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NHS Pensions - A guide to administering the NHS Pension Scheme for Classic APMS Contractors (i.e. GP or healthcare professional led)

This guide is not relevant to Independent Providers who hold an APMS contract. Independent Providers must refer to their own guide.

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Chapter 1: About the guide and contacting NHS Pensions

The purpose of this guide is to provide an overview of 'day to day' pension administration guidance for your organisation. This guide is only relevant to a classic APMS contractor; that is an APMS contractor where the partners or shareholders would all be eligible to enter into a GMS contract or PMS agreement.

This guide is not relevant to an Independent Provider that holds an APMS (or NHS Standard) contract.

The guide is divided into several chapters covering different aspects of NHS Pension Scheme administration.

Although this guide is aimed at Classic APMS contractors, GMS and PMS contractors may also find it helpful. There is more detailed information available for employers on [NHS Pensions website](#).

For all application or status queries please contact the Scheme Access Team at: nhsbsa.directionapplication@nhs.net.

NHS Pensions address is:

NHS Pensions
PO Box 2269
Bolton
BL6 9JS

Telephone numbers:

Employer helpline (general enquiries): 0300 3301 353.
Opening times 8.00am to 6.00pm - Monday to Friday.

Member helpline: 0300 3301 346.
Opening times 8.00am to 6.00pm – Monday to Friday.

Pensions Online, technical enquiries 0870 011 7108
Further Information on how to contact NHS Pensions can be found by clicking [on our website](#).

There is also a dedicated email address that NHS employers can use to contact NHS Pensions in respect of GPs pensions: nhsbsa.practitioners@nhs.net. This email address should **only** be used for GP related enquiries.

Chapter 2: The NHS Pension Scheme (England and Wales) – An overview

The NHS Pension Scheme (NHSPS) is administered by NHS Pensions based at Fleetwood, Lancashire.

There are two Schemes: the 1995/2008 Scheme (made up of the 1995 Section and the 2008 Section) and the 2015 Scheme. The NHS Pension Scheme is a statutory occupational pension scheme where benefits at retirement are based broadly on membership and pensionable pay (reckonable pay if a member of the 2008 Section) during NHS employment. Every NHS employee is a member of the NHS Pension Scheme, unless they proactively opt out.

As of 1 April 2016 due to State Pension changes the NHS Pension Scheme is a contracted in scheme and members will pay full National Insurance contributions.

The 2015 Scheme was introduced from 1 April 2015 which is a Career Average Revalued Earnings (CARE) scheme. It is a form of defined benefit pension scheme.

Some members of the 1995/2008 Scheme are eligible to full or tapered protection of their benefits meaning that they will not be moved to the 2015 Scheme on 1 April 2015 but may move over at a later date or not at all. More information on Full or Tapered protection can be found on our website at: www.nhsbsa.nhs.uk/pensions.

More information on which Scheme your staff are eligible for is available through our [Member Identifier tool](#).

The NHS Pension Scheme offers a range of index-linked pension benefits at retirement and life assurance cover. Employer contributions are based on 14.3% of pensionable pay. Employee contributions are subject to review each Scheme year and further information can be found on the '[Contributions](#)' page of our website.

NHS Pension Scheme benefits are paid for by the contributions made by members and employers and are underwritten and guaranteed by the Government, (i.e. Treasury). The NHS Pension Scheme 'fund' is not invested in stocks or shares and is, therefore, not subject to the vagaries of the stock market, unlike most private pension schemes.

The terms of the Scheme are set out in statutory regulations, which can be viewed [on our website](#).

The NHS Pension Scheme offers:

- An annual pension and tax-free lump sum at retirement.
- Life assurance benefits including pensions and allowances for a member's spouse/civil partner (or nominated partner) and dependent children in the event of the member's death.

Pension benefits are index linked to protect their value. Pensions awarded from age 50 do not normally attract cost of living increases until age 55 unless the member retires due to ill health.

The Normal Pension Age for the 1995 Section of the NHS Pension Scheme is 60, for the 2008 Section it is 65. In the 2015 Scheme the Normal Pension Age is linked to your State Pension Age. For more information about State Pension Age, please visit [Gov.UK](https://www.gov.uk).

NHS Pension Scheme members may retire voluntarily before their Normal Pension Age. However, their benefits would be actuarially reduced.

Chapter 3: NHS Pensions responsibilities

NHS Pensions operational functions are to:

- maintain records of Scheme members and pensioners
- award pension benefits
- ensure that Employing Authorities make timely and correct payments of employer and employee contributions, and maintain and implement such information and other systems as may be necessary to fulfill these functions
- preserve benefits for early leavers
- provide basic estimates of benefit entitlement upon request
- pay transfer values where members move out of the NHS Pension Scheme and receive payments for people transferring into the Scheme
- pay refunds of contributions
- process applications to purchase additional benefits under the Scheme
- publicise the NHS Pension Scheme and encourage awareness
- comply with all relevant pensions legislation including the NHS Pension Scheme Regulations, the Pensions Act, the Data Protection Act and the Occupational Pension Scheme (Disclosure of Information) Regulations.

Chapter 4: Employer responsibilities

All 'Classic' APMS contractors and GMS/PMS contractors are legally bound to administer the NHS Pension Scheme locally in accordance with statutory pension legislation. They are obliged to offer the NHS Pension Scheme to all of their eligible employed staff, including those who work part time and on 'the bank'.

An APMS/GMS/PMS contractor that has access to the NHS Pension Scheme is legally required to:

- maintain pension records (i.e. Pensions Online or alternative arrangements)
- 'ring fence' each of its practices/surgeries even where there are several owned by the same organisation
- deduct employee tiered contributions and forward these, along with employer contributions, directly to NHS Pensions by the 19th day of month end. **Please note that different rules apply for GPs and non-GP Providers**
- deduct employee/employer contributions in respect of all types of GPs and non-GP Providers and forward them to Primary Care Support England (PCSE) (England) or the Local Health Board (Wales) at the correct rate and on time (i.e. by the 7th day of the month following payment)
- countersign the freelance GP locums pension forms and pay the 14.3% employer contributions
- inform NHS Pensions when an employee joins or leaves. In the case of a GP (or a non-GP Provider), PCSE or the LHB must be informed
- provide form [SD502](#) (on request only) to those employees who choose to opt out of the Scheme. GPs cannot opt out of selective GP work
- complete [forms](#) such as the AW8 (pension benefits application) form.
- **notify NHS Pensions if the organisation wins or loses contracts or if the constitution of the organisation changes**
- pay the initial adult dependant's and children's pensions
- if you win any NHS Standard Contracts after you have been given classic APMS contractor status as of 1 April 2016 then those contracts can be absorbed under your

existing classic APMS Employing Authority (EA) code. Please contact the Scheme Access Team for more guidance.

Classic APMS contractors must never send in pension forms or contributions in respect of GPs (including GP Locums) or non-GP Providers directly to NHS Pensions.

Chapter 5: Practice staff - Joining the Scheme, updating records, contributions and pay

Joining the NHS Pension Scheme

All eligible (non-GP) employed staff must be put into the NHS Pension Scheme on the first day of their employment. They are afforded 'Practice Staff' NHS Pension Scheme rights. They may opt out of the Scheme but must not be encouraged to. Classic APMS and GMS/PMS contractors have a duty to make their staff aware of their pension rights. Anyone seeking financial advice should be referred to an independent financial advisor.

The relevant pensions joiner form for 'Practice Staff' is the SS10 (GP) form. This must not be used for GPs or non-GP Providers.

There is more detailed information available about joining and eligibility available [on our website](#).

Many NHS Pension Scheme Employing Authorities use Pensions Online (POL). More information is available on the [Pensions Online page](#) of our website.

Pensions Online can only be used for Practice Staff, not GPs.

A unique pension record must be created in respect of every Practice Staff NHS Pension Scheme member. If a person works at more than one practice/surgery they must have more than one pensionable (part time) post set up. Creating one whole time pensionable post under a 'host' practice/surgery is illegal. If an employee wants to opt out of the NHS Pension Scheme they must complete form [SD502](#).

Updating records

The following instructions do not apply to GPs or non-GP Providers.

Every year each practice/surgery or company must complete the annual SD55 update form covering the period 1 April to 31 March. The SD55 must include the following information:

- an annual exit code of '05' if the person remains employed
- a record of part time hours if the member is on a PT contract
- a record of any changes during the period; i.e. PT to WT or vice-versa
- a record of main (and any additional) Scheme contributions
- pensionable pay.

The SD55 must be completed and sent to NHS Pensions within two months of year end (i.e. no later than 31 May).

There is no minimum number of hours that can be pensionable in the NHS Pension Scheme. The maximum numbers of hours that can be pensionable are the normal (standard) whole time hours. If a part timer works additional hours they are pensionable up to the standard whole time equivalent working week. If a (non-GP) employee has two or more posts that together will exceed the whole time hours, the aggregated hours in excess of whole time are not pensionable.

There are variations to the SD55 form as follows:

- SD55T is to be used when the member retires, leaves employment or opts out
- SD55G is to be used for updating personal details (i.e. a change of address)
- SD55E is to be used for amending data already submitted on a SD55
- AW171 is to be used when pensionable pay, hours or contributions have changed **after** pension benefits have been awarded.

More detailed information can be found on our website for [Pensions Online \(POL\)](#) users and for [non POL users](#).

Contributions and pay

The tiered employee contributions rules for Practice Staff are outlined [on our website](#).

The tiered employee contribution rate for Practice Staff is broadly based on their whole time equivalent pensionable pay from the previous year; i.e. 2016/17 contributions will be based on 2015/16 whole time equivalent pensionable pay. Care must be taken in using the correct table.

Contribution rates are subject to change each Scheme year and further information is available [on our website](#).

Practice Staff employee contributions and the 14.3% employer contributions must be sent to NHS Pensions (under direct debit arrangement) by the 19th day of month end. Pensionable pay excludes overtime (in excess of the whole time working week), expenses and bonuses.

Chapter 6: GPs and non-GP Providers - Joining the Scheme, updating records, contributions and pay

Joining the Scheme

The general rule is that Primary Care Support England (PCSE) on behalf of NHSCB/NHS England or the LHB in Wales is the NHS Pension Scheme Employing Authority for all types of GPs and for non GP Providers. This includes salaried GPs employed by an APMS practice/surgery.

A practice/surgery must ensure that every GP (except freelance GP locums) joins the NHS Pension Scheme unless they proactively opt out by liaising with PCSE or the LHB.

A practice/surgery or company must never set up a GP or non-GP Provider pension record under its own EA code.

GPs are afforded 'Practitioner' status in NHS pension terms. There are three types:

GP Providers: (Type 1) - GP shareholders, GP partners, and single handed GPs are GP Provider/Type 1 medical Practitioners in NHS pension terms. They must pension **all** of their GP pensionable income. GP Providers cannot opt out of pensioning certain GP work; it is all or nothing. In England it is Primary Care Support England (PCSE) will submit a SS14 (Practitioner) joiner form to NHS Pensions; in Wales it continues to be the LHB.

Salaried GPs: (Type 2) - A salaried GP (or long term fee based GP) working at a practice/surgery is regarded as a Type 2 medical Practitioner. Every practice/centre must inform Primary Care Support England (PCSE) or the LHB of their salaried/sessional GPs so that a Type 2 Practitioner pension record is created.

Freelance GP locums: PCSE or the LHB is responsible for setting up a pension record. When a GP locum presents their pension forms they must be completed straightaway otherwise the GP may not be able to pension their income. The practice/surgery pays the 14.3% employer contributions for freelance GP locums.

A fee based GP working on a long term basis (i.e. six months or more) is regarded as a Type 2 medical Practitioner not a GP locum under the NHS Pension Scheme Regulations. Solo forms must be completed for long term work.

Non GP Providers

Non GP Providers (i.e. non-GP shareholders/partners) are afforded whole time Officer status in NHS pension terms and **must elect to pension income from just one contract.**

PCSE or the LHB will submit a SS10 'WT Officer' joiner form to NHS Pensions followed by the SD55 pension update forms.

Updating pension records

It is the responsibility of PCSE or the LHB to update pension records (by submitting SD55s to NHS Pensions) in respect of GPs and non GP Providers. They can only do this with the co operation of the practice/surgery.

Contributions and pay

Prior to the start of the pensions year every practice/surgery is legally required to inform PCSE or the LHB of the estimated pensionable income of its GPs (excluding freelance GP locums) and non GP Providers. There is a specific form for this purpose that can be found [here](#) . Under the heading of, 'Estimates of Pensionable Earnings (GMS/PMS/APMS Practice)'.

If a practice/surgery or company does not complete this mandatory form tiered contributions may be collected at the highest rate.

The employer and (tiered) employee contributions are normally top sliced 'on account' from each practice/surgery or company budget. The tiered rate for all GPs and non GP Providers is based on their total pensionable income in the current year.

The pensionable income for a GP Provider is their 'profits' plus any NHS 'ad hoc' income. They must declare their NHS pensionable income on a separate certificate in respect of **each** GMS/PMS/APMS practice/surgery that they are involved in. If they are also a director, the director income must also be declared on the certificate. This must also include income from any NHS Standard Contracts that you hold.

The certificate(s) can be downloaded from [here](#).

Where a Classic APMS contractor is involved in several practices/surgeries they must complete a certificate in respect of each. However a non-GP Provider may only must declare their NHS pensionable income from one selected practice/surgery on one certificate.

The pensionable income for a Type 2 medical practitioner is their basic practice/surgery income plus any NHS 'ad hoc' income recorded on form SOLO. All Type 2 medical Practitioners (i.e. salaried and long term fee based GPs) must, in law, complete an end of year self assessment form to ensure that they have paid the correct rate of tiered contributions across the board. This self assessment form is available on NHS Pensions website [here](#), under the heading of 'GP Providers Certificates'.

Chapter 7: Other Pensions issues

Added Years

The option to take out a new Added Years contract no longer exists however existing contracts are honoured.

Added Years contributions are deducted at a fixed percentage rate from the member's pensionable salary (in addition to the mainstream contributions) from a chosen birthday until the end of the Added Years contract which is either their 55th, 60th, or 65th birthday. When the contract has ended the member will be credited with the amount of membership bought.

New staff must be asked if they have an existing Added Years contract. Many GPs have Added Years contracts. If the person was previously subject to the HMRC pensionable earnings cap this may affect the level of their Added Years contributions.

A person may terminate their Added Years contract before its normal end date.

Additional Pension

The Additional Pension was introduced in April 2008 and replaced Added Years. There is an [Additional Pension calculator](#) available on our website. New staff must be asked if they have existing Additional Pension contract.

Auto enrolment

Every NHS employer has an auto enrolment 'staging date' where they have to put an employee into a suitable qualifying pension scheme. The NHS Pension Scheme is such a scheme, however not all NHS employees can join it. For example those who have taken a pension from the 1995 Section and are re-employed. Those who are not eligible to (re)join the Scheme but do meet the auto enrolment criteria have to be auto enrolled into an alternative qualifying pension scheme, an example of which is NEST.

Information is available to NHS employers on the website of NHS Employers and The Pension Regulator.

Opting out of the NHS Pension Scheme

Anyone considering opting out should seek independent advice beforehand. A GP cannot opt out of selective GP posts.

Certificate of Pensionable Income/Profits

Since April 2004 Type 1 GP Providers (practitioners and shareholders) and non GP Providers have been legally required to complete an annual certificate in respect of each GMS/PMS/APMS contract they are a party to. Type 2 medical Practitioners (i.e. Salaried GPs and long term fee based GPs) must complete a self assessment form at year end. This is to ensure they have paid the correct rate of tiered contributions on all their GP pensionable income.

Death in membership

If an employee dies in service and is a member of the NHSPS, NHS Pensions' bereavement team must be contacted straightaway.

Freelance GP Locums

It is the practice who engages the services of a freelance GP locum which must pay the 14.3% employer contributions.

Maternity and Paternity pay

When a Practice Staff or a Salaried GP NHS Pension Scheme member goes on maternity (or paternity) leave and intends to return to work they can pension the whole period of leave.

Their tiered employee contribution rate should not change as it is based on their **unreduced** pay and in the case of Practice staff based on the previous year. However, they only pay contributions based on their actual (**reduced**) pensionable pay. In all cases the employer contributions are based on the actual pensionable pay before any reduction.

If the pay is suspended the employee contributions are based on their pay immediately before pay was suspended. The contributions should be collected during the absence or immediately upon a return to work.

If a person chooses not to pay pension contributions during unpaid maternity/paternity leave, Scheme membership ceases on the day the person last paid contributions. The employer does not pay contributions.

If a person changes their mind and decides not to return to work or decided to opt out of the Scheme then the last date of pensionable membership will be the date contributions were last paid.

Different rules apply to GP Providers and non GP Providers.

Refunds of employee contributions

NHS Pension Scheme members who have less than two years total Scheme calendar length membership when they leave NHS employment or opt out may claim a refund of employee contributions. Only the employee contributions are refunded and they are subject to deductions for tax (at approximately 20%) and National Insurance (to buy the member back into the Second State Pension for service before 01 April 2016).

Sick pay

When a practice staff or a salaried GP NHS Pension Scheme member is on full pay sick leave then Scheme contributions are payable on all the sick pay.

If they go onto reduced or half pay sick their employee contributions are payable on the **reduced** amount. The employers 14.3% contributions are based on the members 'normal' **unreduced** pay. When the member goes on to 'no pay' then no contributions are payable by either the member or the employer.

If there is a possibility that the employment may be terminated on health grounds the employer must inform the member of their rights to apply for the NHS ill health pension. An employment being terminated on health grounds does not automatically qualify a person to the NHS ill health pension.

SOLO form

The SOLO form was borne out of the 2004 GP Contract and records GP NHS 'fringe/ ad hoc' work (such as OOHs, CCG, etc) that the GP wants as a personal pensions credit. It can be downloaded [from our website](#).

Transfers in or out of the NHS Pension Scheme

The NHS Pension Scheme can accept transfers from most pension schemes. A transfer value is treated as a single payment and converted into membership. The NHS Pension Scheme cannot accept a transfer from a personal pension policy taken out under Section 226 (also referred to in Sections 619-623 of the Income and Corporation Taxes Act 1988).

A member has 12 months from first joining the NHS Pension Scheme to request a transfer in providing they are not over age. NHS Pensions always recommend that the member seek independent financial advice.

There is more detailed information about [transferring into the Scheme](#) on our website.

Unauthorised leave

Any period of time where contributions are not paid due to unauthorised absence, such as strike days, must be recorded as disallowed days on the SD55.

Chapter 8: Frequently asked questions

Q. What is a Classic APMS Contractor?

A. A Classic APMS Contractor is a practice/surgery or company that is eligible to enter into a PMS/GMS contract. Another factor that determines if you are accepted as a Classic APMS contractor is that the structure of the company also covers the NHS Family criteria which can be found at [here](#).

To determine if you are eligible to become a Classic APMS contractor please find further information [here](#).

Q. If the structure (i.e. constitution) of the Classic APMS contractor changes such as new shareholders, do we need to notify NHS Pensions?

A. Yes. Whilst you may still be recognised as an APMS contractor by the commissioner it may affect your status as an Employing Authority under the statutory NHSPS Regulations.

Q. If we win any additional NHS Standard Contracts, what do we have to do?

As of 1 April 2016 any Classic APMS contractor that wins an NHS Standard Contract in addition to their ongoing APMS/GMS/PMS contract, you will now not need to apply for Independent Provider (IP) status. These additional contracts will be absorbed into their ongoing Classic APMS Contractor Employing Authority. Please contact the Scheme Access Team on nhsbsa.directionapplication@nhs.net to discuss which EA code will be applied for these contracts.

Q. Our company has just been awarded an additional APMS Contract we are already a Classic APMS Contractor?

A. You must apply for a new code for each new contract you are awarded. (E.g. two contracts = two EA codes)

Q. Our company holds multiple APMS contracts and we are a Classic APMS contractor. Our staff work across all contracts how do we set up their pension records to take this into account?

A. You will need to set up all the staff over all the codes that they work on.

For example, Mrs Smith works for a company that holds three contracts and she works on all three contracts during the year. She works 39 hours per week, therefore she will need to have three pensionable posts set up, one under each Classic APMS EA code and each post will need to show that she works part time (i.e 13 hours). The monies paid will need to be split over the three codes.

Q. We have salaried (non-GP) staff who are already members of the NHS Pension Scheme at another practice/surgery or company. Can I use the same EA code for pension purposes?

A. No. Each practice/surgery must apply to be an Employing Authority and a new record must be set up for each individual member under the new EA code. If a person works at more than one location they must have more than one pensionable (part time) post set up. Creating one whole time pensionable post is in breach of the pension regulations.

Q. We have used the services of a freelance GP locum on a long term basis. What are their NHS Pension Scheme rights and who pays their employer contributions?

A. If a practice/surgery uses a freelance GP locum on a short term temporary (deputising) basis they are a 'GP locum' in NHS pension terms. The GP locum must complete pension forms A and B if they wish to pension/superannuate their work which must not be more than 10 weeks old from the first day of working. The practice/surgery pays the 14.3% employer contributions.

Q. One of the partners/shareholders is a GP Provider in two or more separate practices/surgeries or company. Do they need to complete separate annual certificates?

A. Yes. GPs must pension all their NHS GP income therefore GP Providers must complete a separate certificate for each practice/surgery even if owned by the same organisation. For example if the GP is a Provider at six practices/surgeries they must complete six certificates.

Q. One of the shareholders is not a GP, how does this affect their NHS pension?

A. A non-GP shareholder is known, in pension terms, as a non-GP Provider. They are afforded whole time Officer NHS Pension Scheme status regardless of the hours they work. If they are a non-GP Provider in more than one practice/surgery (or have any other NHS posts) they must decide which post is to be their NHS pensionable post; they can only pension one. This situation may occur when a limited company runs many practices/surgeries.