

2010/11 LTD COMPANY CERTIFICATE - FREQUENTLY ASKED QUESTIONS

GENERAL

Q. What is the deadline for completing the 2010/11 Limited Company Certificate?

A. The deadline for completing the 2010/11 Certificate and sending it to the host PCT/LHB has been extended to Friday the 4th of May 2012.

Q. Where should the Certificate be sent?

A. To the Provider's commissioning PCT or LHB.

Q. What is a host PCT/LHB?

A. The host PCT/LHB in respect of a GP Provider is the commissioning PCT/LHB. Therefore a GP Provider with several Practices/Centres may have more than one host PCT/LHB.

In respect of a non-GP Provider the host PCT/LHB is always the commissioning PCT/LHB.

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 an individual Certificate.

Q. I have retired from my Provider post; do I still have to complete the Certificate?

A. Yes, if you were in 'pensionable employment' during 2010/11.

You may also complete the Certificate solely for the purposes of establishing the seniority allowance even if you were not an active Scheme member in 2010/11 however this is not a legal requirement.

Q. What happens if I don't complete the Certificate?

A. GP (and non-GP) Providers are legally bound to complete the Certificate. Not completing it Certificate will have a detrimental effect on their (and their dependents) NHS pension benefits and any seniority allowance.

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. The 31st of March is the NHS Pension Scheme 'year end' however the tax 'year end' is the 5th of April. To all intents and purposes, the '5 day' difference can be ignored.

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

Q. I am a non-GP Provider; do I still complete the Certificate?

A. Yes. Every non-GP Provider must complete the Certificate annually. As non-GP Providers are classed by the Scheme as 'whole-time Officers' (regardless of the hours they work) they can only be 'pensionable' though in one Practice/Centre and therefore are only required to complete one Certificate. By virtue that non-GP Providers are classed as whole-time they must decide, after seeking expert advice, which of their NHS posts should be pensionable.

Q. I am a GP Provider in two or more separate Practices/Centres; do I need to complete two Certificates?

A. Yes, even if the Practices are located within the same PCT/LHB boundary.

Q. I am a GP Provider; do I have to complete more than one Certificate if I had more than one host PCT or 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 PCT/LHB changed due to a PCT/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.
- Q. I am a salaried GP (i.e. a Performer) directly employed (i.e. schedule E) by a Practice, PCT, LHB, or SPMS/APMS Provider; do I have to complete a form?**
- A. Yes, you are legally required to complete a Type 2 self-assessment form at the end of pensions year 2010/11. This is to ensure you have paid the correct rate of tiered contributions. This form is on NHS Pensions website.
- Q. What do I do if I am subject to 'pensions overlap'?**
- A. You should seek assistance from an accountant.
- Q. What is a NHS Pension Scheme (NHSPS) Employing Authority (EA)?**
- A. A NHSPS Employing Authority in respect of GPs is generally the PCT, LHB, or OOHP.
- Q. Are GP shareholders eligible for seniority payments?**
- A. Much depends on the contract; GP shareholders should seek clarification from their PCT/LHB.
- Q. My GMS/PMS/APMS Practice converted from being a partnership to a limited company on the 1st of October 2010, how does this affect the Certificate?**
- A. Each GP (and non-GP) Provider must complete 2 Certificates, the main Certificate covering the period 01/04/2010 to 30/09/2010 and the Ltd Co Certificate covering the period 01/10/2010 to 31/03/2011.
- Q. I am a GP with my own Ltd Co Practice however, for tax reasons, have separately set up another Ltd Co as a 'vehicle' for my fringe NHS (i.e. PEC, OOHs) income to flow through; is this pensionable?**
- A. No. If you have set up a limited company yourself (i.e. as an individual) that is a separate legal entity to your Practice any income that is paid to you cannot be pensionable. This is because the 'unique' limited company that you have set up does not qualify under the Regulations as an Employing Authority or as an individual member.

NHSPS RETIREMENT RULES

- Q. What are the rules regarding claiming NHS pension benefits?**
- A. A GP shareholder (Provider) and non-GP shareholder (Provider) must terminate any involvement in the contract in order to claim their pension. This means they must cease to be a shareholder for at least 24 hours.
- A GP Provider (or non-GP Provider) who is the sole shareholder must completely terminate their contract with the PCT/LHB. If they are one of a number of shareholders they must give up their shares however the actual contract can remain intact.

NHS PENSIONABLE INCOME (DIVIDENDS & SALARY)

Q. What is classed as NHS pensionable pay in 2010/11?

A. Please see Annex A below.

Q. I am a GP Shareholder; do I have to 'pension' all of my NHS GP work?

A. Yes, you must 'pension' all of your eligible NHS GP (Practitioner) income; you cannot opt out of 'pensioning' certain parts of Practitioner income. As far as the Ltd Co Practice/Centre is concerned you must 'pension' all the income you draw down. Any income (profits) retained in the business are not pensionable even if you take this (reserved) income in the future.

You can opt out of pensioning salaried Officer posts such as hospital based clinical assistant or community posts however you cannot opt out of pensioning bed fund posts.

Q. How should a GP shareholder 'pension' OOHs income?

A. A GP Shareholder may find it helpful for their SOLO income to be paid into their personal account rather than the Practice/Centre account. This should make it easier if the OOHP has to collect arrears of employee tiered contributions because it did not apply the correct tiered rate in the first instance.

Q. I am a GP Provider, can I pension income as a GP Provider through 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.

Q. I am a GP Provider, can I 'pension' work as a GP Locum in my own Practice(s)?

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

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'. Only salaried employees of an open 'Directions body' may join the Scheme.

Q. Is prison work pensionable?

A. Yes, however only if the fees are being paid directly to the GP/Practice by the PCT/LHB.

Q. Is Clinical Commissioning Group (CCG) income in 2010/11 pensionable?

A. Yes, but only if paid directly to a GP by a PCT/LHB. If it's paid by a third party (including a CCG) it is not pensionable.

Q. How should PEC income be recorded?

A. All GPs (except GP Locums) must 'pension' their PEC income. GP Shareholders can elect to either SOLO or pool their PEC income.

PCTs/LHBs must not set up a unique pensionable employment in respect of fee based PEC work; this is in accordance with previous guidance, the NHS Pension Scheme Regulations, and Health Service Circular 2000/005 issued by the Dept of Health in March 2000.

Q. What is deemed pensionable sick pay?

A. GPs who suffer a genuine loss of pensionable income as a result of long-term illness may qualify for deemed sick pensionable pay to be credited to their pension records however they must pro-actively apply for this by contacting NHS Pensions.

- Q. The GP (and non-GP) Providers (i.e. shareholders) draw down their profits as a combination of salary and dividends. Are the dividends pensionable?**
- A. Where a Practice is a limited company, any dividends taken are pensionable subject to them being solely in respect of NHS work and year 2010/11. Any income retained in the business can never be pensioned.
- Q. Are the gross dividends or the net dividends pensionable?**
- A. It is the net dividends that are actually drawn down in 2010/11 and that relate to 2010/11 that are pensionable.
- Q. Are all the net dividends and salary pensionable?**
- A. No, only those that are drawn down at the time and are wholly attributable to GMS, PMS, or APMS.
- Q. Are dividends pensionable if they are held in reserve and taken in a future year?**
- A. No; there are no provisions in the NHSPS Regulations to 'pension' reserves. It is only the NHS net dividends that are actually taken in the relevant year that are pensionable.
- Q. Is a capital distribution of 2010/11 funds pensionable?**
- A. No. Only income in the form of dividends and salary taken are pensionable and they must only relate to year 2010/11 profits.
- Q. What happens when there are sources of non-NHS income in the company accounts?**
- A. That element of non-NHS income must be stripped out of the dividend and salary so that it is not pensioned.
- Q. How is the non-NHS income stripped out of a salary?**
- A. Simply by applying the percentage of NHS income to total income from the company accounts year end falling into the tax year 2010/11 to the salary taken in that tax year.
- Q. But where the accounting year-end is not March, the percentage applied to the salary will not have been calculated upon the income for the period the salary was earned?**
- A. That is correct. However, for the ease of application, a straightforward method has been implemented.
- Q. What happens when an existing company has undistributed reserves brought forward from a time before an NHS contract was entered into?**
- A. Undistributed reserves are not pensionable.
- Q. What happens if I dispose of, or acquire shares?**
- A. The working of the Certificate will not be affected as the pensionable pay follows your entitlement regardless of the level. Your entitlement to dividends decreases or increases appropriately.
- Q. If, once I have actually received a 2010/11 dividend payment, I decide to reinvest some of that money back into the company, will this affect my pensionable pay?**
- A. So long as you have actually been paid a net NHS dividend that relates solely to year 2010/11 it is pensionable. What you do with that money thereafter is up to you.
- Q. What are the tax implications regarding the 'pensioning' of dividends?**
- A. NHS Pensions cannot provide financial or tax advice; please consult HMRC.

TIERED EMPLOYEE CONTRIBUTIONS/EMPLOYER CONTRIBUTIONS

Q. How are a GP (or non-GP) Provider's tiered contributions assessed in 2010/11?

A. They are basically based on their 2010/11 total GP pensionable pay, table as follows.

Tier	Actual Pensionable Pay – 2010/11	Contribution Rate 2010/11
1	Up to £21,175.99	5%
2	£21,176.00 to £69,932.99	6.5%
3	£69,933.00 to £110,273.99	7.5%
4	£110,274.00 plus	8.5%

- The basic rule is that a GP (or non-GP) Provider's 2010/11 tiered contribution rate is based upon their total 2010/11 certified NHS pensionable pay. For a GP Provider this includes Practice income + GP Locum + OOHs + PEC + Bed Fund income. For a non-GP Provider it's their Practice income.
- Before the start of the pensions year every GMS or PMS Practice (and every APMS contractor that qualifies an Employing Authority) must complete a form declaring a best estimate of projected pensionable income in respect of the GP Providers, non-GP Providers, and Salaried GPs. This form can be downloaded from NHS Pensions website and must be returned to the relevant PCT/LHB before the pension year starts. If a Practice fails to complete the declaration the PCT/LHB may set a standard 8.5% rate.
- If a GP holds a concurrent salaried Officer post (i.e. Clinical Assistant) that Officer income is kept separate and will be afforded it's own unique tier; i.e. it is ring fenced and not affected by the GP rate.
- Guidance for freelance GP Locums is available on Locum forms A and B.

OUT OF HOURS PROVIDERS

Q. Not all OOHPs are Scheme Employing Authorities, how will I know which are?

A. Please refer to Annex B below.

ADDED YEARS/ADDITIONAL PENSION

Q. I am a buying 'Added Years'; do I have to pay additional contributions on all of my NHS GP income?

A. Yes, if you are buying Added Years you must also pay additional contributions in respect of all your pensionable NHS income.

Since April 2008 the cap no longer applies in respect of mainstream NHS pensionable income. However, if you took out an Added Years contract prior to 1 April 2008, and your mainstream income was previously capped before that date, your Added Years contributions will be capped at £123,600 for 2010/11.

Q. Where can I find more information about the new Additional Pension?

A. On NHS Pensions website; <http://www.nhsbsa.nhs.uk/Pensions/calculators.aspx>.

ANNEX A

GP Providers Pensionable Pay

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 a PCT, a 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: Technical Newsletter 6/2007 refers).

Appraisal work

Blue (disabled) badge scheme (Collaborative services)

Board and advisory work (non-clinical work and includes Primary Care Trust Executive Committee (PEC) 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 Group (paid directly by a PCT/LHB and not a CCG)

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 PCT/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 GP work as GP Locum work in their own Practice)

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

IT

Lecture fees (Commissioned services)

Marriage difficulty sessions (Commissioned services)

Medical certificates (as listed in the GMS Contracts Regulations)

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

PCT sessions (Commissioned services)

PCO administered funds

PEC

PMS

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

Premises (i.e. notional rent)

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

Prisoners healthcare (Fees in respect of a prisoner's healthcare are pensionable subject to the PCT/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)

(NB: Any undistributed income held in reserve can never be pensioned)

GP Providers Income That Is Not Pensionable

Fees paid to a GP (or Practice) by a LMC, a medical school, a 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' and private fees (i.e. travel vaccination fees not funded by the NHS) are not pensionable.

Fees paid to a GP by a hospital under a 'honorary contract' or under a service level agreement are not generally pensionable however contact NHS Pensions for further guidance.

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.

Non GP Providers Pensionable Pay

A non-GP Provider (i.e. a shareholder who is not a GP) is classed as whole time Officer for NHS Pension Scheme purposes. Their NHS pensionable pay is their share of the GMS/PMS/sPMS/APMS Practice NHS profits less expenses. This will include pensionable income in respect of 'ad hoc' GP work that any GP Partners have elected to 'pool'.

Non-GP Providers can only 'pension' income from one Practice/Centre

ANNEX B

Out of Hours Providers that were NHS Pension Scheme Employing Authorities (EAs) during 2010/11.

Badger Healthcare Ltd

EA status: 01/09/2009 (EA Code: W229)

Banes Emergency Medical Services

EA status: 01/10/05 (EA Code: W314)

BEDOC (Bedford On Call)

EA status: 01/08/2004 (EA Code: W206)

Birmingham & District GP Emergency Room Ltd

EA status: 01/04/05 (EA Code: W215)

BRISDOC Healthcare Services Ltd

EA status: 01/07/05 (EA Code: W316)

CAMIDOC Ltd: (*Ceased trading in September 2010*)

EA status: 01/04/05 (EA Code: W214)

Cambridgeshire Doctors On Call Ltd

EA status: 01/10/04 (EA Code: W222)

Central Notts Clinical Services Ltd

EA status: 06/12/04 (EA Code: W204)

Chorley Medics Ltd

EA status: 01/10/04 (EA Code: W110)

CUEDOC Ltd

EA status: 01/04/04 (EA Code: W101)

Derbyshire Health United Ltd

EA status: 20/10/06 (EA Code: W225)

Devon Doctors Ltd

EA status: 01/10/04 (EA Code: W303)

East Berkshire Primary Care OOHs Services

EA status: 01/10/04 (EA Code: W306)

East Lancs Medical Services Ltd

EA status: 01/10/2009 (EA Code: W117)

EDICS Ltd

EA status: 01/08/2005 (EA Code: W315)

FRENDOC Ltd

EA status: 31/10/04 (EA Code: W312)

Fylde Coast Medical Services (NW) Ltd

EA status: 01/04/05 (EA Code: W103)

Gateshead Doctors On Call

EA status: 01/04/07 (EA Code: W116)

GOTODOC Ltd

EA status: 01/12/04 (EA Code: W106)

Halton Health Ltd

EA status:01/04/09 (EA Code: W317)

Herts Urgent Care Ltd

EA status: 01/09/08 (EA Code: W227)

Invicta Health Community Interest Company

EA status: 01/05/2009 (EA Code: W318)

KEYDOC Ltd

EA status: 01/01/05 (EA Code: W203)

Local Care Direct

EA status: 01/10/04 (EA Code: W112)

London Central West Unscheduled Care Collaborative

EA status: 01/07/05 (EA Code: W213)

M-DOC LTD

EA status: 01/07/04 (EA Code: W208)

Mastercall OOHs Services

EA status: 01/04/05 (EA Code: W108)

NEMS Community Benefits Service Ltd

EA status: 01/10/04 (EA Code: W202)

NENEDOC Ltd

EA status: 01/08/04 (EA code W203)

North Bristol Doctors Ltd

EA status: 01/11/04 (EA Code: W309)

North Hants Urgent Care

EA status: Oct 2006 (EA Code: W304)

Northern Doctors Urgent Care Ltd

EA status: 01/09/04 (EA Code: W104)

Out of Hours West Lancashire Ltd

EA status: 01/04/04 (EA Code: W102)

Partnership Of East London Co-Operatives (PELC) Ltd

EA status: 01/12/04 (EA Code: W216)

Principal Medical Ltd

EA status: 01/04/07 (EA Code: W226)

SAGPEC Ltd

EA status: 01/04/05 (EA Code: W111)

Shropshire Doctors' Co-operative Ltd

EA status: 01/10/04 (EA Code: W201)

SOUTH DOC Services Ltd

EA status: 01/10/04 (EA Code: W223)

South East Health Ltd

EA Code: W313

Southport & Formby Out of Hours Centre Ltd

EA status: 01/04/04 (EA Code: W100)

St Helens Rota

EA status: 01/04/06 (EA Code: W115)

Suffolk Doctors On Call Ltd (*Ceased to be an EA on 31/03/11 when Harmoni took over*)

EA status: 01/10/04 (EA Code: W217)

Swansea OOHs Services Ltd (*Ceased to be an EA on 31/12/10 as wef 01/01/2011 ABMU Health Board became both the commissioner and provider of OOHs*)

EA status: 01/10/04 (EA Code: W205)

THAMESDOC

EA status: 01/04/05 (EA Code: W311)

Urgent Care Ltd (Social Enterprise)

EA status: 01/05/09 (EA Code: W228)

Urgent Care 24 Ltd

EA status: 01/11/04 (EA Code: W113)

WALDOC Community Benefit Society

EA status: 01/12/04 (EA Code: W211)

Wolverhampton Doctors On Call (*Ceased to be an EA on 30/09/10*)

EA status: 01/04/06 (EA Code: W224)