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NHS Pension Scheme (England & Wales)

GP TIERED EMPLOYEE CONTRIBUTIONS

(1 APRIL 2015 TO 31 MARCH 2019)

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CHAPTER 1: INTRODUCTION

1.1 Overview

This guidance applies to all GP members of the NHS Pension Scheme in England & Wales. There are several chapters covering the tiered contribution and annualising rules covering the NHS Pension Scheme years 2015/16, 2016/17, 2017/18 and 2018/19.

Although this guidance focuses on GPs with 2015 Scheme membership who are subject to annualising, it also covers fully protected 1995 Section and 2008 Section GPs who are not annualised.

All NHS Pension Scheme members (including GPs) have been subject to tiered employee contributions since 1 April 2008. Since 1 April 2008 all NHS Pension Scheme members have been subject to their pensionable pay being annualised to set their tiered rate except for GPs who are fully protected members of the 1995 Section and 2008 Section; refer to Chapter 4. GPs who are members of the 2015 Scheme (transition, tapered, and 2015 Scheme/new joiners) are subject to annualising.

Chapter 6 provides guidance for GPs who are seeking reimbursement of some of their 2015/16 and/or 2016/17 employee contributions however this only applies to those GPs who have already submitted their pension forms and contributions for those years.

GPs completing their 2015/16 and/or 2016/17 pension forms for the first time using the new annualising calculator on NHSBSA/NHS Pensions website must **not** complete the reimbursement form for that period.

Where a GP also has an Officer (i.e. hospital doctor) pensionable post that post is afforded its own tiered employee contribution rate. That is, the Officer pay plays no part in determining the GP tiered employee contribution rate.

More detailed guidance is provided in this guide however the rules are summarised below.

1.2 The rules

The tiered contribution/annualising rules for the period 1 April 2015 to 31 March 2019 are:

- A NHS Pension Scheme year is from 1 April to 31 March.
- The tiered employee contribution rate for GPs is based on their 'in year' pensionable income; no account is taken of a previous year.
- The tiered employee contribution rate from 1 April 2015 to 31 March 2019 for fully protected 1995 Section and 2008 Section GPs is based on their actual pensionable income.
- The tiered employee contribution rate from 1 April 2015 to 31 March 2019 for GPs with 2015 Scheme membership is based on their annualised pensionable income.
- A GP with 2015 Scheme membership in years 2015/16 and 2016/17 with more than one GP pensionable post was subject to the 'annualise then add' rule.
- A GP with 2015 Scheme membership in years 2017/18 and 2018/19 with more than one GP pensionable post is subject to the 'add then annualise' rule.
- Where a 1 type 1 or 2 medical Practitioner also performs SOLO work the SOLO income is not annualised separately even if it is irregular. However if the GP is subject to annualising the SOLO income will form part of the annualising calculation.
- A 2015 Scheme GP may review contributions they paid in years 2015/16 and 2016/17 to determine if they would have paid a lower tiered rate under the 'add then annualise' method. If lower contributions would have been paid refer to Chapter 6 regarding reimbursement.

1.3 Employee contribution tiered rates

Table A outlines the tiered employee rates from 1 April 2015 until 31 March 2019.

TABLE A - 1 April 2015 until 31 March 2019.

Tier	Total actual or annualised GP pensionable income in the NHS Pension Scheme year	Tiered employee contribution rate
1	Up to £15,431.99	5%
2	£15,432.00 to £21,477.99	5.6%
3	£21,478.00 to £26,823.99	7.1%
4	£26,824.00 to £47,845.99	9.3%
5	£47,846.00 to £70,630.99	12.5%
6	£70,631.00 to £111,376.99	13.5%
7	£111,377.00 and over	14.5%

CHAPTER 2: DIFFERENT TYPES OF GPs

2.1 Overview

In the NHS Pension Scheme terms there are three type of GP member:

- A type 1 medical Practitioner (a GP who is partner, shareholder, or single-hander)
- A type 2 medical Practitioner (a salaried GP, long term surgery based self-employed GP, or a career OOHs GP)
- A locum Practitioner (a freelance GP locum).

A GP may be more than one of the above during the NHS Pension Scheme year; they are referred to in this guide as a 'portfolio GP'.

2:2 Fully protected GP members

GPs who have a right to stay in the 1995 Section or 2008 Section until they retire and claim their pension are called fully protected GP members.

A 1995 Section fully protected GP includes a GP who first joined the NHS Pension Scheme before April 2008 (either as a hospital doctor or GP), was born before 2 April 1962, and who has always been an active member. (Any individual breaks in NHS Pension Scheme membership must be less than five years to retain 'protected' status).

A 2008 Section fully protected GP includes a GP who first joined the NHS Pension Scheme between 1 April 2008 and 31 March 2015 (either as a hospital doctor or GP), was born before 2 April 1957 and who has always been an active member. (Any individual breaks in NHS Pension Scheme membership must be less than five years to retain 'protected' status).

2:3 Transition GP members

1995 or 2008 Section GP members who had no protection moved to the 2015 Scheme on 1 April 2015 and are called transition members. A transition member includes, but is not exclusive to, a 1995 Section member born on or after 1 September 1965 and a 2008 Section member born on or after 1 September 1960.

2:4 Tapered GP members

There are some GPs who, because of their age and career pattern, have temporary protection in the 1995 or 2008 Sections but will eventually become members of the 2015 Scheme; they are called tapered members.

A tapered GP member will move (switch) to the 2015 Scheme between June 2015 and February 2022 depending on their age. 1995 Section members who were close to age 50 on 1 April 2012 will have the longest protection. 2008 Section members who were closest to age 55 on 1 April 2012 will also have the longest protection.

2:5 2015 Scheme (new joiner) GPs

A person (including a hospital doctor who later becomes a GP) who first joins the NHS on or after 1 April 2015 is a 2015 Scheme member.

There are some very exceptional circumstances where a new joiner may be allowed to join the 1995 or 2008 Section if they were previously employed in the public sector.

CHAPTER 3: 2015 SCHEME GPs WITH BREAKS DURING 2015/16 & 2016/17

3:1 Overview

This Chapter provides guidance where a GP with 2015 Scheme membership (a transition, tapered, or 2015 Scheme/new joiner) had a break in pensionable service in years 2015/16 or 2016/17 which may have resulted in annualising their GP income to set the tiered rate. During years 2015/16 and 2016/17 the rule was to aggregate the annualised income from each GP post ('annualise then add') to set the tiered rate. Chapter 6 provides information on the review procedure.

Where a GP was a type 1 (GP Provider) or a type 2 (salaried GP or career OOHs GP) and was an active NHS Pension Scheme member on 1 April 2015 and 31 March 2016 (and/or 1 April 2016 and 31 March 2017) any individual breaks in 2015 Scheme membership between those dates that did not exceed one calendar month were ignored in respect of annualising.

A calendar month is the period from a particular date in one month to the same date in the next month. For example, if the first day of the break is April 4th and the last day of the break is May 4th this does not exceed one calendar month. If however the first day of the break is April 4th and the last day of the break is May 5th this does exceed one calendar month.

Actual pensionable income \div 365 days x 365 days

If a type 1 or 2 medical Practitioner was not in pensionable service on either 1 April or 31 March their income was annualised. If any breaks between their start and end date did not exceed one calendar month the break was ignored. For example, if a transition, tapered, or 2015 Scheme/new joiner type 1 or 2 GP was a 2015 Scheme member from 2 April to 31 March the annualised income (to set the tiered rate) was calculated as follows:

Actual pensionable income \div 364 days x 365 days

Similar rules applied to transition, tapered, or 2015 Scheme/new joiner freelance GP locums except that they were afforded three month concessionary breaks between locum posts in 2015/16 and 2016/17. They were still subject to annualising if not in pensionable service on 1 April and/or 31 March.

Table B outlines the 'break rules' for GPs with 2015 Scheme membership in year 2015/16.

TABLE B – Breaks during 2015/6: Transition, tapered, and 2015 Scheme/new joiner GPs.

GP TYPE	NHS PENSION SCHEME MEMBERSHIP	LENGTH OF INDIVIDUAL BREAK	DOES THE BREAK COUNT TOWARDS ANNUALISING?
Type 1 or type 2	Active member on 1 April 15 and on 31 March 16	=< 1 calendar month	NO
Type 1 or type 2	Active member on 1 April 15 and on 31 March 16	> 1 calendar month	YES
Freelance GP locum	Active member on 1 April 15 and on 31 March 16	=< 3 calendar months	NO
Freelance GP locum	Active member on 1 April 15 and on 31 March 16	> 3 calendar months	YES

Table C outlines the 'break rules' for GPs with 2015 Scheme membership in year 2016/17.

TABLE C – Breaks during 2016/17: Transition, tapered, and new joiner/2015 Scheme GPs.

GP TYPE	NHS PENSION SCHEME MEMBERSHIP	LENGTH OF INDIVIDUAL BREAK	DOES THE BREAK COUNT TOWARDS ANNUALISING?
Type 1 or type 2	Active member on 1 April 16 and on 31 March 17	=< 1 calendar month	NO
Type 1 or type 2	Active member on 1 April 16 and on 31 March 17	> 1 calendar month	YES
Freelance GP locum	Active member on 1 April 16 and on 31 March 17	=< 3 calendar months	NO
Freelance GP locum	Active member on 1 April 16 and on 31 March 17	> 3 calendar months	YES

NOTES:

- = equal to
- < less than
- > more than

- Where a type 1 or 2 was not in pensionable service both on 1 April and 31 March their income was annualised however any individual breaks between those dates not exceeding one month were ignored.
- Where a freelance GP locum was not in pensionable service on both 1 April and 31 March their income was annualised however any individual breaks between those dates not exceeding three months were ignored.
- A calendar month is the period from a particular date in one month to the same date in the next month.

CHAPTER 4: YEARS 2015/16 & 2016/17 – FULLY PROTECTED GPs

4:1 Overview

In accordance with the NHS Pension Scheme Regulations the tiered contribution rate for a fully protected GP member is based on their 'in year' pensionable income. That is, each year is ring fenced when determining the tiered rate and there is no connection to a previous year.

Where a fully protected GP member in 2015/16 and/or 2016/17 had more than one GP pensionable post their tiered rate was based on their aggregate pensionable income. This meant, for example, that if their surgery pensionable income was £100,000.00 and their ad hoc (i.e. Out of Hours) pensionable income was £15,000.00 they paid 14.5% rate in both posts.

In summary the tiered employee contribution rate for a fully protected 1995 or 2008 Section type 1 or 2 GP member in years 2015/16 and 2016/17 was based on their actual income: that is, their surgery pensionable income and any 'ad hoc' income such as Out Of Hours or appraisal income.

The tiered employee contribution rate for a fully protected 1995 or 2008 Section freelance GP locum in years 2015/16 and 2016/17 was based on their locum income; that is their surgery locum and appraisal income.

Where a GP had more than one post (i.e. they were a salaried GP (type 2) and a GP locum in the same year), the tiered rate was based on their aggregated actual income. Any breaks between or during posts were irrelevant.

GPs with more than one post in the same year are referred to in this guide as 'portfolio GPs'.

4:2 Examples: Fully protected GPs in year 2015/16 & 2016/17

EXAMPLE 1: 2015/6 & 2016/17 - Fully protected GP with one continuous post during the year.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME	TIERED RATE	CONTRIBUTIONS PAID
GP (type 1, type 2, or locum)	1 April - 31 March	£80,000.00	£80,000.00	13.5%	£10,800.00 (£80,000.00 x 13.5%)

EXAMPLE 2: - 2015/6 & 2016/17 - Fully protected GP with one post; did not work a complete year.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME	TIERED RATE	CONTRIBUTIONS PAID
GP (type 1, type 2, or locum)	2 April - 10 Feb (315 days)	£70,000.00	£70,000.00	12.5%	£8,750.00 (£70,000.00 x 12.5%)

EXAMPLE 3: 2015/6 & 2016/17 - Fully protected GP with more than one post.

POST	PERIOD WORKED	ACTUAL INCOME	TOTAL INCOME	TIERED RATE	CONTS PAID
Type 2 (salaried or OOHs GP)	1 April - 30 Sep (183 days)	£30,000.00	£90,000.00	13.5%	£12,150.00 (£90,000.00 x 13.5%)
Type 1 (GP partner)	1 Oct - 31 March (182 days)	£60,000.00			

EXAMPLE 4: 2015/6 & 2016/17 - Fully protected GP with a break between posts.

POST	PERIOD WORKED	ACTUAL INCOME	TOTAL INCOME	TIERED RATE	CONTS PAID
Type 2 (salaried or OOHs GP)	1 April - 30 June (91days)	£15,000.00	£75,000.00	13.5%	£10,125.00 (£75,000.00 x 13.5%)
Type 1 (GP partner)	1 Oct - 31 March (182 days)	£60,000.00			

NOTE: Breaks were not relevant for fully protected GP member because their tiered contribution rate was based on their actual in year (total) GP pensionable income.

CHAPTER 5: ANNUALISED GPs IN YEARS 2015/16 & 2016/17

5:1 Overview

In years 2015/16 and 2016/17 the tiered rate for a 2015 Scheme GP (a transition, tapered, or 2015 Scheme/new joiner) was based upon their annualised income. If they held more than one GP post (i.e. they were a portfolio GP) the rate was based on their aggregated annualised income. This rule was known as 'annualise then add' where the annualised income from each post was calculated then added together to set the tiered rate. Where a type 1 or 2 GP also performed ad hoc 'SOLO' work (e.g. OOHs, appraisal, CCG board and advisory, etc) the income from this work was not annualised; it was simply added to the core surgery pensionable income.

All GPs in 2015/16 with 2015 Scheme membership were subject to annualising however their annualised and actual income was effectively the same if they met the following criteria:

- They had one GP post (type 1, 2 or locum) with continuous pensionable service (no breaks) from 1 April 2015 to 31 March 2016.
- They were in pensionable service as a type 1 (GP Provider) on 1 April 2015 and on 31 March 2016; any individual breaks did not exceed one calendar month.
- They were in pensionable service as a type 2 (salaried GP or career OOHs GP) on 1 April 2015 and on 31 March 2016; individual breaks did not exceed one calendar month.
- They were in pensionable service as a type 2 (i.e. salaried GP or career OOHs GP) on 1 April 2015 and became a type 1 (i.e. GP Provider) later in the year and up until 31 March 2016. Any break between the two posts did not exceed one calendar month.
- They were in pensionable service as a type 1 (GP Provider) on 1 April 2015 and became a type 2 (salaried GP or career OOHs GP) later in the year and up until 31 March 2016. Any break between the two posts did not exceed one calendar month.
- They were in pensionable service as a freelance GP locum on 1 April 2015 and on 31 March 2016 and any individual breaks between those dates did not exceed three calendar months.

The same rules as above applied to GPs with 2015 Scheme membership in 2016/17.

In summary where a GP with one pensionable post worked continuously throughout 2015/16 or 2016/17 (i.e. they started on 1 April and worked until 31 March) and they had no individual breaks exceeding the limit, their annualised and actual income was the same. Those transition, tapered and 2015 Scheme/new joiner GPs whose tiered rate in 2015/16 or 2016/17 was based on their annualised income are outlined below:

- A GP (type 1 or 2) who was not in pensionable service both on 1 April and 31 March. (Any in year individual breaks not exceeding one calendar month were ignored).
- A freelance GP locum who was not in pensionable service both on 1 April and 31 March. (Any in year individual breaks not exceeding three calendar months were ignored).
- A type 1 or 2 GP in pensionable service on 1 April and on 31 March but who had an individual break exceeding one calendar month.
- A freelance GP locum who was in pensionable service on 1 April and on 31 March but who had an individual break exceeding three calendar months.

- A type 1 or 2 GP who became a freelance GP locum in the same year regardless of if they had a break or if the posts overlapped OR a freelance GP locum who became a type 1 or 2 GP in the same year regardless of if they had a break or if the posts overlapped.
- A tapered GP (type 1, type 2, or locum) who joined the 2015 Scheme but not on their switch date; that is they delayed joining the 2015 Scheme.
- A GP (type 1, 2, or locum) who joined the 2015 Scheme on their switch date but left the 2015 Scheme prior to 31 March.
- A tapered GP who joined the 2015 Scheme on their switch date and was a member on 31 March. They had an individual break (exceeding one month for type 1 or 2 or three months for a locum) between their switch/transition date and 31 March.

Chapter 6 covers the review/reimbursement procedure.

5:2 Examples: Transition, tapered, or 2015 Scheme/new joiner GPs - Annualised income = actual income

EXAMPLE 5: 2015/16 & 2016/17 - 'One post' with continuous 2015 Scheme membership.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
GP (type 1, type 2, or locum)	1 April - 31 March (365 days)	£100,000.00	£100,000.00 (£100k ÷ 365 x 365)	13.5%	£13,500.00 (£100,000.00 x 13.5%)

EXAMPLE 6: 2015/16 & 2016/17 - Type 1 or 2 GP in 2015 pensionable service on 1 April and on 31 March with a break during the year not exceeding one calendar month.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME	TIERED RATE	CONTRIBUTIONS PAID	TOTAL CONTS
GP (type 1, type 2)	1 April - 30 Sep (183 days)	£60,000.00	£100,000.00	13.5%	£8,100.00 (60k x 13.5%)	13,500.00
GP (type 1, type 2)	31 Oct - 31 March (152 days)	£40,000.00			£5,400.00 (40k x 13.5%)	

NOTE: The break was ignored because:

- The break between two type 1 posts did not exceed one calendar month.
- The break between two type 2 posts did not exceed one calendar month.
- The break between a type 1 post and a type 2 post (or the other way round) did not exceed one calendar month.

If a type 1 or 2 GP became a freelance GP locum (or the other way round) in the same year both posts were annualised regardless of the length of the break or if the posts overlapped.

EXAMPLE 7: 2015/16 & 2016/17 - Freelance GP locum with pensionable service on 1 April and on 31 March; breaks did not exceed three months.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME	TIERED RATE	CONTS PAID	TOTAL CONTS
Freelance GP locum	1 April - 30 June	£25,000.00	£95,000.00	13.5%	£3,375.00 (£25,000.00 x 13.5%)	£12,825.00
Freelance GP Locum	1 Sep - 30 Nov	£30,000.00			£4,050.00 (£30,000.00 x 13.5%)	
Freelance GP Locum	1 Jan - 31 March	£40,000.00			£5,400.00 (£40,000.00 x 13.5%)	

NOTES:

- Although there were breaks they did not exceed three calendar months.

- If the freelance GP locum had not been in pensionable service on 1 April or 31 March they would have been annualised however the breaks were still ignored; i.e. had the GP started on 2 April the annualised pay would have been £95,260.99 ($£95,000 \div 364 \times 365$) which would still have resulted in a 13.5% tiered rate.

5:3 Examples – Annualised type 1 and 2 GPs

The general rule in years 2015/16 and 2016/17 was that if a GP had more than one post each posts was annualised. The annualised income from each post was added together to set the tiered rate. This was known as ‘annualise then add’.

EXAMPLE 8: 2015/16 & 2016/17 – Type 1 or 2 GP with a break exceeding one calendar month.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	ANNUALISED INCOME	TOTAL ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
GP (type 1, type 2)	1 April - 30 Sep (183 days)	£60,000.00	£119,672.13 ($60k \div 183 \times 365$)	£217,658.71 (£119,672.13 + £97,986.58)	14.5 %	£14,500.00 ($£100,000.00 \times 14.5\%$)
GP (type 1, type 2)	3 Nov - 31 March (149 days)	£40,000.00	£97,986.58 ($40k \div 149 \times 365$)			

NOTE: In this example the break from 1 October until 2 November (inclusive) exceeded one calendar month. The tiered rate was based on aggregated annualised income of £217,658.71.

EXAMPLE 9: 2015/16 & 2016/17 - Type 1 or 2 GP not in pensionable service throughout the year.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
GP (type 1 or type 2)	1 April -28 Feb (334 days)	£90,000.00	£98,353.29 ($£90k \div 334 \times 365$)	13.5%	£12,150.00 ($£90,000.00 \times 13.5\%$)

NOTE: If the GP had a break between 1 April and 28 Feb that did not exceed one calendar month it was ignored, therefore the annualising formula was still: ‘actual pay \div 334 x 365’.

EXAMPLE 10: 2015/16 & 2016/17 - Type 1 or 2 GP not in pensionable service throughout the year.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
GP (type 1 or type 2)	3 April -31 March (363 days)	£90,000.00	£90,495.87 (£90k ÷ 363 x 365)	13.5%	£12,150.00 (£90,000.00 x 13.5%)

NOTE: If the GP had a break between 3 April and 31 March that did not exceed one calendar month it was ignored, therefore the annualising formula was still: 'actual pay ÷ 363 x 365'.

EXAMPLE 11: 2015/16 & 2016/17 - Type 1 or 2 GP not in pensionable service at year-end and with a break exceeding one calendar month.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	ANNUALISED INCOME	TOTAL ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
GP (type 1, type 2)	1 April - 30 Sep (183 days)	£60,000.00	£119,672.13 (£60k ÷ 183 x 365)	£243,400.94 (£119,672.13 + £123,728.81)	14.5%	£14,500.00 (£100,000.00 x 14.5%)
GP (type 1, type 2)	3 Nov - 28 Feb (118 days)	£40,000.00	£123,728.81 (£40k ÷ 118 x 365)			

NOTE: The break from 1 October until 2 November (inclusive) exceeded one calendar month.

5:4 Examples – Annualised freelance GP locums

Example 12 outlines the rules for a freelance GP locum (with 2015 Scheme membership) who was in pensionable service both on 1 April and 31 March but had an individual break exceeding three calendar months.

EXAMPLE 12 - 2015/16 or 2016/17: Freelance GP locum with a break exceeding three calendar months.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	ANNUALISED INCOME	TOTAL ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
Freelance GP	1 April - 30 June (91 days)	£25,000.00	£100,274 .72 (£25k ÷ 91 x 365)	£198,261.30 (£100,274 .72 + £97,986.58)	14.5%	£9,425.00 (£65,000.00 x 14.5%)
Freelance GP	3 Nov - 31 March (149 days)	£40,000.00	£97,986.58 (£40k ÷ 149 x 365)			

NOTE: As the break from 1 July until 2 November (inclusive) exceeded three calendar months the income from both posts was annualised to set the tiered rate.

Example 13 outlines the rules for a freelance GP locum (with 2015 Scheme membership) who was not in pensionable service either on 1 April and on 31 March and also had an individual break exceeding three calendar months.

EXAMPLE 13 - 2015/16 or 2016/17: Freelance GP locum with a break exceeding three months.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	ANNUALISED INCOME	TOTAL ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
Freelance GP	3 April - 30 June (89 days)	£25,000.00	£102,528 .09 (£25k ÷ 89 x 365)	£212,028.09 (£102,528 .09 + £109,500.00)	14.5%	£7,975.00 (£55,000.00 x 14.5%)
Freelance GP	3 Nov - 10 Feb (100 days)	£30,000.00	£109,500.00 (£30k ÷ 100 x 365)			

NOTE: As the break from 1 July until 2 November (inclusive) exceeded three calendar months and the GP was not in pensionable service at year start and at end the income was annualised to set the tiered rate.

5:5 Examples – Annualised portfolio GPs

A portfolio GP in 2015/16 or 2016/17 was typically a GP who was a salaried GP (type 2) and a freelance GP locum during the same year. There are other scenarios such as a GP partner who was also a freelance GP locum or a 'career OOHs GP' was also a freelance GP locum. Because of their working patterns portfolio GPs were more liable to be annualised.

Example 14 outlines the rules for a portfolio GP (with 2015 Scheme membership) who was in pensionable service both on 1 April and 31 March but whose posts overlapped.

EXAMPLE 14 - 2015/16 or 2016/17: Portfolio GP with overlapping posts.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	ANNUALISED INCOME	TOTAL ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
Type 2 GP	1 April - 31 Oct (214 days)	£40,000.00	£68,224.30 (£40k ÷ 214 x 365)	£133,402.87 (£68,224.30 + £65,178.57)	14.5%	£10,150.00 (£70,000.00 x 14.5%)
Freelance GP	15 Oct - 31 March (168 days)	£30,000.00	£65,178.57 (£30k ÷ 168 x 365)			

NOTE: Although the posts overlapped the GP did not work a full year in either so their income from both was annualised to set the tiered rate.

Example 15 outlines the rules for a portfolio GP (with 2015 Scheme membership) who was in pensionable service both on 1 April and 31 March and whose posts were consecutive.

EXAMPLE 15 - 2015/16 or 2016/17: Portfolio GP with consecutive posts.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	ANNUALISED INCOME	TOTAL ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
Type 2 GP	1 April - 31 Oct (214 days)	£40,000.00	£68,224.30 (£40k ÷ 214 x 365)	£128,654.76 (£68,224.30 + £60,430.46)	14.5%	£9,425.00 (£65,000.00 x 14.5%)
Freelance GP	1 Nov - 31 March (151 days)	£25,000.00	£60,430.46 (£25k ÷ 151 x 365)			

NOTE: Although the posts were consecutive the GP did not work a full year in either so their income from both was annualised to set the tiered rate.

Example 16 outlines the rules for a portfolio GP (with 2015 Scheme membership) in pensionable service on both 1 April and on 31 March who had a break (regardless of the length) between posts.

EXAMPLE 16 - 2015/16 or 2016/17: Portfolio GP with a break between posts.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	ANNUALISED INCOME	TOTAL ANNUALISED INCOME	TIER ED RATE	CONTRIBUTI ONS PAID
Type 2 GP	1 April - 31 Oct (214 days)	£40,000.00	£68,224.30 (£40k ÷ 214 x 365)	£145,337.98	14.5%	£10,150.00 (£70,000.00 x 14.5%)
Freelance GP	10 Nov - 31 March (142 days)	£30,000.00	£77,112.68 (£30k ÷ 142 x 365)	(£68,224.30 + £77,112.68)		

NOTE: The break, regardless of the length, is taken into account.

Example 17 outlines the rules for a portfolio GP (with 2015 Scheme membership) who had several posts and was not in pensionable service on either 1 April and 31 March.

EXAMPLE 17 - 2015/16 or 2016/17: Portfolio GP with several posts.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	ANNUALISED INCOME	TOTAL ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
Type 2 GP	11 April - 8 July (89 days)	£20,000.00	£82,022.47 (£20k ÷ 89 x 365)	£195,742.15 (£82,022.47 + £46,624.09 + £67,095.59)	14.5%	£11,600.00 (£80,000.00 x 14.5%)
Freelance GP	1 July - 31 March (274 days)	£35,000.00	£46,624.09 (£35k ÷ 274 x 365)			
Type 2 GP	10 Nov - 25 March (136 days)	£25,000.00	£67,095.59 (£25k ÷ 136 x 365)			

NOTE: Under 'annualise then add' each post is annualised then aggregated to set the tiered rate. If GP had performed OOHs whilst a type 2 their OOHs income is not annualised.

CHAPTER 6: YEARS 2015/16 & 2016/17 - REVIEWING TIERED CONTRIBUTION RATES & SEEKING REIMBURSEMENT

6:1 Introduction

Some GPs who paid contributions in years 2015/16 and 2016/17 under the 'annualise then add' method may have paid a lower tiered rate under the alternative 'add then annualise' method, especially if they had a break exceeding one calendar month. GPs who believe they may have paid a lower rate may, if they wish, undertake their own review by using the new annualising calculator on the website, www.nhsbsa.nhs.uk/nhs-pension. It should be noted that not every GP would have paid a lower tiered rate under 'add then annualise'.

6:2 2015 Scheme GPs who may have paid a lower tiered rate under 'add then annualise'

Those GPs who may have paid a lower tiered rate under 'add then annualise' include:

- A type 1 GP who had a break in 2015 Scheme membership exceeding one calendar month before returning to a type 1 or type 2 post later in the same year.
- A type 2 GP who had a break in 2015 Scheme membership exceeding one calendar month before returning to a type 2 or type 1 post later in the same year.
- A freelance GP locum who had a break in 2015 Scheme membership exceeding three calendar months before later returning to freelance GP locum work in the same year.
- A portfolio GP who was not in continuous pensionable service from 1 April to 31 March in every GP post.
- A tapered type 1 or 2 GP who upon joining the 2015 Scheme then had a break in membership exceeding one calendar month before returning to the 2015 Scheme later in the year.
- A tapered freelance GP locum who upon joining the 2015 Scheme then had a break in membership exceeding three calendar months before returning to the 2015 Scheme later in the year.

6:3 2015 Scheme GPs who may not have paid a lower tiered rate under 'add then annualise'

All 2015 Scheme GPs, even those in one post, in years 2015/16 or 2016/17 were subject to annualising. A 'one post' GP with pensionable service on both 1 April and 31 March and who remained in that post was subject to annualising however in reality their annualised pay and actual pay was the same because the formula is;

pensionable pay ÷ 365 days x 365 days.

Those GPs whose tiered rate would have been the same had they adopted the ‘add then annualise’ method in years 2015/16 and 2016/17 rather than ‘annualise and add’ are as follows:

- A GP with continuous 2015 Scheme pensionable service from 1 April to 31 March.
- A type 1 or 2 GP with 2015 Scheme pensionable service both on 1 April and 31 March who had a break in 2015 Scheme membership that did not exceed one calendar month.
- A freelance GP locum with 2015 Scheme pensionable service both on 1 April and 31 March who had a break in 2015 Scheme membership that did not exceed three calendar months.
- A GP who had one type 1 or 2 GP post who was not in pensionable service on 1 April and/or 31 March but who worked continuously (no breaks exceeding one calendar month) between their start and end date. (They are still annualised but there is no aggregation).
- A GP with one freelance GP locum post who was not in pensionable service on 1 April and/or 31 March but who worked continuously (no breaks exceeding three calendar months) between their start and end date. (They are still annualised but there is no aggregation).
- A portfolio GP whose GP pensionable posts were concurrent to the exact day. (They were still subject to ‘annualise then add’ but the outcome was the same as under ‘add then annualise’).

6:4 2015 Scheme GPs - How to review the tiered rate in years 2015/16 and 2016/17

Examples 8 to 17 in Chapter 6 outline the employee tiered contribution rate paid by a GP under the ‘annualise then add’ method. Those same examples are used below to illustrate the tiered rate in years 2015/16 and 2016/17 under the ‘add then annualise’ method.

For ease of reference example 18 correlates with example 8, example 19 correlates with example 9, etc.

EXAMPLE 18 - 2015/16 & 2016/17: Type 1 or 2 GP with a break exceeding one calendar month.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
GP (type 1, type 2)	1 April - 30 Sep (183 days)	£60,000.00	£100,000.00 (332 days)	£109,939.76 (£100k ÷ 332 x 365)	13.5%	£13,500.00 (£100,000.00 x 13.5%)
GP (type 1, type 2)	3 Nov - 31 March (149 days)	£40,000.00				

NOTE: Under the 'add then annualise' method the tiered rate was 1% less than under the 'annualise and add' method.

EXAMPLE 19 - 2015/16 & 2016/17: 'One post' GP in pensionable service on 1 April but not 31 March.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
GP (type 1 or type 2)	1 April -28 Feb (334 days)	£90,000.00	£98,353.29 (£90k ÷ 334 x 365)	13.5%	£12,150.00 (£90,000.00 x 13.5%)

NOTE: Under the 'add then annualise' method the tiered rate is the same as under the 'annualise then add' method because there is only one post.

EXAMPLE 20 - 2015/16 & 2016/17: 'One post' GP in pensionable at year-end but not at year start.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
GP (type 1 or type 2)	3 April -31 March (363 days)	£90,000.00	£90,495.87 (£90k ÷ 363 x 365)	13.5%	£12,150.00 (£90,000.00 x 13.5%)

NOTE: Under the 'add then annualise' method the tiered rate is the same as under the 'annualise then add' method because there is only one post.

EXAMPLE 21 - 2015/16 & 2016/17: Type 1 or 2 GP who was in pensionable service at year start but not year-end and who also had a break exceeding one calendar month.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
GP (type 1, type 2)	1 April - 30 Sep (183 days)	£60,000.00	£100,000.00 (301 days)	£121,262.46 (£100k ÷ 301 x 365)	14.5%	£14,500.00 (£100,000.00 x 14.5%)
GP (type 1, type 2)	3 Nov - 28 Feb (118 days)	£40,000.00				

NOTE: Although the annualised pay is less, under the 'add then annualise' method the tiered rate is the same as under the 'annualise then add' method.

EXAMPLE 22 - 2015/16 & 2016/17: Freelance GP locum with break exceeding three calendar months.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	ANNUALISED INCOME	TIER ED RATE	CONTRIBUTI ONS PAID
Freelance GP	1 April - 30 June (91 days)	£25,000.00	£65,000.00 (240 days)	£98,854.17 (£65k ÷ 240 x 365)	13.5%	£8,775.00 (£65,000.00 x 13.5%)
Freelance GP	3 Nov - 31 March (149 days)	£40,000.00				

NOTE: Under the 'add then annualise' method the tiered rate is 1% less than under the 'annualise and add' method.

EXAMPLE 23 - 2015/16 & 2016/17: Freelance GP locum with a break exceeding three months; not in pensionable service either on 1 April or on 31 March.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	ANNUALISE D INCOME	TIER ED RATE	CONTRIBUTI ONS PAID
Freelance GP	3 April - 30 June (89 days)	£25,000.00	£55,000.00 (189 days)	£106,216.93 (£55k ÷ 189 x 365)	13.5%	£7,425.00 (£55,000.00 x 13.5%)
Freelance GP	3 Nov - 10 Feb (100 days)	£30,000.00				

NOTE: Under the 'add then annualise' method the tiered rate is 1% less than under the 'annualise and add' method.

EXAMPLE 24 - 2015/16 & 2016/17: Portfolio GP with overlapping posts.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	ANNUALIS ED INCOME	TIER ED RATE	CONTRIBUTI ONS PAID
Type 2 GP	1 April - 31 Oct (214 days)	£40,000.00	£70,000.00	£70,000.00 (£70k ÷ 365 x 365)	12.5%	£8,750.00 (£70,000.00 x 12.5%)
Freelance GP	15 Oct - 31 March (168 days)	£30,000.00				

NOTE: There are no gaps in pensionable service. Under the 'add then annualise' method the tiered rate is 2% less than under the 'annualise and add' method.

EXAMPLE 25 - 2015/16 & 2016/17: Portfolio GP with consecutive posts.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	ANNUALISED INCOME	TIER ED RATE	CONTRIBUTI ONS PAID
Type 2 GP	1 April - 31 Oct (214 days)	£40,000.00	£65,000.00 (365 days)	£65,000.00 (£65k ÷ 365 x 365)	12.5%	£8,125.00 (£65,000.00 x 12.5%)
Freelance GP	1 Nov - 31 March (151 days)	£25,000.00				

NOTE: Under the 'add then annualise' method the tiered rate is 2% less than under the 'annualise and add' method because in reality there is no annualising.

EXAMPLE 26 - 2015/16 or 2016/17: Portfolio GP with a break between posts.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	TOTAL ANNUALIS ED INCOME	TIER ED RATE	CONTRIBUTI ONS PAID
Type 2 GP	1 April - 31 Oct (214 days)	£40,000.00	£70,000.00 (356 days)	£71,769.66 (£70k ÷ 356 x 365)	13.5%	£9,450.00 (£70,000.00 x 13.5%)
Freelance GP	10 Nov - 31 March (142 days)	£30,000.00				

NOTE: Under the 'add then annualise' method the tiered rate is 1% less than under the 'annualise and add' method.

EXAMPLE 27 - 2015/16 & 2016/17: Portfolio GP with several posts and not in continuous pensionable service.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	TOTAL ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
Type 2 GP	11 April - 8 July (89 days)	£20,000.00	£80,000.00 (355 days)	£82,253.53 (£80k ÷ 355 x 365)	13.5%	£10,800.00 (£80,000.00 x 13.5%)
Freelance GP	1 July - 31 March (274 days)	£35,000.00				
Type 2 GP	10 Nov - 25 March (136 days)	£25,000.00				

NOTE: Total 2015 Scheme membership in the year was 355 days because there was no membership from 1 to 10 April. Under the 'add then annualise' method the tiered rate is 1% less than under the 'annualise and add' method.

6:5 2015 Scheme GPs - How to be reimbursed employee contributions for years 2015/16 and 2016/17

Where a GP with service in years 2015/16 and 2016/17 has not yet completed their 2015/16 and 2016/17 pension forms for those years they should do so immediately by adopting the 'add then annualise' method, as outlined in this guide; they should use the annualisation calculator on the website to assist with this process. This will ensure that they comply with statutory pension legislation and do not need to claim any reimbursement of contributions.

The calculator can be found in the Practitioner section (located in Member Hub/Practitioner section) of NHSBSA/NHS Pensions' website. This is the section where all the GP pension forms are located. The existing pension forms on the website have been revised where appropriate. Where a GP has already completed their 2015/16 and 2016/17 forms paragraph 6:4 contains examples of the calculation of the tiered contribution rate using the 'add then annualise' method.

Those GPs who have already submitted their forms and are seeking reimbursement of contributions must use the annualisation calculator to determine whether their tiered employee contribution rate would have been lower in years 2015/16 or 2016/17. The calculator provides the total annualised pay in 2015/16 and 2016/17 under both the 'annualise then add' and the 'add then annualise' methods and the relevant tiered rates.

In some instances the annualised pay under both methods will result in the same tiered rate. For example, if the annualised pay under 'annualise then add' was £120,000.00 and it is £115,000.00 under 'add then annualise' the tiered rate will still be 14.5%. This is because both rates of pay are within the 14.5% tier.

GPs who believe that they could have paid lower employee contributions in years 2015/16 or 2016/17 and seek reimbursement should complete the reimbursement claim form, which is also located in the 'Practitioner' section of the NHSBSA/NHS Pensions website. They must send the

claim form and an extract of the calculator (as evidence of eligibility) to NHSE/PCSE (England) or Local Health Board (Wales) before 31 March 2019. The actual reimbursement may take several weeks.

The steps to be taken by the GP are outlined below.

STEP 1

Download the reimbursement claim form from the website. www.nhsbsa.nhs.uk/nhs-pensions

STEP 2

The GP must use the annualisation calculator to confirm their annualised pay and tiered contribution rate under the add then annualise method. To ensure accuracy of the calculation it is important that all actual pensionable pay and dates worked are entered correctly in the relevant NHS Pension Scheme year. 'Period (YE)' means the 'period year ending'; i.e. 'Period (YE) 2016' means NHS Pension Scheme year 2015/16.

Portfolio GPs will have to complete several 'drop down' rows on the calculator outlining every GP pensionable post (and the dates worked) in the NHS Pension Scheme year.

Where under the column headed 'Type' the entry is as a 'Locum' ignore any breaks in pensionable service that did not exceed three months. For example if a freelance GP locum had pensionable service from 2 April 2015 to 31 May 2015 and from 1 August 2015 to 31 March 2016 the date entered under 'Start Date' is 2 April 2015 and the date entered under 'End Date' is 31 March 2016. Where a freelance GP locum had pensionable service from 2 April 2015 to 31 May 2015 and from 1 October 2015 to 31 March 2016 (i.e. a break exceeding three month) they must use separate rows denoting a 'Start Date' of 2 April 2015 and an 'End Date' of 31 May 2015 in one row and a 'Start Date' of 1 October 2015 and an 'End Date' of 31 March 2016 in another row.

STEP 3

Where a GP has identified that they could have paid lower contributions in either 2015/16 or 2016/17 because they originally paid on a higher tiered rate, they should send the fully completed reimbursement claim form and the extract of the calculator as evidence of eligibility to NHSE/PCSE (England) or the Local Health Board (Wales) no later than 31 March 2019.

CHAPTER 7: YEARS 2017/18 & 2018/19

This Chapter does not apply to fully protected 1995 Section and 2008 Section GPs who are not subject to annualising.

7:1 Overview

Every GP with 2015 Scheme membership in 2017/18 and 2018/19 (a transition GP, tapered GP, and 2015 Scheme/new joiner GP) is subject to annualising. If they have more than one GP post during the year then 'add then annualise' applies. For type 1 and 2 GPs the one month break concession does not apply under the 'add then annualise' approach.

7:2 Type 1 and 2 GPs in 2017/18 & 2018/19

Where a type 1 or 2 GP has one post in 2017/18 or 2018/19 their pensionable income is annualised to set their tiered rate. For example if they worked continuously from 1 April 2017 to 31 March 2018 the formula is;

$\text{pensionable income} \div 365 \text{ days} \times 365 \text{ days}$

Where a GP with one post in 2017/18 or 2018/19 did not work a full year the formula is;

$\text{pensionable income} \div \text{days of pensionable service} \times 365 \text{ days}$

For example if a 'one post' GP was in continuous pensionable service from 2 April 2017 to 31 March 2018 the formula would be;

$\text{pensionable income} \div 364 \text{ days} \times 365 \text{ days}$

The 'add then annualise' principle applies where a type 1 or 2 GP posts may have more than one type 1 or 2 post in the same year. That is, the actual pay is added together (aggregated) and then annualised taking account of any days of non-pensionable service including breaks regardless of their length. This is different to the 'annualise and add' principle.

Remember that for type 1 and 2 GPs the one month break concession does not apply under the 'add then annualise' approach.

7:3 Examples - Type 1 and 2 GPs with 2015 Scheme membership in years 2017/18 & 2018/19

EXAMPLE 28 - 2017/8 & 2018/19: 'One post' type 1 or 2 GP in pensionable service all year.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
GP (type 1 or type 2)	1 April -31 March (365 days)	£75,000.00	£75,000.00 (£75k ÷ 365 x 365)	13.5%	£10,125.00 (£75,000.00 x 13.5%)

NOTE: The annualised and actual income is the same.

EXAMPLE 29 - 2017/8 & 2018/19: 'One post' type 1 or 2 GP **not** in pensionable service throughout the year.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
GP (type 1 or type 2)	1 April -28 Feb (334 days)	£80,000.00	£87,425.15 (£80k ÷ 334 x 365)	13.5%	£10,800.00 (£80,000.00 x 13.5%)

NOTE: As the GP did not work a full year they are subject to annualising.

EXAMPLE 30 - 2017/8 & 2018/19: 'One post' type 1 or 2 GP **not** in pensionable service throughout the year.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
GP (type 1 or type 2)	1 May -31 March (335 days)	£90,000.00	£98,059.70 (£90k ÷ 335 x 365)	13.5%	£12,150.00 (£90,000.00 x 13.5%)

NOTE: As the GP did not work a full year they are subject to annualising.

EXAMPLE 31 – 2017/18 & 2018/19: Type 1 or 2 GP with a break exceeding one calendar month.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
GP (type 1, type 2)	1 April - 20 Sep (173 days)	£60,000.00	£100,000.00 (322 days)	£113,354.04	14.5%	£14,500.00 (£100,000.00 x 14.5%)
GP (type 1, type 2)	3 Nov - 31 March (149 days)	£40,000.00		(£100k ÷ 322 x 365)		

NOTE: As there was a break (of any length between posts) 'add then annualise' applies.

EXAMPLE 32 - 2017/18 & 2018/19: Type 1 or 2 GP who was in pensionable service at year start but not year-end and who also had a break of any length.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
GP (type 1, type 2)	1 April - 30 Sep (183 days)	£60,000.00	£100,000.00 (301 days)	£121,262.46	14.5%	£14,500.00 (£100,000.00 x 14.5%)
GP (type 1, type 2)	3 Nov - 28 Feb (118 days)	£40,000.00		(£100k ÷ 301 x 365)		

NOTE: As the GP left prior to 31 March and there was a break 'add then annualise' applies.

7:4 Freelance GP locums in 2017/18 an 2018/19

A freelance GP locum's pensionable income in 2017/18 or 2018/19 is annualised to set their tiered rate. For example if they worked from 1 April 2017 to 31 March 2018 the formula is;

pensionable income ÷ 365 days x 365 days

Where, for example, a freelance GP locum worked 2 April 2017 to 30 March 2018 the formula would be;

pensionable income ÷ 363 days x 365 days

Individual breaks between freelance GP locum posts that do not exceed three calendar months will continue to be ignored for the purposes of annualising up to 31 March 2019. This is in recognition that freelance GP locums may have worked in 2017/18 and 2018/19 on the basis that breaks of three months are ignored.

Where any breaks do exceed three calendar months the 'add then annualise' principle applies. That is, the actual income is added together (aggregated) and then annualised taking account of non-pensionable service; i.e. non-working days.

7:5 Examples – Freelance GP locums with 2015 Scheme membership in years 2017/18 & 2018/19

EXAMPLE 33 - 2017/8 & 2018/19: Freelance GP locum working continuously throughout the year.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
Freelance GP locum	1 April -31 March (365 days)	£75,000.00	£75,000.00 (£75k ÷ 365 x 365)	13.5%	£10,125.00 (£75,000.00 x 13.5%)

NOTE: The annualised and actual income is the same.

EXAMPLE 34 - 2017/18 & 2018/19: Freelance GP locum in pensionable service on 1 April and 31 March with a break not exceeding three months.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
Freelance GP	1 April - 30 June (91 days)	£25,000.00	£70,000.00 (303 days)	£70,000.00	12.5%	£8,750.00 (£70,000.00 x 12.5%)
Freelance GP	1 Sep - 31 March (212 days)	£45,000.00		(£70k ÷ 365 x 365)		

NOTE: As the break did not exceed three months and there was pensionable service on 1 April and 31 March the actual and annualised income is the same.

EXAMPLE 35 - 2017/18 & 2018/19: Freelance GP locum not in pensionable service on 1 April and 31 March and with a break not exceeding three months.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
Freelance GP	2 April - 30 June (91 days)	£25,000.00	£70,000.00 (363 days)	£70,385.67	12.5%	£8,750.00 (£70,000.00 x 12.5%)
Freelance GP	1 Sep - 30 March (212 days)	£45,000.00		(£70k ÷ 363 x 365)		

NOTE: Although the GP did not have a break exceeding three months they are annualised because they were not in pensionable service on 1 April and 31 March.

EXAMPLE 36 - 2017/8 & 2018/19: Freelance GP locum in pensionable service on 1 April and 31 March with a break exceeding three months

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
Freelance GP	1 April - 30 June (91 days)	£25,000.00	£55,000.00 (240 days)	£83,645.83	13.5%	£7,425.00 (£55,000.00 x 13.5%)
Freelance GP	3 Nov - 31 March (149 days)	£30,000.00		(£55k ÷ 240 x 365)		

NOTE: The GP is annualised because the break exceeded three months.

EXAMPLE 37 - 2017/8 & 2018/19: Freelance GP locum not in pensionable service on 1 April or 31 March and with a break exceeding three months.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
Freelance GP	3 April - 30 June (89 days)	£25,000.00	£55,000.00 (189 days)	£106,216.93	13.5%	£7,425.00 (£55,000.00 x 13.5%)
Freelance GP	3 Nov - 10 Feb (100 days)	£30,000.00		(£55k ÷ 189 x 365)		

NOTE: The income is annualised factoring in all of the non-pensionable days.

7:6 Portfolio GPs in 2017/18 & 2018/19

A portfolio GP's pensionable income in 2017/18 and 2018/19 is annualised to set their tiered rate. Therefore if they had two GP posts and worked continuously in both (from 1 April to 31 March) the formula is;

total pensionable income ÷ 365 days x 365 days

Where, for example, a portfolio GP had two GP posts but did not work a full year in either the formula would be;

pensionable income ÷ days of pensionable service x 365 days

Up to 31 March 2019 if the portfolio GP undertakes freelance GP locum work any individual breaks between freelance GP locum posts that do not exceed three calendar months are ignored for the purposes of annualising. This is in recognition that freelance GP locums may have worked in 2017/18 and 2018/19 on the understanding that breaks up to three months are ignored. Any breaks in freelance locum work exceeding three calendar months are subject to annualising.

Where the portfolio GP holds a type 1 or 2 GP post any breaks count towards annualising unless the GP is working as a pensionable freelance GP locum during that period.

In summary it is the non-pensionable days (i.e. non-working days) that form part of the annualising formula.

In the examples below the type 2 post may be a salaried GP or a GP who solely performs OOHs.

7:7 Examples – Portfolio GPs with 2015 Scheme membership in years 2017/18 & 2018/19

EXAMPLE 38 - 2017/18 & 2018/19: Portfolio GP with two concurrent posts, 1 April to 31 March.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
Type 2 GP	1 April - 31 March (365 days)	£40,000.00	£80,000.00 (365 days)	£80,000.00 (£80k ÷ 365 x 365)	13.5%	£10,800.00 (£80,000.00 x 13.5%)
Freelance GP	1 April - 31 March (365 days)	£40,000.00				

NOTE: As the GP worked a full year the actual and annualised income is the same.

EXAMPLE 39 - 2017/18 & 2018/19: Portfolio GP with consecutive posts; no breaks.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
Type 1 GP	1 April - 31 Oct (214 days)	£40,000.00	£65,000.00 (365 days)	£65,000.00 (£65k ÷ 365 x 365)	12.5%	£8,125.00 (£65,000.00 x 12.5%)
Freelance GP	1 Nov - 31 March (151 days)	£25,000.00				

NOTE: As the GP worked a full year the actual and annualised income is the same.

EXAMPLE 40 - 2017/18 & 2018/19: Portfolio GP with overlapping posts in the same year.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
Type 2 GP	1 April - 31 Oct (214 days)	£40,000.00	£70,000.00	£70,000.00 (£70k ÷ 365 x 365)	12.5%	£8,750.00 (£70,000.00 x 12.5%)
Freelance GP	15 Oct - 31 March (168 days)	£30,000.00				

NOTE: As the GP worked a full year the actual and annualised income is the same.

EXAMPLE 41 - 2017/18 & 2018/19: Portfolio GP with two concurrent posts, 1 April to 31 March.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	ANNUALISED INCOME	TIERED RATE	CONTRIBUTIONS PAID
Type 1 GP	1 April - 31 May (61 days)	£20,000.00	£60,000.00 (212 days)	£103,301.19 (£60k ÷ 212 x 365)	13.5%	£8,100.00 (£60,000.00 x 13.5%)
Freelance GP	1 Nov - 31 March (151 days)	£40,000.00				

NOTE: The freelance locum GP three month concession only applies between 1 November and 31 March; not before.

EXAMPLE 42 - 2017/18 & 2018/19: Portfolio GP with breaks between posts.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	TOTAL ANNUALISED INCOME	TIER ED RATE	CONTRIBUTIONS PAID
Type 2 GP	1 April - 31 Oct (214 days)	£40,000.00	£70,000.00 (356 days)	£71,769.66 (£70k ÷ 356 x 365)	3.5%	£9,450.00 (£70,000.00 x 13.5%)
Freelance GP	10 Nov - 31 March (142 days)	£30,000.00				

NOTE: As there is some non-pensionable service annualising applies. The freelance locum GP three month concession only applies between 10 November and 31 March; not before.

EXAMPLE 43 - 2017/18 & 2018/19: Portfolio GP with overlapping posts in the same year but who did not work a full year.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	TOTAL ANNUALISED INCOME	TIER ED RATE	CONTRIBUTIONS PAID
Type 2 GP	11 April - 8 July (89 days)	£20,000.00	£80,000.00 (355 days)	£82,253.53 (£80k ÷ 355 x 365)	13.5%	£10,800.00 (£80,000.00 x 13.5%)
Freelance GP	1 July - 31 March (274 days)	£35,000.00				
Type 2 GP	10 Nov - 25 March (136 days)	£25,000.00				

NOTE: As there was no membership from 1 to 10 April the total 2015 Scheme membership = 355 days.

EXAMPLE 44 - 2017/18 & 2018/19: Portfolio GP with breaks in GP membership including a break in GP locum membership exceeding three calendar months.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME & DAYS	TOTAL ANNUALISED INCOME	TIER ED RATE	CONTRIBUTIONS PAID
Freelance GP locum	11 April - 8 July (89 days)	£20,000.00	£52,000.00 (278 days)	£68,273.38 (£52k ÷ 278 x 365)	12.5%	£6,500.00 (£52,000.00 x 12.5%)
Type 2 GP	10 July - 31 Aug (53 days)	£7,000.00				
Freelance GP locum	10 Nov - 25 March (136 days)	£25,000.00				

NOTE: The non-pensionable service (in days) were from 1 April to 10 April (10 days), 9 July (1 day), 1 September to 9 November (70 days) and 26 to 31 March (6 days); 87 days in total. 365 days minus 87 days = 278 days membership.

CHAPTER 8: SOLO INCOME

8:1 Overview

Where a fully protected type 1 or 2 GP also performs SOLO work their SOLO income is simply added to their pensionable surgery income to set the tiered rate.

Under the 'add then annualise' method where a 2015 Scheme type 1 or 2 GP also performs SOLO work the SOLO income is not annualised separately; even if the SOLO work is irregular. The SOLO income is added to the pensionable surgery income. This means that if the GP did not work a full year the SOLO income will form part of the annualised income.

8:2 Examples – Type 1 or 2 GPs with SOLO income

EXAMPLE 45 – 2015 Scheme type 1 or 2 GP in continuous pensionable service throughout the year with SOLO income.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME	TOTAL ANNUALISED INCOME	TIER ED RATE	CONTRIBUTI ONS PAID
GP (type 1 or type 2)	1 April -31 March (365 days)	£70,000.00 (surgery)	£80,000.00	£80,000.00 (£80k ÷ 365 x 365)	13.5%	£10,800.00 (£80,000.00 x 13.5%)
SOLO	Not relevant	£10,000.00				

NOTE: The SOLO income is not annualised, even if SOLO work was irregular, because it forms part of the type 1 or 2 pensionable income.

EXAMPLE 46 – 2015 Scheme type 1 or 2 GP **not** in continuous pensionable service throughout the year with SOLO income.

POST	PERIOD WORKED DURING YEAR	ACTUAL INCOME	TOTAL INCOME	TOTAL ANNUALISED INCOME	TIER ED RATE	CONTRIBUTI ONS PAID
GP (type 1 or type 2)	1 May -31 March (335 days)	£65,000.00 (surgery)	£75,000.00	£81,716.42 (£75k ÷ 335 x 365)	13.5%	£10,125.00 (£75,000.00 x 13.5%)
SOLO	Not relevant	£10,000.00				

NOTE: The SOLO income is annualised, even if it was regular, because it forms part of the type 1 or 2 GP pensionable income.

CHAPTER 9: FREQUENTLY ASKED QUESTIONS

The information below only applies to 2015 Scheme GPs; it does not apply to fully protected 1995 Section and 2008 Section GP members.

Q. Why has the rule changed from ‘annualise then add’ to ‘add then annualise’?

A. This is a change of approach to the annualising rules following dialogue with the GP profession.

Q. What are the rules where a GP also has Officer (i.e hospital doctor) pensionable service in the same year?

A. The Officer post is afforded its own tiered rate and has no bearing on the GP tiered rate. (This also applies to fully protected GPs).

Q. Which type of GP is most likely to have paid a lower tiered rate in 2015/16 or 2016/17 under the ‘add then annualise’ method?

A. Portfolio GPs who did not work a full 365 days; i.e. they were not in continuous pensionable employment from 1 April to 31 March inclusive.

Q. Will all portfolios GPs be better off?

A. No, some portfolio GPs will have paid the same tiered rate under both ‘annualise then add’ and ‘add then annualise’.

Q. Why are GPs with 2015 Scheme membership subject to annualising however 1995 Section and 2008 Section GPs are not?

A. This is because all members of the 2015 Scheme are subject to annualising. 2015 Scheme pension benefits are accrued and calculated in exactly the same way regardless of the member’s NHS profession.

Q. Why are breaks in pensionable service for type 1 and 2 GPs in years 2017/18 and 2018/19 relevant under the ‘add and annualise’ method?

Any non-pensionable service must count when annualising income; this applies for all other NHS Pension Scheme members.

Q. Why has the three month concession remained for freelance GP locums up to 31 March 2019?

A. This is in recognition of existing guidance on locum pension form B, and that freelance GP locums may have taken into account the three month concession when planning their working pattern.

Q. Where a type 1 or 2 GP performs ad hoc ‘SOLO’ work (i.e. OOHs, appraisals, etc) in addition to their surgery work is this SOLO income annualised?

A. No; SOLO income has never been annualised because it is not a separate pensionable post. The SOLO income is effectively added to the surgery pensionable income.

Q. Where a GP solely performs OOHs work does annualising apply?

A. A GP who solely works for an OOHP is a type 2 GP in NHS pension terms. If they are an active 2015 Scheme member on 1 April and on 31 March, and had no breaks in membership in between, their actual income and annualised income will be the same; i.e the same that would apply to a salaried GP who worked a full year. If the GP terminated their contract with an OOHP before year-end they would be annualised.

Q. If a GP opts out of the NHS Pension Scheme prior to 31 March is their income annualised to set the tiered rate?

A. Yes; if they opt out before year-end they will not have a full 365 days membership.

Q. If a GP has not completed their GP pension forms for years 2015/16 and 2016/17 and therefore not finalised their employee contributions do they complete the reimbursement claim form?

A. No, but they must complete their 2015/16 and 2016/17 pension forms immediately to comply with statutory pension legislation. They should use this guide and the annualising calculator to assist in determining their correct tiered contribution rate.

Q. Are NHS England/PCSE (England) or Local Health Boards (Wales) aware that some GPs may be seeking reimbursement?

A. Yes.