NHS
Business Services Authority

NHS Pensions - Annual main certificate of pensionable profits 2015/16

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

Contents

Introduction

This guide is issued by NHS Pensions to give guidance for the completion of the Annual Certificate of Pensionable Profits 2015/16 (the 'certificate'). The certificate is subject to change each year, and these guidance notes are aimed specifically at the 2015/16 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, the National Health Service Pension Scheme Regulations 2008 and subsequent amendments and the National Health Service Pension Scheme Regulations 2015 and subsequent amendments. You can view these on the NHS Pensions website at: *www.nhsbsa.nhs.uk/pensions*

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

This guide 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 Guides to the NHS Pension Scheme and in employer newsletters (TNs) which can also be found on *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.

Important note – members of the 2015 Scheme may have their employee pension tier rate determined by their 'annualised' earnings. Please read the guidance at Annex D to assist you with determining the correct percentage to use.

This certificate can only be completed **after** your 2015/16 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?

In England the Employing Authority/Commissioning Body is either Primary Care Support England (PCSE) (on behalf of NHS England), the delegated CCG (dCCG), or, in Wales, the Local Health Board (LHB).

NHS England have delegated their primary care responsibilities to some Clinical Commissioning Groups (CCGs). These are known as delegated CCGs (dCCGs).

Once you are happy the details contained in the certificate are correct, you should sign the relevant declaration on pages 11 and/or 12, 13, 14 and submit the signed certificate to your PCSE, your delegated CCG, or, in Wales, the LHB. These are known as Commissioning Bodies.

The deadline for submission of the certificate is **28 February 2017.**

Completing the certificate: Boxes A - M

Box A: Your name

Write your full name; do not use initials. If your surname has changed in 2015/16 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 membership or 'SD' number and begins with SD followed by eight 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 PCSE/dCCG/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 PCSE, dCCG or LHB

GP providers should be aware that their 'commissioning' host may be different from their 'listing' PCSE/dCCG/LHB.

If you have moved practice during the year, or there have been area changes to your commissioning body (PCSE/dCCG/LHB), you may be required to complete more than one certificate for 2015/16.

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 dCCG/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 Commissioning Body/PCSE/dCCG/LHB.

   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 Commissioning Body 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 Commissioning Body 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 2015/16 (the year ended 5 April 2016), for example 30 June 2015, 31 October 2015 or 31 March 2016. This is the accounting year which forms the basis for the entries contained in your 2015/16 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 2015, but your private fees may be accounted for on your 2015/16 income tax return for the year ended 5 April 2016. Alternatively, your private fees accounting year end may be exactly the same as your practice's accounting year end i.e. 30 June 2015.

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 2015/16 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 an earlier year's certificate guidance notes at www.nhsbsa.nhs.uk/pensions.

Box I: Date of Retirement

Where you have left or retired from a practice in 2015/16 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 107 (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 2015/16, 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 107.

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.

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 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 £149,400 for 2015/16. (See Employer Newsletter 2 February 2015).

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.

The pensionable profit for added years on pages 11 to 14 will populate automatically based upon the amount of cap entered in box 38c. Should, however, a practitioner be a member of either the 1995 and 2008 schemes and also a member of the 2015 scheme during the year then the Pensionable profit will have to be entered manually. In this case the box should read "Enter value".

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. 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 2015/16, 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 Commissioning Body, even though the submission date of the amended certificate is after the deadline for filing.

Boxes L and M

Some GPs may have joined the 2015 Scheme in the pension year 2015/16. If so, their tiered contribution rate may be based upon annualised earnings if they have had any breaks or started or retired during the pension year.

If you have moved into the 2015 Scheme in 2015/16, tick box L and enter the relevant date in box M.

Further guidance is available at Annex D and on the NHS Pensions website.

Boxes P and R (1995/2008) AND R and S (2015)

Please see the notes to box 32 regarding these boxes.

Calculating your pensionable earnings: Boxes 1-123

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 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 the FAQs 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 PCSE/dCCG/LHB/OOHP has 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, 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 salaried 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 107.

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 provider's 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 107.

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 107.

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 2015/16. 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 Q on pages 11 and 13 (1995/2008 scheme) and/or box S on pages

12 and 14 (2015 scheme) as appropriate as they will make their own separate arrangements with the SOLO 'employer' (e.g. OOHP).

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 box Q on pages 11 and 13 (1995/2008 scheme) and/or box S on pages 12 and 14 (2015 scheme) as appropriate 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 pages 13 and/or 14 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 P and/or R on pages 11 to 14 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 payment 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 PCSE/dCCG/LHB are entitled to query this with the GP/accountant.

If SOLO income has not been accounted for to a March year end, PCSE/dCCG/LHBs will not be able to reconcile figures from the payment 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 105 or 105a 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 14.3% employer contributions. Therefore to reduce this number to the net amount, the fraction of 100/114.3 is applied to box 33.

Although all PMS practices are legally required to pay over contributions within statutory deadlines, in some PMS practices there may be a different arrangement in respect of collecting and paying the employer contributions. If this is the case, then the reduction to box 33 will **not** be required. In the event of uncertainty, PMS practices are advised to check if they are affected, and seek the advice of an appropriately qualified accountant.

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 guidance notes on overlap relief on www.nhsbsa.nhs.uk/pensions or to your accountant. There are also comments in the FAQs included with this guidance regarding moving to the 2015 scheme and cessation and losses.

Box 36: Pensionable Profit for 2015/16

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 2015/16

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. Or a combination of the two where a partner only receives a partial prior share of the overall entitlement. 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 PCSE/dCCG/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 2015/16 (£149,400). 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 £149,400 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 2016 cannot exceed £149,400.

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 107 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 107.

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 107.

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

Box N and boxes 46 to 54: Establishing Tier Rates for Employee Contributions

Employee contributions in 2015/16 range from 5% to 14.5% as stated on page 6 of the certificate. These tiered 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 tiered rate that is to apply to practitioner pensionable pay for 2015/16 and which appears in boxes 72, 73, 73a, 90, 90a, 108 and 108a.

Tick Box N if you have been in an NHS Pension Scheme throughout the year, or at least were a member from the start of the year to leaving prior to the end of the year and not returning

i. GP Providers

The tier rate payable in 2015/16 may be determined differently to previous years, depending upon the Provider's circumstances, particularly where they have moved to the 2015 Scheme. Previous aggregation rules for assessing tiered levels may not be appropriate in 2015/16. Different rates may apply to 1995 (or 2008) pensionable pay than to 2015 pensionable pay, and having different 'annualised' sources of 2015 pensionable pay may mean higher rates apply.

Where a GP Provider is a member of the 1995/2008 Scheme throughout year 2015/16, their tiered rate is based upon their total NHS GP income even if they have had breaks.

Where a GP is a member of the 2015 Scheme during year 2015/16 and they have had breaks in service, their tiered rate is based upon their total NHS GP income.

Where a GP Provider is a member of the 2015 Scheme during year 2015/16 and they have had breaks in 2015 Scheme service, their tiered rate is based upon their 'annualised' 2015 Scheme GP income. Refer to Annex D for further guidance.

In assessing the tier rate, GP Providers must account for all their global NHS GP pensionable income. This includes:

- Type 1 (principal) practitioner income/certified profits
- Type 2 (assistant) practitioner income
- Pensionable GP locum (practitioner) income (i.e. 90% of the gross)
- SOLO income (i.e. OOH, appraisal, CCG etc)
- Salaried bed fund posts, which are treated as practitioner positions
- Pensionable pay from the 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 2015/16. Salaried bed fund posts are, however, considered to be practitioner positions and should be included.

Members should refer to Annex D and the accompanying examples.

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 it transpires that, following assessment and allocation to a tier, the incorrect percentage of employee contributions have been paid on 2015/16 GP Locum income through forms A & B, salaried practitioner or bed fund posts, the GP must contact PCSE/dCCG/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

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. Where, however, only GP SOLO work is performed, the adjustments will not occur through this certificate, but through the OOHP and/or PCSE/dCCG/LHB as appropriate.

Boxes 55, 55a, 56, and 56a

It is also necessary to determine the pensionable pay separately where one will have membership in two different schemes in the year. Pensionable pay will have to be allocated to the correct scheme record. For GP practice, this will involve a time apportionment of pensionable profits. For certain sources of income, such as Out of Hours and GP Locum work, it may be more possible to identify the specific period in which income falls. NHS

Pensions, however, has taken a pragmatic approach and will time apportion all practitioner income around the transition date.

Non-March year ends

A GP practice with a year end of 31 March should have little difficulty apportioning pensionable profits, but a non-March year end practice may perceive problems. Correctly speaking, a non-March year end GP leaving the 1995/2008 scheme ought to be treated as leaving that scheme. This may entail including additional profit and deducting pension overlap. Entry into the 2015 Scheme will then create new pension overlap to carry forward and may entail the use of estimated profits for the next period and an amendment to the 2015/16 certificate when the following year's accounts have been finalised. This would also mean that tax return entries would not be the starting point for the certificate as the tax position remains on a current year end basis without any cessation in practice.

It is recognised that the pension overlap brought forward in the 1995/2008 Scheme may closely resemble the pension overlap created in the 2015 Scheme and that treatment as a cessation and restart may add considerable additional cost. By concession, therefore, where a member moves from one scheme to another in a particular year, it is permissible to merely transfer the brought forward overlap in the 1995/2008 Scheme into the carry forward in the 2015 Scheme.

Boxes 57 to 72: Contribution Tier Rates continued

If you have ticked Box O, please use the information above and that provided in Annex D, with the worked examples, to complete boxes 57 to 72. This possibly entails apportioning income between schemes, together with the 'annualisation' of 2015 income. These boxes are being completed as the tier rate for each scheme is assessed differently. Boxes 57 to 65, where applicable, will all have income relating to the period when 1995/2008 membership ceased. Similarly, boxes 57a to 65a will only contain income from the date of joining the 2015 scheme.

Please follow the explanations and examples in Annex D to assist you in completing these boxes. Most situations will be straightforward, but locum income can pose particular problems.

Boxes 67 to 72 calculate the 'annualised' income with which to allocate the tiered rate for the 2015 pensionable pay. Box 67 takes the pensionable pay from box 65a 'annualises' it. The number of days from entry into the 2015 Scheme up to 31 March 2016 is entered in box 68 and the pensionable earnings, excluding any locum income, time apportioned on that basis.

Following the guidance in Annex D, the 'annualised' version of the locum income is then added to the above to produce a total at box 71 which then sets the tiered rate to use.

Boxes 73 to 76: Other Contribution Tier Rates

When the employee tier rate has been calculated, this will apply to all practitioner positions within the relevant scheme. Box 73 may therefore be different to Box 73a.

These remaining 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 2015/16, 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

ii. Money Purchase AVCs

The figure in box 75 (and 92) 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 75a (and 92a) rather than boxes 75 (and 92). The amount in boxes 75a (and 92a) should then be copied into boxes 79 (and 96).

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

iii. Additional Pension Purchase ("AP")

Where an AP contract exists in 2015/16 it will be necessary to enter the contributions due in boxes 75b (and 92b) for the period from 1 April 2015, or commencement if later, up to 31 March 2016 or the date that membership moved into the 2015 scheme.

Contributions for AP can be made either by a single lump sum or monthly payments. For single lump sum payments made during 2015/16, enter this sum in boxes 75b (and 92b). Where payments are made monthly, enter the monthly amount multiplied by the number of whole months paid during the year ended 31 March 2016 or the period relating to a particular scheme's membership.

iv. Early Retirement Reduction Buy Out (ERRBO)

Where an ERRBO agreement exists in 2015/16 it will be necessary to enter the contributions due in box 75f (and 92f and 100f) for the period from 1 April 2015.

Where your agreement has been completed in 2015/16, an apportioned percentage for the days to the end of the contract should be calculated.

If you terminated or suspended your ERRBO agreement during 2015/16 any ERRBO contributions that you have paid during 2015/16 should have been returned for this year only. Please enter zero in boxes 75f, 92f and 100f.

For further guidance about added years, AVCs, additional pension and ERRBO, please visit www.nhsbsa.nhs.uk/pensions.

Boxes 77 to 80 (and Boxes 94 to 97): 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 79 (96) will match that in box 75a (92a).

Where you have an Additional Pension contract, the figure in box 79 (96) will match that in box 75b (92b).

Where you have a combination of both of these arrangements the amount at box 79 (96) will reflect the total amount.

Boxes 81 to 84: Contributions Already Paid

These boxes must state the practice based contributions already paid that relate to 2015/16 (i.e. not including payments made in respect of a previous year) for the particular scheme alone that the page relates to.

These figures should include payments already made to PCSE/dCCG/LHB or deducted from your global sum or contract price payment ‘on account’ throughout the year by PCSE/dCCG/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 2015/16 that were paid or deducted by PCSE/dCCG/LHB before this certificate is submitted.

Boxes 85 to 88: 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 89: Total Under/Over Payment (Main Contract)

This is the total of the practice contribution adjustments in boxes 85 to 88.

If the provider has underpaid contributions, the arrears will either be adjusted through contract payments by PCSE/dCCG/LHB, or must be paid immediately to PCSE/dCCG/LHB. Refunds of contributions will be adjusted through contract payments made to the practice.

Boxes 98 to 101: 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 payment system as relating to the pension year ended 31 March 2016 or the particular period of scheme membership

The entries will reflect the totals from boxes D, E and F of all your GP SOLO forms relating to income for the year or period 2015/16, 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 102 to 105: Contributions Due Less Contributions Paid (GP SOLO Income)

These are the final payable (or refundable) GP SOLO contributions for 2015/16 after taking account of the contributions that have already been paid.

Box 106: Total Under/Over Payment (GP SOLO Income)

This is the total of the GP SOLO contribution adjustments in boxes 102 to 105.

Please see note to box 32 regarding adjustments and the completion of pages 13 & 14.

Box 107: Explanatory Information

You should include here **any** explanatory information or points that will assist PCSE/dCCG/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.

Boxes 108 to 124: Total contributions

The figures for total contributions due and paid in respect of both 1995/2008 and 2015 scheme memberships will self-populate from entries earlier in the certificate. Please see, however, the notes to box 32 regarding entries that need to be made in boxes P to S.

Signed and dated copies of pages 11 to 14 should be sent to the relevant employing authority as indicated in the instructions given on those pages.

Annex A

NHS Pensions - GP Providers Pensionable Pay 2015/16

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 PCSE, an LHB, or Out of Hours Provider (that qualifies as a NHSPS Employing Authority).

GP providers <u>must</u> pension income in respect of the following:

Additional services

Adoption and fostering work (collaborative services)

APMS (where they are the contract holder)

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 April 2013. See FAQs for further details.

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

Commissioned services

Contract 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 Commissioning Body/EA 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 (where they are the contract holder)

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)

NHS Standard Contract income (where the GP is the contract holder)

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

PCO administered funds

PMS (where the GP is the contract/agreement holder)

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

Premises (e.g. cost or notional rent)

Prime Minister’s Challenge Fund (where the GP holds an existing APMS/PMS/GMS contract)

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

Prisoners’ healthcare (fees in respect of prisoners’ healthcare are pensionable subject to PCSE/dCCG/LHB paying the fees directly to the GP/practice)

QOF (quality and outcomes framework)

Regional/AT sessions (commissioned services)

‘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)

Trainers grant

GP Providers must not pension fees paid to them or their practice by the following:

A Direction Body (i.e. a hospice)

DWP

A GP Federation *

An Independent Provider *

A Local Authority

A Local Medical Committee

A medical school

The Ministry of Defence

NHS Pensions (in respect of NHS ill health pension or Injury Benefit Scheme medical reports)

Police

Prisoners’ healthcare - fees paid to a GP or their practice by an organisation that is not a NHSPS Employing Authority in respect of the national ‘Drug Intervention Programme’, private fees (i.e. travel vaccination fees not funded by the NHS), and cremation fees.

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.

GP Providers cannot pension income they receive from another GMS/PMS/APMS surgery under a sub-contracting arrangement.

*The rules in respect of Independent Providers and Federation changed from 1 April 2016.

Non-GP Providers (NGPP)

Non-GP Providers can only pension income in respect of one GMS/PMS/APMS contract even though they may be party to several contracts.

Where a practice has a mixture of GP and non-GP partners, the non-GP partner pensionable income cannot exceed the GP partner pensionable income if they are all equal share partners.

Annex B

Out Of Hours Providers with NHS Pension Scheme Employing Authority (EAs) status during 2015/16

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 Links ltd (W118)

Cornwall Health Ltd (W319)

Central Notts Clinical Services Ltd (W204) (went into administration 16 May 2015)

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)

FRENDOC Ltd (W312) (company dissolved 12 May 2015)

Fylde Coast Medical Services (NW) Ltd (W103)

GOTODOC Ltd (W106)

Herts Urgent Care Ltd (W227)

Integrated Care 24 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 CIC Ltd (W102)

Partnership Of East London Co-Operatives (PELC) Ltd (W216)

Preston Primary Care Centre (W119)

Principal Medical Ltd (W226)

SAGPEC Ltd (W111) (dissolved 5 May 2015)

Shropshire Doctors' Co-operative Ltd (W201)

SOUTH DOC Services Ltd (W223)

St Helens Rota (W115)

Urgent Care 24 Ltd (W113)

Annex C

General completion questions

Q. Do you have details of Primary Care Support England (PCSE)?

A. Details of PCSE can be found on PCSE's website at: http://pcse.england.nhs.uk/contact/

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

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.

Q. Why do I have to complete the Certificate on an annual basis?

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.

Q. Who is a GP Provider's or non-GP Provider's NHSPS Employing Authority (EA)?

In Wales it is the Local Health Board (LHB). In England it is NHS England who devolve local responsibility to either PCSE, the DCCG (delegated CCG), or the regional team.

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.

Q. Who is a GP Provider's/non-GP Provider's 'host board' in NHS Pension terms?

A. It is the body that commissions the GMS/PMS/APMS/sPMS contract.

Q. What legislative requirement is placed upon a LHB or NHS England's representatives in respect of validating the certificate?

A. The NHSPS Regulations place no specific legal requirement to validate all the figures declared on the Certificate. The declaration that PCSE/dCCGs/LHBs are required to sign is worded that recognises that some of the income declared on the Certificate will have come from other sources.

Q. Where should the Certificate be sent after it has been validated?

A. PCSE/dCCG/LHB keeps the original. The Provider (or their accountant) must retain a copy.

General status questions

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.

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 boundary.

Q. I am a GP Provider in both APMS and GMS/PMS; do I need to complete two Certificates?

A. Yes, even if the surgeries are located within the same commissioning 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 Commissioners.

Q. I am a GP Provider; do I have to complete more than one Certificate if I had more than one host Commissioner 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 Commissioning Body changed due to an Commissioning Body 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. 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.

Q. I am a GP Provider and also a salaried GP directly employed (i.e. PAYE earnings) by another practice. Do I have to complete any other forms as well as the Certificate?

A. Yes, you also have to complete the type 2 medical practitioner self-assessment form for 2015/16.

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.

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.

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

A. If you provide locum cover 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.

Q. I am a GP Provider; can I work as a GP locum in other practices?

A Yes, you must record your freelance 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 <u>not</u> regarded as GP locum work in NHS pension terms. More information can be found on the NHS Pensions website.

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. the same as a salaried GP post for pension purposes.

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. A Provider is required to complete a Certificate of pensionable profit to the date of opting out of the NHSPS. 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.

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

A. One Certificate will be completed for the period from 1 April 2015 to the date of opting out and one from the date of opting back in to 31 March 2016. This may involve relieving and generating overlap profits. Care must be taken, however, to recall that a member may at some point in 2015/16 pass a date at which continued NHSPS membership would be in the 2015 Scheme and different rules may apply for tier assessment. Refer to Annex D.

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

Accountancy and tax related questions

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.

Q. I have heard that, for Annual Allowance pension charge purposes, all pension schemes have to align their pension input periods to 5 April 2016 in 2015/16. Does this affect the Certificate of pensionable profits in any way?

A. No. The certificating of pay and contributions for pension benefit purposes is a separate matter from looking at one's potential exposure to any Annual Allowance pension tax charges. NHS Pensions will consider the matter for each GP and Non-GP Provider internally and issue Pension Savings Statements as appropriate.

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.

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. Further information is also below.

Q. I retired from practice in 2015/16. My pensionable profit for the final period was £40,000, but my pension overlap brought forward was £60,000. This means a pensionable loss of £20,000. What do I do with this?

A. Pension overlap exists to prevent income being pensioned twice, which will have occurred in non-March year end practices either when the new GMS contract was introduced in 2004 or when a GP joins a non-March year end practice. When a pension loss is created by the deduction of overlap, this must be offset against practitioner pensionable pay in the same year (OOH, locum etc), or, if none or insufficient to relieve the whole loss, then carried back against the previous and earlier years.

Q. My practice failed in 2015/16 and we handed the contract back to the commissioner. We made a loss in the final set of accounts, with my pensionable share being calculated as £24,000. I also have pension overlap brought forward of £62,000. What is the impact on my pension record?

A. Where a commercial trading loss occurs, leading to the calculation of a pensionable loss, your pensionable pay is treated as zero. Income has still, however, been pensioned twice as described above. The pension overlap must relieve this. There will therefore be a pensionable pay loss of £62,000 for the year, to be set against other practitioner pay in the year or carried back to the previous and earlier years if insufficient to utilise the whole £62,000.

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

A. If you first joined the NHSPS 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.

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

A. Core practice pensionable income plus other GP NHS income such as OOHs, GPwSI, CCG etc. Non-GP income (i.e. salaried clinical assistant hospital posts and honorary posts) are excluded.

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. In rare circumstances partners may be allocated a part of a full entitlement plus an amount in a profit share ratio. The total allocated from both sources should be entered.

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 PCSE/dCCG/LHB to establish whether the appropriate level of seniority has been paid, after taking into account the earnings criteria.

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

No, there are no provisions to pension VAT under the NHSPS Regulations.

Q: Can I use accounts and tax prepared on a cash basis to complete the Certificate?

A. Some very small businesses (income of £82,000 or less in 2015/16) 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 for accounting and pension purposes. The certificate has therefore been drafted on this basis that all GP Providers are using an accruals basis.

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

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 Certificates but this is not mandatory.

Q. I am a GP partner who leaves a practice on 31 December 2015. 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. Certificate should only capture partnership income and ad hoc income when a GP is actually a GP Provider, i.e. a partner. Under the NHSPS Regulations where someone ceases to be a GP Provider/type 1 medical Practitioner on 31 December 2015 but continues to perform OOHs work thereafter they are regarded as a type 2 medical Practitioner from 01 January 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?

Q. Is medical school income pensionable?

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

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 14.3% employer contributions. The employer contributions are then stripped out in the adjustment between boxes 33 and 34.

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 an Employing Authority or it's representative.

Q. How should CCG income be pensioned, and (HMRC) 'office holder' posts?

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

Where anyone (including a GP) is formally employed by a CCG they are an Officer in the NHS Pension Scheme. An Officer must be set up on the CCGs payroll with pension contributions deducted at source and paid directly to NHS Pensions via the direct debit method. The special note within Box 1 provides guidance on the treatment of pooled salaried posts.

Where a GP works for a CCG as an individual and under a fee based (contract for services) arrangements the income is pensionable but the CCG must **not** create an Officer post. Where the CCG pays fees directly to an individual GP the CCG and GP must jointly complete a SOLO form and forward it and all contributions to the PCSE/dCCG/LHB.

Where a GP (or group of GPs) work for a CCG as individuals under a fee based (contract for services) arrangement however they elect for the fees to be paid directly to their practice the CCG must include the 14.3% employer contributions within the fee. A SOLO form is not required however the CCG must make it clear that the employer contributions are within the 'cash envelope'. This income will be pensioned on the GP Provider Certificate. No SOLO entries should be made on the Certificate with reference to this income.

Where the GP Provider works under a self-employed basis but the CCG deducts PAYE and NIC at source in accordance with HMRC's 'office holder' rules the SOLO form **must** still be used and an Officer must not be created. For further guidance please refer to NHS Pensions technical/employer newsletters TN3/2013 and TN8/2013.

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

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 Provider (or their 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 PCSE/dCCG 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.

Q. NHS primary care is changing, with new funds of money available for primary care, such as the Prime Minister's Challenge Fund, GP Access, Vulnerable Practice Fund and the General Practice Resilience Programme. As a GP Provider can I pension this income?

A. Yes, where these are sourced and paid to a practice by NHS England they must be pensioned.

Q. What if my practice receives new monies from a Federation, Vanguard Site, or a Multispeciality Community Provider (MCP)?

A. Where a practice receives monies from a Federation (i.e under a sub-contracting arrangement) those monies are not pensionable in 2015/16. MCPs and Vanguard Sites are not currently NHSPS Employing Authorities.

Q. If I receive earnings as an independent self-employed sessional GP working for a federation, can I pension those funds?

A. If the Federation is a 'classic' APMS Employing Authority you must pension this income either as a freelance GP locum or as a type 2 medical Practitioner; i.e. as though you were working for another GP practice.

If the Federation is an Independent Provider Employing Authority, then this income is not pensionable in 2015/16.

Q. I Perform GP OOHs work for a NHS Trust/Foundation Trust which is 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 14.3% 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.

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

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

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

A. The practice rather than the individual GP (or non-GP) Provider is responsible for paying arrears of contributions immediately. The PCSE/dCCG/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.

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.

Q. What happens if contributions have been overpaid because a Provider’s NHS pensionable pay was over estimated?

The host PCSE/dCCG/LHB must repay the overpaid contributions to the practice.

Other information

Q. What is deemed pensionable sick pay?

A. GP Providers 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. NHS Pensions should be contacted for advice on this matter.

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

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

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 pensionable employment in any external clinical posts (e.g. hospital posts) for at least 24 hours.

A GP Provider 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 may have their pension 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.

Q. I am a non-GP Provider; can I pension income from more than one GMS, PMS, APMS, or sPMS contract?

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 or shareholder in an organisation that holds several contracts.

Q. What are final pay controls?

A. Final pay control are applicable with effect from 1 April 2014 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 newsletteTN3/14 and a factsheet titled 'final pay controls and employer charge' in the employers section of the website under retirement.

Annex D

Tiered rates for GPs and non-GP Providers

Table A outlines the tiered employee contribution rates, from 1 April 2015 to 31 March 2016, for GP Providers, salaried GPs, freelance GP locums, and non-GP Providers.

Table A

TIER	TOTAL GP/NON-GP PROVIDER PENSIONABLE PAY IN 2015/16	2015/16 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%

Only one tiered rate applies throughout 2015/16 where a GP Provider/non-GP Provider:

- Remained a member of the ‘old’ (1995 or 2008) NHS Pension Scheme throughout 2015/16.
- Was a member of the ‘old’ (1995 or 2008) NHS Pension Scheme during 2015/16 and had breaks in membership.
- Transitioned from the ‘old’ NHS Pension Scheme to the ‘new’ (2015) NHS Pension Scheme on or after 1 April 2015 and the transition was seamless; i.e. there were no breaks in membership during 2015/16.
- Joined the NHS for the first time on or after 1 April 2015 and became a member of the ‘new’ (2015) NHS Pension Scheme.

A GP Provider/non-GP Provider may be subject to two different tiered rates in 2015/16 if they:

- Transitioned from the ‘old’ NHS Pension Scheme to the ‘new’ NHS Pension Scheme on or after 1 April 2015 however there was a break in Scheme membership between leaving the ‘old’ Scheme and joining the ‘new’ Scheme.

GP Provider annualising pensionable pay rules and tiered employee contributions

GP Providers who **were not** subject to the annualising rules in 2015/16 are summarised below:

- GP Providers who were members of the ‘old’ (1995 or 2008) NHS Pension Scheme during 2015/16 were not subject to the annualising rules. Their tiered contribution rate should be based on their total/aggregate GP income even if they had breaks in pensionable service during 2015/16, or if they left (i.e. retired or opted out) before 31 March 2016.

- GP Providers who were members of the ‘old’ (1995 or 2008) NHS Pension Scheme up to 31 March 2015 and who joined the ‘new’ 2015 Scheme on 1 April 2015 are transition members. If they had continuous GP Provider (2015 Scheme) pensionable service, without any breaks, from 1 April 2015 to 31 March 2016 their annualised pay and their total/aggregate GP income are the same.

- GP Providers who were members of the ‘old’ (1995 or 2008) NHS Pension Scheme and who joined the ‘new’ 2015 Scheme on or after 1 June 2015 are tapered members. If they had continuous GP Provider pensionable service (without any breaks) from 1 April 2015 to 31 March 2016 (albeit in the ‘old ‘and ‘new’ Schemes) their annualised pay and their total/aggregate GP income are the same.

- GP Providers who joined the NHS Pension Scheme for the very first time on 1 April 2015; i.e. pure 2015 Scheme members. If they had continuous GP Provider pensionable service (without any breaks) up to 31 March 2016 their annualised pay and their total/aggregate GP income are the same.

GP Providers who **were** subject to the annualising pay rules in 2015/16 are summarised below:

- GP Providers who were members of the ‘old’ (1995 or 2008) NHS Pension Scheme up to 31 March 2015 and who joined the ‘new’ 2015 Scheme on 1 April 2015 as transition members and had breaks in pensionable service during 2015/16. Their tiered rate is based on their 2015/16 annualised GP income.

- GP Providers who were members of the ‘old’ (1995 or 2008) NHS Pension Scheme and who joined the ‘new’ 2015 Scheme on or after 1 June 2015 (i.e. tapered members) however they had a break in pensionable service between leaving the ‘old’ Scheme and joining the ‘new’ or after joining the ‘new’ . They are subject to two tiered contribution rates in 2015/16. The rate for their ’old’ GP income is based on their actual (i.e. total/aggregate) 1995 or 2008 GP income. The rate for their ’new’ (2015) Scheme GP income is based on their annualised ‘new’ Scheme GP income.

- GP Providers who joined the NHSPS for the very first time on or after 1 April 2015 (i.e. pure 2015 Scheme members) however did not have 365 days continuous pensionable service. Their tiered contribution rate is based on their 2015/16 annualised GP income.

How to annualise 2015 Scheme GP Provider pensionable pay

The method used to annualise 2015 Scheme pensionable pay is as follows:

Actual 2015 Scheme GP Provider pensionable pay divided by actual calendar days of 2015 Scheme membership (in 2015/16) multiplied by 365 days.

The pay is always scaled up by 365 days even if this includes actual days of 1995 or 2008 Section tapered service.

How to annualise non-GP Provider pensionable pay

Non-GP Providers have always been subject to annualising regardless of what section of the NHS Pension Scheme they are in. They can only pension income from one surgery even if they are proprietor/partner of several. The method used to annualise their pensionable pay in 2015/16 is as follows:

Actual pensionable pay in 2015/16 divided by actual calendar days NHSPS membership in 2015/16 multiplied by 365 days.

The pay is always scaled up by 365 days.

Table of 2015/16 tiered rate rules

Table B outlines the basic rules. Table B:

MEMBER TYPE IN 2015/16	2015/16 TIERED CONTRIBUTION RATE RULES
Fully protected 1995 GP Provider	Rate is based on total 2015/16 GP Provider + GP ad hoc (i.e. SOLO) pensionable income
Fully protected 2008 GP Provider	Rate is based on total 2015/16 GP Provider + GP ad hoc (i.e. SOLO) pensionable income
Transition 1995/2015 GP Provider – no breaks	Rate is based on total 2015/16 GP Provider + GP ad hoc (i.e. SOLO) pensionable income
Transition 2008/2015 GP Provider – no breaks	Rate is based on total 2015/16 GP Provider + GP ad hoc (i.e. SOLO) pensionable income
Tapered 1995/2015 GP Provider – no breaks	Rate is based on total 2015/16 GP Provider + GP ad hoc (i.e. SOLO) pensionable income
Tapered 2008/2015 GP Provider – no breaks	Rate is based on total 2015/16 GP Provider + GP ad hoc (i.e. SOLO) pensionable income
Transition 1995/2015 GP Provider – break(s) during 2015/16	Rate is based on annualised 2015/16 GP Provider income including GP ad hoc (i.e. SOLO) pensionable income
Transition 2008/2015 GP Provider – break(s) during 2015/16	Rate is based on annualised 2015/16 GP Provider income including GP ad hoc (i.e. SOLO) pensionable income
Tapered 1995/2015 GP Provider – break between leaving 1995 and joining 2015 or after joining 2015	Two tiered rates: 1995 Section rate based on actual GP Provider/SOLO 1995 pensionable income – 2015 Scheme rate based on annualised 2015 Scheme GP Provider pensionable income including SOLO
Tapered 2008/2015 GP Provider – break between leaving 2008 and joining 2015 or after joining 2015	Two tiered rates: 2008 Section rate based on actual GP Provider/SOLO 2008 pensionable income – 2015 Scheme rate based on annualised 2015 Scheme GP Provider pensionable income including SOLO
2015 Scheme GP Provider – continuous pensionable service from 01/04/2015 to 31/03/2016	Tiered rate is based on the actual 2015/16 GP Provider pensionable income including SOLO income (the actual is the same as the annualised)
2015 Scheme GP Provider – breaks (i.e. not continuous pensionable service from 01/04/2015 to 31/03/2016)	Tiered rate is based on the annualised 2015/16 GP Provider pensionable income including SOLO income
Non-GP Provider (1995, 2008, or 2015 member) – continuous pensionable service from 01/04/2015 to 31/03/2016	Tiered rate is based on the actual 2015/16 non-GP Provider pensionable income from one selected surgery (the actual is the same as the annualised)
Non-GP Provider (1995, 2008, or 2015 member) – breaks during 2015/16; i.e. not continuous pensionable service from 01/04/2015 to 31/03/2016	Tiered rate is based on the annualised 2015/16 non-GP Provider pensionable income

Examples

Example 1: Dr A had continuous GP Provider pensionable service from 1 April 2015 to 31 March 2016.

Dr A's tiered rate in 2015/16 is based on their actual GP Provider pensionable income regardless of whether they were a fully protected, transition, or a tapered member.

Example 2: Dr B, a fully protected 1995 or 2008 Section GP Provider, had breaks in pensionable service during 2015/16 or left before 31 March 2016.

Dr B's tiered rate is based on their actual GP Provider pensionable income in 2015/16.

Example 3: Dr C, a 1995/2015 or 2008/2015 transition GP Provider, had breaks in pensionable service during 2015/16 or left prior to 31 March 2016.

As Dr C joined the 2015 Scheme on 1 April 2015 but had breaks thereafter their tiered rate is based on their annualised GP Provider pensionable income in 2015/16.

Example 4: Dr D, a 1995/2015 or 2008/2015 tapered GP Provider, had breaks in pensionable service between leaving the 1995 (or 2008) and joining the 2015 Scheme, or after joining the 2015 Scheme, or left the 2015 Scheme prior to 31 March 2016.

Dr D has two tiered rates. The tiered rate in respect of his 1995/ 2008 pensionable income is based on his actual (i.e. total/aggregate)1995/ 2008 Section GP Provider pensionable income. The tiered rate in respect of his 2015 Scheme pensionable income is based on his annualised 2015 GP Provider pensionable income. The annualised pay is always scaled up by 365 days.

Example 5: Dr E is a GP Provider who is solely a 2015 Scheme member.

If Dr E joined the 2015 Scheme on 1 April 2015 and had continuous GP Provider service up to 31 March 2016 their tiered rate is based on their actual income; this is the same as their annualised. If however Dr E did not have 365 days continuous service in 2015/16 their tiered rate is based on their annualised GP Provider pensionable income in 2015/16.

Example 6: Dr F a fully protected, transition, tapered, or pure 2015 Scheme GP Provider had continuous GP Provider pensionable service from 1 April 2015 to 31 March 2016 and also performed SOLO work such as out of hours.

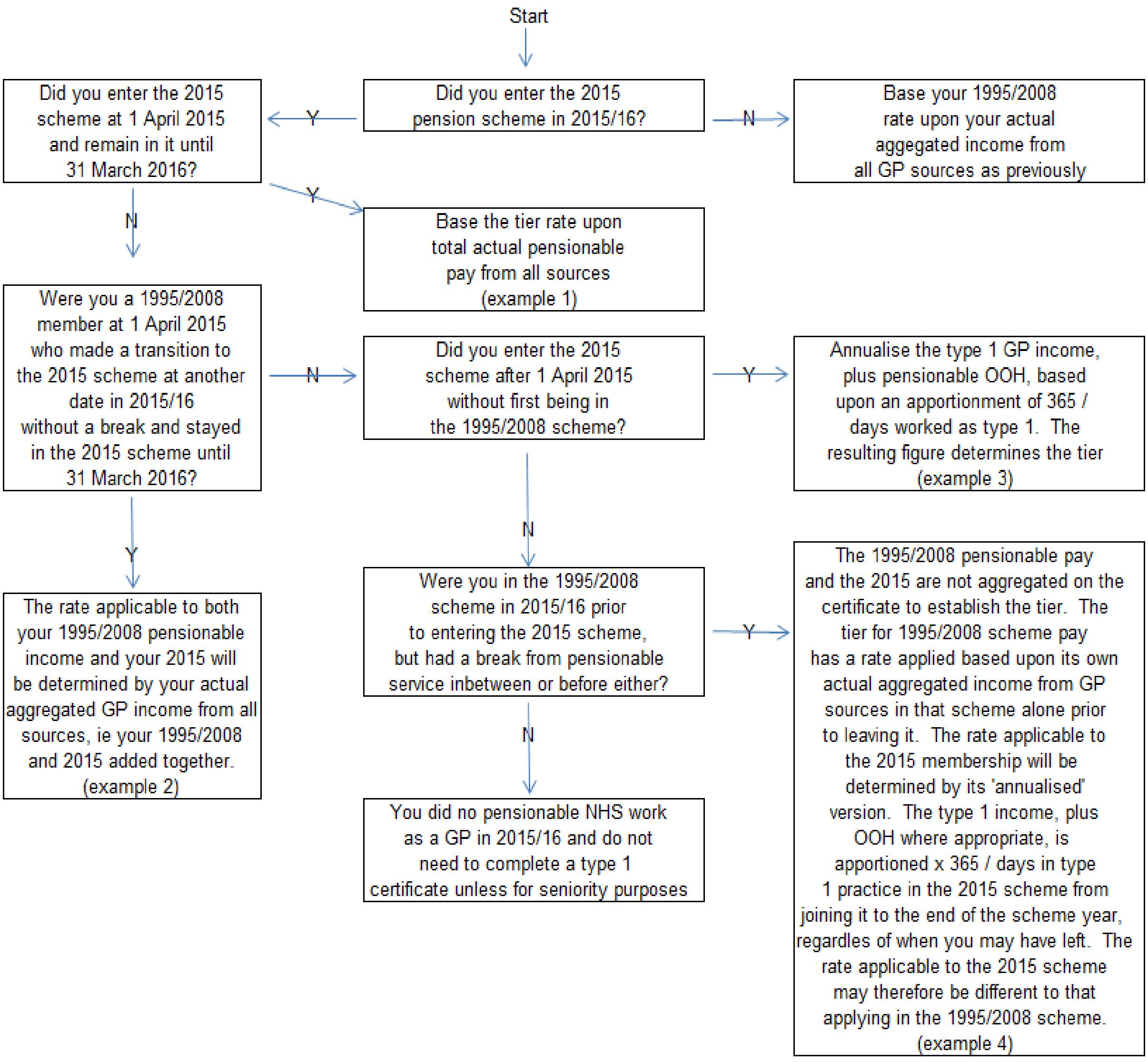
As Dr F's SOLO work is regarded as type 1 medical Practitioner/GP Provider pensionable income his tiered rate is based on the total/aggregate of his GP Provider and SOLO income in 2015/16. There is no annualising even if the SOLO work is irregular.

Example 7: Dr G a fully protected, transition, tapered, or pure 2015 Scheme GP Provider had continuous GP Provider pensionable service from 1 April 2015 to 31 March 2016 and also performed regular freelance GP locum work; i.e. he performed freelance GP locum work at least once every three months in other GP surgeries.

As Dr G's freelance GP locum work was regular his tiered rate is based on the total/aggregate of his GP Provider and locum income in 2015/16; there is no annualising.

Annex D
Employee tier rate percentages flowchart.

The example numbers quoted refer to the worked examples on following this page.



Worked examples in respect of flowchart:

Example 1
A GP entered the 2015 scheme at 1 April 2015, with pensionable earnings from a partnership of £96,000 in the year to 31 March 2016. The GP had no breaks in service.

The tier rate is based upon £96,000, meaning a tier rate of 13.5% and contributions of £12,960.

Example 2
A GP was in the 1995 scheme at 1 April 2015, but moved to the 2015 scheme on 1 June 2015. There was no break in service and the GP was still in the 2015 scheme at 31 March 2016. The pensionable pay for the year was £104,000.

The pensionable pay needs apportioning around the date of move to the 2015 scheme.

1/4/15 - 31/5/15	£104,000 x 61 / 365 = £17,381
1/6/15 - 31/3/16	£104,000 x 304 / 365 = £86,619

As there have been no breaks in service, the tier rate is based upon the whole pensionable pay of £104,000, meaning a tier rate of 13.50%. The pensionable pay needs apportioning, however, to ensure the correct pay is added to the respective scheme record. Contributions will be due as follows:

1995 scheme	£17,381 x 13.5% =	£2,346.44
2015 scheme	£86,619 x 13.5% =	£11,693.56

Example 3
A GP entered the 2015 scheme at 1 August 2015, but was not in either the 1995 or 2008 scheme before that. The pensionable practitioner pay for the period from 1 August 2015 to 31 March 2016 was £70,000.

The pensionable pay requires 'annualising' based upon the days in the 2015 scheme:

£70,000 x 365 / 243 = £105,144.
The tier rate based upon £105,144 is 13.5%

Contributions due will therefore be:

2015 scheme	£70,000 x 13.5% =	£9,450.00

Example 3a
A GP entered the 2015 scheme at 1 August 2015, but was not in either the 1995 or 2008 scheme before that. The pensionable practitioner pay for the period from 1 August 2015 to 31 March 2016 was £41,000 as a part time worker. From 1 January 2016 the GP also performed pensionable out of hours work of £38,000 in the period to 31 March 2016.

The pensionable pay requires 'annualising' based upon the date of first entry into the 2015 scheme to the end of the scheme year, regardless of dates during which the out of hours work was performed.

£79,000 x 365 / 243 = £118,663.
The tier rate based upon £118,663 is 14.5%

Contributions due will therefore be:

Practice	£41,000 x 14.5% = £5,945.00
OOH	£38,000 x 14.5% = £5,510.00

Example 4
A GP was in the 1995 scheme at 1 April 2015 and left the NHS on 31 May 2015. Pensionable pay in the 1995 scheme for those two months was £12,000.

The GP rejoined the NHS on 1 February 2016 and was enrolled into the 2015 scheme and was still there at the end of the year on 31 March 2016.

Pensionable earnings in the 2015 scheme for the final two months were £18,500.

As there was a break in service, the earnings are not aggregated. The rates for the two schemes are viewed independently.

1995 scheme is assessed upon actual pensionable pay. £12,000 is within the first tier and therefore contributions of 5% are due. £600 will therefore be paid.

2015 scheme membership is 'annualised.' £18,500 x 365 / 59 = £114,449.

£114,449 is within the highest tier and therefore 14.5% will be due.

£18,500 x 14.5% means contributions of £2,682.50.

Example 4a
Where separate positions are 'annualised' separately, the 'annualised' amounts from each element are aggregated to determine the rate to be used for all 2015 income. That rate is then applied to the actual pensionable earnings.

Dr A did not work in the NHS before joining a medical practice as a type 1 partner on 1 June 2015. He worked part time for the remainder of the pension year in that post and earned £37,500. As the type 1 income was not for the full year, and there was a break before it, it must be 'annualised'. The annualised' amount for that x 365 / 304 days is £45,025.

On 1 July 2015 Dr A also did a locum session where the pensionable amount was £250.

On 1 February 2016 Dr A did a further locum session where the pensionable amount was £300.

The two locum positions were not within 3 months of each other and therefore must be 'annualised' separately according to the regulations, apportioning them by 365 / the days to the end of the pension scheme year.

The 'annualised' amount for the July 2015 locum position is therefore £250 x 365 / 274 = £330

The 'annualised' amount for the February 2016 locum position is therefore £300 x 365 / 59 = £1,856.

The total annualised income used for determining the tier rate for all three elements of income therefore £47,211 (45,025 + 330 + 1,856).

£47,211 falls within the 9.3% bracket and would be charged on £38,050 (37,500 + 250 + 300) of pensionable income. £3,541 of contributions would be due.

Example 4b
If, in the above worked example, all of the locum income had been performed on 1 February 2016, the 'annualising' would look as follows:

> Type 1 practice x 365 / 304 = £45,025 as before.
> Locum £550 x 365 / 59 = £3,403.

The total is therefore £48,428, which provides a tier rate of 12.5% applicable to £38,050 of income. £4,756 of employee contributions would be due.