcare are pensionable subject to the AT/LHB paying the fees directly to the GP/practice)

QOF (quality and outcome framework)

'Section 12' or mental health work (Collaborative services)

Seniority payments

Sessional work commissioned by family planning clinics (Collaborative services)

Social services reports (Collaborative services)

SPMS (Specialist Personal Medical Services: Technical Newsletter 6/2007 refers)

Trainers grant

**GP Providers must not pension the following:**

Fees paid to a GP (or practice) by an Independent Provider, a GP Federation, an LMC, a medical school, an NHS Pension Scheme 'Direction Body' (i.e. a hospice), the police, the DWP, a Local Authority, the Ministry of Defence, or by the NHS Pensions Division (in respect of NHS ill health pension or Injury Benefit Scheme medical reports) are not pensionable.

Fees paid to a GP in respect of the national 'Drug Intervention Programme', private fees (i.e. travel vaccination fees not funded by the NHS), and cremation fees are not pensionable.

Fees paid to a GP by a hospital under an 'honorary contract' or under a service level agreement are not generally pensionable, however contact NHS Pensions for further guidance. An exception to this is where a GP is paid a fee by a hospital trust for a commissioned service (e.g. lecture fees), this remains pensionable.

Funds that a practice may inherit from another business, by virtue of acquiring that business, and that are drawn down later as a salary or dividends are not pensionable in the NHS Pension Scheme.

## Annex B - Out Of Hours Providers with NHS Pension Scheme Employing Authority (EAs) Status During 2014/15

Badger Healthcare Ltd (W229)  
Banes Emergency Medical Services (W314)  
BARDOC (W107)  
BEDOC (Bedford On Call) (W206)  
Birmingham & District GP Emergency Room Ltd (W215)  
BRISDOC Healthcare Services Ltd (W316)  
Cambridgeshire Doctors On Call Ltd (W222)  
Core Care inks ltd (W118)  
Cornwall Health Ltd (W319)  
Central Notts Clinical Services Ltd (W204)  
Chorley Medics Ltd (W110)  
CUEDOC Ltd (Choc) (W101)  
Derbyshire Health United Ltd (W225)  
Devon Doctors Ltd (W303)  
East Berkshire Primary Care OOHs Services (W306)  
East Lancs Medical Services (ELMS) Ltd (W117)  
EDICS Ltd (W315)  
FRENDOC Ltd (W312)  
Fylde Coast Medical Services (NW) Ltd (W103)  
Gateshead Doctors On Call (W116)  
GOTODOC Ltd (W106)  
Halton Health Ltd (W317)  
Herts Urgent Care Ltd (W227)  
Integrated Healthcare LTD (W313)  
Invicta Health Community Interest Company (W318)  
Local Care Direct (W112)  
London Central West Unscheduled Care Collaborative (W213)  
M-DOC LTD (W208)  
Mastercall OOHs Services (EA Code W108)  
NEMS Community Benefits Service Ltd (W202)  
North Hants Urgent Care (W304)  
Northern Doctors Urgent Care Ltd (W104) ceased 30/07/2015  
Out of Hours West Lancashire Ltd (W102)  
Partnership Of East London Co-Operatives (PELC) Ltd (W216)

Preston Primary Care Centre (W119)  
Principal Medical Ltd (W226)  
SAGPEC Ltd (W111)  
Shropshire Doctors' Co-operative Ltd (W201)  
SOUTH DOC Services Ltd (W223)  
St Helens Rota (W115)  
THAMESDOC (W311)  
Urgent Care Ltd (Social Enterprise) (W228)  
Urgent Care 24 Ltd (W113)  
WALDOC Community Benefit Society (W211)

## Annex C - Frequently Asked Questions

### General Completion questions

**1. Q. Do you have a list of the Area Teams?**

A. A list of area teams and addresses can be found at the link below:

<http://www.nhs.uk/servicedirectories/Pages/AreaTeamListing.aspx>

**2. Q. What happens if I don't complete the certificate?**

A. It is a mandatory requirement under the NHSPS Regulations and the SFE (Statement of Financial Entitlement) that providers must complete the certificate. Non-completion may therefore have an effect on your future NHS pension and benefits and may also affect your current and future seniority entitlements. Not completing the certificate may have a detrimental effect on your (and your dependants') NHS pension benefits. The Statement of Financial Entitlements also states that monthly contractual payments may be withheld if a provider fails to complete the certificate.

**3. Q. Why do I have to complete the certificate on an annual basis?**

A. A provider's pensionable pay is based on their NHS income, less expenses. Therefore the only way to measure a provider's pensionable pay is for them to complete a certificate.

**4. Q. What is an NHSPS Employing Authority (EA)?**

A. For purposes of the 2014/15 certificate, an NHSPS Employing Authority, is an AT, LHB, a GP practice (whether partnership or single handed), an APMS or SPMS contract holder, or some Out of Hours Providers ("OOHP"). A list of OOHPs with Employing Authority Status is shown in Annex B.

**5. Q. Not all OOHPs are Scheme Employing Authorities. How will I know which are?**

A. Please refer to Annex B that lists OOHPs with EA status.

**6. Q. What is a host AT/LHB?**

A. In respect of a GP provider, the host is always the body which holds their main GMS/PMS/APMS/SPMS contract.

**7. Q. What legislative requirement is placed upon an AT/LHB in respect of validating the certificate?**

A. The NHSPS Regulations place no specific legal requirement to validate all the figures declared on the certificate. Therefore the declaration that ATs/LHBs are required to sign is worded in such a way that recognises that some of the income declared on the certificate will have come from other sources.

**8. Q. Where should the certificate be sent after it has been validated by the AT/LHB?**

- A. The AT/LHB keeps the original. The provider (or their accountant) must retain a copy.

## **General status questions**

**9. Q. I am a fixed share partner; do I still need to complete the certificate?**

- A. Yes. The NHSPS Regulations state that every provider must complete the certificate. Your share of profits will be used to calculate the NHS and non-NHS elements in exactly the same way as a “percentage profit share” partner.

**10. Q. I am a GP provider (i.e. partner) in two or more separate practices; do I need to complete two certificates?**

- A. Yes, even if the practices are located within the same AT/LHB boundary.

**11. Q. I am a GP provider in both APMS and GMS/PMS; do I need to complete two certificates?**

- A. Yes, even if the organisations are located within the same AT/LHB boundary. Each contract will have its own ‘ring fenced’ budget, expenses ratio, and set of individuals acting as providers. Also the contract may also be with various ATs/LHBs.

**12. Q. I am a GP provider; do I have to complete more than one certificate if I had more than one host AT/LHB in the same year?**

- A. If you relocated during the year then you must complete a certificate in respect of each practice. However, if your host AT/LHB changed due to an AT/LHB merger (but you did not change practices) only one certificate is required.

If you moved from England or Wales to Scotland (or Northern Ireland) you will need to complete one certificate in respect of England/Wales and another in respect of Scotland (or Northern Ireland).

**13. Q. Our practice incorporated mid- year; do I need to complete two certificates?**

- A. Yes, you must complete the main certificate whilst as a partnership and the limited company certificate covering the period when you were the shareholder of the limited company.

**14. Q. I am a GP provider and also a salaried GP directly employed (i.e. PAYE earnings) by a practice, AT, LHB, or SPMS/APMS provider; do I have to complete any other forms as well as the certificate?**

A. Yes, you also have to complete the type 2 medical practitioners self assessment form for 2014/15.

**15.Q. I am a GP provider; can I pension income as a GP provider in my own practice earned from working for another practice that I may (or may not) be involved in as a partner or shareholder?**

A. No. This is strictly forbidden under the NHSPS Regulations.

**16.Q. I have set up a limited company for the purposes of my NHS fringe/ad hoc work such as OOHs, prison work etc. Can I pension this income?**

A. No you cannot pension this income.

**17.Q. I am a GP provider; can I work as a GP Locum in my own practice(s)?**

A. If you work internal locums in your own practice you cannot use locum A and B forms to pension this income. You must however pension this income on your GP provider certificate of pensionable profit as either part of your partnership share of profits or self-employed income.

**18.Q. I am a GP provider; can I work as a GP Locum in other practices?**

A. Yes, under certain circumstances. Please refer to Newsletter (TN) 8/2009, (<http://www.nhsbsa.nhs.uk/pensions>). You must record your GP Locum work on forms A and B and have regard to the relevant rules regarding “long term” locum work (i.e. posts lasting for 6 months or more). Fee based GP work of more than 6 months duration in any one practice is not regarded as GP locum work in NHS pension terms. More information can be found on the NHS Pensions website.

**19.Q. Can a salaried GP (including a GP retainer) also work as a GP Locum in their practice?**

A. Yes, but only in certain circumstances. Any locum work carried out by the salaried GP would need to be on a short term deputising basis i.e. no more than 6 months. After the 6 month period, the post would be deemed to be a “Type 2” practitioner i.e. a salaried GP post for pension purposes.

**20.Q. What happens when a GP opts out of the NHS Pension scheme and becomes a deferred member?**

A. Where a GP is considering opting in and out they need to consider the full implications such as which scheme they will be eligible to re-join and the life assurance benefit differences between being an active member and a deferred member.

The provider is required to complete a certificate of pensionable profit to the date of opting out of the scheme. This may involve relieving overlap profits. The date of opting out must be noted in box I. A second certificate may be required for the entire year for seniority purposes.

**21.Q. What happens if a GP opts out of the NHS Pension Scheme and then back in again during the same financial year?**

- A. One certificate will be completed for the period from 1 April 2013 to the date of opting out. And one from the date of opting back in to 31 March 2014. This may involve relieving and generating overlap profits.

A third certificate may also be completed for the entire period for seniority purposes (if required).

## **Accountancy Related Questions**

**22.Q. My accounting year end is 5 April. This falls after the NHS pension year of 31 March in a fiscal year. Do I still include my tax return entries on the certificate for a period that finishes 5 days earlier?**

- A. 31 March is the NHSPS year end corresponding to the tax year end. Whilst the tax year ends on 5 April each year, the NHSPS year end finishes on 31 March each year.

The 5 day difference between these dates can be ignored.

The golden rule is that the tax return entries form the basis of pensionable pay.

**23.Q. What does 'pensioned separately' on the main certificate mean?**

- A. This will be income that has already been pensioned elsewhere in the NHS, i.e. contributions will have already been deducted. For example if a GP works for a hospital and is paid a salary, the GP will have already paid pension contributions on this income at source. GP SOLO income is not regarded as 'income pensioned separately' for the purposes of this certificate and must be declared in the relevant boxes in the certificate.

**24.Q. What do I do if I am subject to 'pensions overlap'?**

- A. You should seek assistance from an accountant or alternatively refer to the 'overlap' guidance notes provided in earlier year's guidance notes on the certificate which can be found on [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

**25.Q. How do I know if I am, or ever was, subject to the pensionable earnings cap?**

- A. If your first joined the NHS pension scheme on or after 1 June 1989 you will be subject to the cap. This will also apply if you joined before 1 June 1989 but had a break of 365 days or more that ended on or after 1 June 1989. However since April 2008, the cap has not been applicable to your main pensionable earnings, but may still affect your added years contract. You should seek advice from an appropriately qualified professional adviser.

**26.Q. What pensionable pay should the seniority allowance be based on?**

- A. Core practice pensionable income plus other GP NHS income such as OOH, GPwSI, CCG etc. Non GP income such as income from salaried clinical assistant hospital posts and honorary posts are excluded.

**27. Q. Why are seniority payments declared in the certificate and what if seniority payments are pooled?**

- A. The SFE states that the seniority allowance must be declared on the certificate but it is acknowledged that the figure declared may be provisional.

If seniority payments are pooled in the practice the figure stated in box 38a should be the sum allocated to you in the practice accounts i.e. your share of the pooled seniority.

**28. Q. Should seniority payments be grossed up for the employer's pension contributions?**

- A. No. The purpose of including the figure is just to enable the AT/LHB to establish whether the appropriate level of seniority has been paid, after taking into account the earnings criteria.

**29. Q. If VAT is included on the SOLO form is it pensionable?**

- A. No, there are no provisions to pension VAT under the NHS Pension Regulations.

**30. Q: Can I use accounts and tax prepared on a cash basis to complete the certificate?**

- A. Some very small businesses (income of £81,000 or less a year) may have chosen to use a cash accounting basis from April 2013. The General Medical Services Statement of Financial Entitlements Directions 2013 and subsequent amendments indicate in several sections that an accruals basis should be used by contractors. The certificate has therefore been drafted on this basis that all GP Providers are using an accruals basis.

**31. Q. How are redress monies in respect of interest rate hedging products treated on the certificate?**

- A. The superannuation treatment follows the tax relief treatment. The redress monies should be included in the superannuation certificate calculations in the year of receipt. There is no requirement to go back and amend prior year certificates.

Basic redress (which represents the refund of excess payments for the hedging product) should be accounted for as a negative expense in the superannuation calculations.

The expectation is that a GPs pensionable profit should only increase in the year the redress is received, to the extent of past reductions due to product costs incurred. Therefore if the product refund extends before 2004 when the current superannuation methodology was introduced or the non-NHS income

ratio varies significantly over the years concerned then an alternative method of expense allocation may be required.

The 8% compensatory interest on the repayments will be added back in the tax computation and taxed as interest so it will not form part of the pensionable profits.

If this treatment results in the GP paying superannuation at a higher employee tier rate than would have been the case had the refund been accounted for in the year(s) to which it relates then you may need to consider if a consequential loss claim is appropriate.

A consequential loss claim such as one made for costs, tax or superannuation losses should be treated as non-NHS income. Where a loss claim significantly affects the non-NHS income ratio an alternative method of expense allocation may be required to ensure a fair pensionable profit is arrived at.

GPs who have retired from a partnership but still been allocated a share of redress monies from an interest rate hedging product may wish to consider amending superannuation certificates but this is not mandatory.

**32. Q. I am a GP partner who leaves a practice on 31 December 2014. I have also worked OOHP shifts for the entire year from 1 April to 31 March. Can the OOHP income earned from January to March i.e. that earned after I have ceased to be a partner, be included on the GP Provider certificate?**

A. A GP Provider certificate should only capture partnership income and adhoc income when a GP is actually a GP Provider/type 1 medical practitioner, i.e. a partner. Under the NHSPS Regs where a GP ceases to be a GP Provider/type 1 medical Practitioner on 31/12/2014 but continues to perform OOHs work from 01/01/15 to 05/04/15 they are regarded as a GP Performer/Type 2 medical practitioner from 01/01/15 to 05/04/15 and they must complete the type 2 self-assessment form for this period.

You may need to consider whether it is appropriate to tick box L on page 6 if SOLO adjustments are required

## **Treatment of income – is it pensionable?**

**33. Q. Is medical school income pensionable?**

A. No. Although some medical schools are granted special Scheme 'Direction' status, any fees paid to a GP (or practice) by a medical school are not pensionable.

**34. Q. Is the trainers grant pensionable?**

A. Yes. The trainers grant received by training GPs/GP practices is pensionable. The income received is deemed to include the 14% employer contributions.

The employer contributions are then stripped out in the adjustment between boxes 33 and 34.

**35. Q. Is prison work or blue badge income pensionable?**

- A. Yes, however only if the fees are being paid directly to the GP/practice by the AT/LHB.

**36. Q. How should CCG income be pensioned?**

- A. Pension treatment depends whether the post is a formal employment (contract of service) or a fee based arrangement (contract for services/service level agreement).

All formal employment posts are officer posts in the NHS Pension scheme. These employees must be set up on the CCGs payroll with pension contributions deducted at source and paid to NHS Pensions. The special note within the box 1 provides guidance on the treatment of pooled salaried posts.

All income earned under fee based arrangements is pensionable but the CCG must not create an officer post.

For pension purposes the treatment of fee based arrangements depends whether the fees are paid to an individual GP or to a practice.

Where the CCG pays fees to an individual GPs the CCG must complete a SOLO form and forward the form and all contributions to the AT.

Where fees have been paid to a practice (rather than a specific GP) the CCG must include the 14% employer contributions within the fee paid to the practice and make it clear it has done so. This income will be pensioned on the GP provider certificate. No SOLO entries should be made on the certificate with reference to this income.

Office holder positions i.e. those where the CCG has deducted PAYE and NIC at source, but for pension purposes are treated as a fee based/self-employed arrangement should either be pensioned using a SOLO form if the fee is paid to an individual GP or via the GP provider certificate if fees are paid to a practice inclusive of the 14% employer contributions.

For further guidance please refer to NHS Pensions technical newsletters TN3/2013 and TN8/2013.

A GP who works for a CCG under a limited company arrangement cannot pension their CCG income.

CCG arrangements do not apply to GPs working in Wales.

**37. Q. Is local authority income pensionable?**

- A. With effect from 1 April 2013 payments made by a local authority (under The Health and Social Care Act 2012) to a GP partner, single-hander or GP

practice in England in respect of collaborative services, section 75 work and local enhanced services are pensionable income.

Where the fee based payment has been made to an individual GP in England the local authority must complete a SOLO form and send this to the AT with all contributions due. I.e. the GP will have received a fee net of superannuation.

Where the fee has been paid to a practice the local authority should have made it clear that the fee includes the employer contribution element. These fees should be treated as pensionable income on the GP provider certificate.

This does not apply to GPs working in Wales.

**38. Q. I Perform GP OOHs work for a NHS Trust/Foundation Trust who are the local out of hours provider; is it pensionable?**

- A. Yes. If you work under a contract for services (self-employed) arrangement the Trust must superannuate the income by completing form SOLO. As an alternative to the SOLO if you are a GP Provider you may agree to have the fees paid directly into your practice account however, the 14% employer contributions must be included.

If you are formally employed (i.e, contract of service) by a NHS Trust/Foundation Trust to perform OOHs they must put you into the NHSPS as an officer.

**39. Q. If a third party uses some of the surgery premises or equipment is this income pensionable?**

- A. If GP provider or practice receives income from a third party for use of its premises or equipment i.e. a 'service charge' and a profit is made this is not pensionable even if the income is from an NHS body.

It may be necessary to use an alternative method of expense allocation when preparing the certificates to eliminate profit relating this income stream.

## **Adjustment to contributions**

**40. Q. Who is responsible for the payment of any arrears of NHSPS practice based contributions?**

- A. In GMS the practice rather than the individual GP (or non GP) provider is responsible for paying arrears of contributions immediately. The host AT/LHB is within its rights to recover any arrears from future payments it makes to the practice. If the provider has left or retired it is the practice who is still responsible for paying arrears. GP (and non GP) providers should seek expert advice from an accountant with experience in GP finances in respect of paying arrears and the 'knock on' effect on tax relief/NI.

**41.Q. What happens if I have not paid the correct rate of tiered contributions in respect of my SOLO work (i.e. OOHs).**

- A. Your tiered contribution rate is based on your global GP pensionable income; not just your SOLO income. Therefore if you have paid contributions at the incorrect tiered rate in respect of SOLO income you must liaise with the relevant SOLO 'employer' in order to pay the correct rate. If this is not possible you may pay the arrears via the certificate. Please refer to the guidance notes to box 32 of the certificate.

**42.Q. What happens if contributions have been overpaid because a provider's NHS pensionable pay was over estimated?**

- A. The host AT/LHB must repay the overpaid contributions to the practice.

## **Other information**

**43.Q. What is deemed pensionable sick pay?**

- A. GPs who suffer a genuine loss of pensionable income as a result of illness may qualify for deemed pensionable "sick pay" to be credited to their pension records. Deemed pensionable sick pay is **not** recorded on the certificate. NHSPA should be contacted for advice on this matter.

**44.Q. What are the rules regarding claiming the NHS pension?**

- A. All providers must resign from any involvement with GMS, PMS, SPMS or APMS contract for at least 24 hours to access their pension benefits. Single-handers/ sole trader providers must completely terminate their contract with AT/LHB.

If they are a partner or shareholder they must cease to be a partner or shareholder for at least 24 hours and must resign from any external clinical posts (e.g. hospital posts) for at least 24 hours.

A practitioner or non GP provider who retires on normal age (or voluntary early retirement) grounds and who exceeds 16 hours NHS work in the first calendar month following retirement will have their pensions suspended. Those who retire due to ill health may have their pension abated if they return to work and earn over a certain amount.

Full guidance on all aspects of retirement can be found on the NHS Pensions website on [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

**45.Q. I am a non GP provider; can I pension income from more than one contract held by the practice?**

- A. No. If you are party to more than one GMS, PMS, APMS, or sPMS contract you must elect from which contract you wish to superannuate your profits. In basic terms you can only 'pension' income from one contract even though you may be a partner in an organisation that holds several contracts.

#### **46.Q. What are final pay controls?**

- A. The 1995 NHS Pension Scheme Regulations have been amended to provide for the implementation of final pay controls and where applicable employer charges. This amendment only applies from 1 April 2014.

The final pay control is applicable to 1995 Section officer members only. This includes non GP providers.

If a member received an increase in pensionable pay that exceeds the allowable amount in any of the three years prior to their last day of service, the employing authority that awarded the excess pay is liable for a final pay control charge.

The allowable amount for a relevant year is determined by increasing a member's pensionable pay in the year immediately preceding the relevant year by CPI + 4.5%.

Further information on final pay controls is contained in NHS Pension newsletter TN3/14 and a factsheet titled 'final pay controls and employer charge' in the employers section of the website under retirement.