

2015 Scheme GP tiered contributions: Guidance notes for use of the annualisation calculator for years 2015/16 to 2018/19.

Background

A 2015 Scheme GPs tiered employee contribution rate is based on their total annualised GP pensionable income in the relevant NHS Pension Scheme year. To assist GPs, NHS Pensions has developed an annualisation calculator, in which the member enters details of their GP work and income to determine the correct rate of contribution. Once determined the GP must apply the rate to all their actual GP pensionable income.

The calculator includes two separate tabs, which apply different methods of annualising GP income to determine the tiered employee contribution rate. Known as, “annualise and add” and “add and annualise” the, GP tiered contribution guidance, in the Practitioner section of the NHS Pensions website, explains the difference between the two methods. It is important that GPs read the guidance before using the calculator.

The calculator serves two purposes:

- To assist 2015 Scheme GPs who worked in 2015/16 and / or 2016/17, who have already paid contributions using the, annualise and add method, but believe they could have paid a lower rate using add and annualise.
- For 2015 Scheme GPs who worked in 2017/18 and 2018/19 to identify their correct rate using the, add and annualise method.

GPs with full or tapered protection

A fully protected member who was allowed to stay in the 1995 or 2008 Section of the NHS Pension Scheme until retirement will not have their GP income annualised. The tiered rate is based on their total actual GP pensionable income in the relevant scheme year. As annualising does not apply they **must not** use the calculator. The GP tiered contribution guidance explains the protection arrangements.

A tapered GP member who was allowed to stay in the 1995 or 2008 Section temporarily, may have their GP income annualised in the scheme year in which they transition / switch to the 2015 Scheme. Where applicable, annualisation only applies to the income from the date of moving to the 2015 Scheme. Transition dates occur in each scheme year from 2015 to 2022, on 1 June, 1 August, 1 October, 1 December, and 1 February. Tapered GPs are affected are as follows:

Annualisation does not apply - if the transition was 'seamless' i.e. 2015 Scheme GP membership was continuous from the transition / switch date to the end of the scheme year. In the year they move the GP is subject to one tiered rate based on their total actual GP pensionable income in the relevant scheme year

Annualisation does apply - if 2015 Scheme GP membership was not continuous from the transition / switch date to the end of the scheme year. The 2015 Scheme GP income is annualised and the calculator should be used to determine the correct tiered rate for the 2015 Scheme income only. Please note that the rate may not be the same as the rate that applied in the first part of the year whilst a member of the 1995 or 2008 Section.

General guidance

When using the calculator it is important to enter the type of GP work undertaken. The calculator recognises three different types of work, which each contribute to the total GP income used to set the tiered employee contribution rate.

Type 1 GP

Please enter the dates and income for each period of work as a Type 1 GP. A Type 1 GP is a GP who is partner, shareholder, or single-hander.

Type 2 GP

Please enter the dates and income for each period of work as a Type 2 GP. A Type 2 GP is:

- a salaried GP formally employed by a GP practice, APMS contractor or by a LHB;
- a long term fee based/self-employed GP who works for a GP practice, APMS contractor, LHB for a period of, generally, six months or more; more and elects to be a Type 2;
- a GP who works solely on a self-employed basis for an Out of Hours Provider that is an NHS Pension Scheme Employing Authority.

Self-employed freelance Locum GP

Only enter the actual dates worked and income as declared on Locum Forms A and B. Non-working days must not be declared on the forms or the calculator

Remember that a freelance GP locum has up to 10 weeks to pension their income.

GP SOLO (e.g ad hoc) income

Where a 2015 Scheme Type 1 or 2 GP also performs SOLO work (e.g. self-employed OOHs, appraisals, etc) it must not be entered in the calculator as a separate post. The SOLO income is not annualised separately, even if the SOLO work is irregular. Instead the SOLO income is added to the pensionable surgery income before annualising occurs. This means that if the GP did not work a full 365 days in the year the SOLO income will form part of the annualised income. The new GP Member Pension Guide and the revised GP Tiered Employee Contributions Guide provides some examples.

CCG work

Although a CCG may put a self-employed GP 'on the payroll' so that tax and NI is paid at source they are still a Practitioner in NHS Pension Scheme terms and the SOLO form must be used. The CCG must not create an Officer post.

A GP who is formally employed by a CCG under a contract of service (i.e. contract of employment) is not a Practitioner in NHS Pension Scheme terms; they are an Officer. Officer work must not be entered on the calculator because the tiered rate is determined separately.

Breaks in service

For the purpose of setting the tiered rate only, certain breaks between periods of service are ignored, i.e. the member is treated as though they had continued in pensionable service during the break. Where appropriate the calculator will automatically include the break in the assessment.

Under the, annualise and add method, there are two breaks during which the member is treated as continuing in pensionable service:

- a break between two periods of Type 1 or Type 2 service, which does not exceed one month.
- a break between two periods of Locum service, which does not exceed three months.

Under the, add and annualise method, there is only one break during which the member is treated as continuing in pensionable service

- a break between two periods of Locum service, which does not exceed three months.

Using the calculator to set the tiered contribution rate

Please take care when entering details in the calculator as errors could result in an incorrect tiered rate.

When selecting the method of calculation it is important to remember that the annualise and add method only applies to scheme years 2015/16 and 2016/17. From scheme year 2017/18 onwards all calculations must be based on the add and annualise method.

Step 1: Select the method of calculation by clicking on either the Annualise and Add or Add and Annualise tab at the bottom of the screen.

Step 2: Select the scheme year from the dropdown menu alongside period

Step 3: Under the heading **type**, select the type of service from the dropdown menu

Step 4: Enter the period of employment and pay for that post

Step 5: Click on add an employment and repeat the above steps for any other employments.

Step 6: When all employments for the year have been entered click calculate. The calculator will display the total annualised pay and the tiered contribution rate.

Step 7: Apply the same tiered rate to **all actual** GP pensionable income when completing the annual certificate / self-assessment forms.

Step 8: If a copy of the results is required, click on the Print button.

Step 9: The form must be cleared before beginning any new or revised calculation.