

## **Limited company annual certificate of pensionable income 2013/14**

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

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## Introduction

This booklet is issued by NHS Pensions to give guidance on the completion of the Limited Company Annual Certificate of Pensionable Profits 2013/14 (the “Ltd certificate”). The Ltd certificate is subject to changes each year, and these guidance notes are aimed specifically at the 2013/14 certificate only. (copies of guidance notes and frequently asked questions from earlier years are available on the NHS Pensions website).

In completion of the Ltd 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, and the National Health Service Pension Scheme Regulations 2008 and subsequent amendments. You can view these on the NHS Pensions website at: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)

You should also have regard to tax law and Companies Act legislation.

This booklet does not seek to offer definitive guidance in any of these areas of legislation, and specialist professional advice must always be sought in the event of any uncertainties.

Similarly, NHS Pensions cannot offer any specific advice on the completion of the Ltd certificate.

Background information on the NHS Pension Scheme can be found in the current version of the “Scheme Guide” to the NHS Pension Scheme and in employers newsletters (“TN’s”) which can also be found on [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

## Who should complete this certificate?

From 1 April 2006 dividends received from a company (limited by shares) that qualified to hold a GMS, PMS, SPMS or APMS contract and satisfies the NHS Pension Scheme Employing Authority criteria may be pensioned subject to the dividends being wholly in respect of NHS work.

Where a GMS, PMS, SPMS, or APMS practice/centre operates as a limited company the limited company version of the certificate ("ltd certificate") must be completed. A shareholder will also have to complete the main 2013/14 GP Provider (and non GP Provider) Certificate of Pensionable Profits if they are also a partner or single hander elsewhere.

A GP provider who is/was a salaried GP (or long term fee based GP) in 2013/14 will also have to complete the Type 2 Practitioner Self Assessment Form to ensure they have paid tiered contributions in 2013/14 at the correct rate.

**Where a contract is held by a limited company and the provider receives a salary from the company, that salary must not be entered in box 3 or box 22 of the main 2013/14 certificate as such a salary will be included in this ltd\_certificate instead.**

For guidance on multiple contracts please refer to the notes to box G.

## What happens after I have completed the certificate?

Once you are happy the details contained in the ltd certificate are correct, you should sign the relevant declaration on pages 6 and/or 7 and submit the signed certificate to your Area Team ("AT") or Local Health Board ("LHB").

The deadline for submission of the certificate is **28 February 2015**.

## Completing the certificate: Boxes A - L

### Box A: Your Name

Enter the shareholder's (i.e. provider's) full name; do not use initials. If your surname has changed in 2013/14 please also provide your previous surname.

### Box B: National Insurance Number Or Pension Scheme Reference Number

Enter the shareholder's national insurance number or individual NHS Pension Scheme reference number. This is often known as your 'SD' number and begins with SD followed by two digits representing your year of birth (i.e. 1957 is 57) then six further digits.

### Box C: Company's Full Name

Specify the name of the company as it is registered with Companies House.

## **Box D: Company's Employing Authority Code**

The NHS Pension Scheme Employing Authority code is a letter followed by three digits; i.e. A123. Your practice/payroll manager should know this code, however if it is difficult to obtain enter the name of the practice.

## **Box E: Company's Registered Number**

Specify the company's number as it is registered with Companies House.

## **Box F: Type Of Contract**

Specify the type of contract that this certificate relates to – GMS, PMS, SPMS or APMS.

## **Box G: Host AT/LHB**

In respect of a GP provider the host AT/LHB is the AT/LHB on whose performers list the GP provider is registered (or has been during the year) or the AT/LHB with whom the GP provider has a contract. In respect of a non GP provider the host AT/LHB is the AT/LHB that the non GP provider is (or has been) contracted with.

Where changes of practice and/or AT/LHB occur, there will be implications for your ltd certificate and you may need to complete more than one ltd certificate as described below.

Follow these instructions to determine how many ltd certificates you are required to complete:

a) Change of practice, but remain within the same AT/LHB.

In this situation, two ltd certificates will be required and the references in boxes D, & F may be different on each.

b) Change of practice, also with a change of AT/LHB.

In this situation, two ltd certificates will be required and the references in boxes D, F, & G may be different on each.

The host ATs/LHBs in this instance are the ATs/LHBs on whose performers list you are registered (or contracted with) either before the change in practice or at the year end, depending upon which ltd certificate is being completed.

c) Change of AT/LHB (i.e. due to a merger), but remain with the same practice.

In this situation, one ltd certificate only should be completed, with the entry at box G relating to the host AT/LHB upon whose performers list you appear at the end of the relevant year (i.e. 31 March 2014).

d) One limited company holds two or more contracts, whether GMS, PMS, SPMS or APMS. Strictly, to ensure compliance with the NHSPS Regulations, separate ltd certificates are required for limited company income (salary and dividends) from each

contract. In practical terms, however, it is accepted that, where the number of contracts held by the limited company is exceptionally high, it would be difficult to extract the salary and dividends pertaining to each contract. In these circumstances, please contact NHS Pensions to agree a format for submission of the necessary ltd certificates.

## Box H: Tax and NHS Pensions Scheme Year End

This box is pre-filled.

## Box I: Date You Became A Shareholder

Where you became a shareholder during the year ended 31 March 2014, enter that date here. If your shareholding merely changed during the year, no entry needs to be made.

## Box J: Date You Ceased To Be A Shareholder

Where you ceased to be a shareholder of the company, please enter the date of cessation here. Where you left the NHS Pension Scheme, but retained ownership of your shares, such as when you become a deferred member or have disposed and reacquired shares for 24 hour retirement purposes, enter the date of leaving the scheme and describe what has happened at box 50.

## Box K: Added Years Cap

Prior to 1 April 2008, members who first joined the Scheme on or after 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 mainline employer and tiered employee contributions are to be based upon full NHS pensionable earnings.

**However, if an NHS Pension Scheme member, who was previously 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 the earnings subject to the added years cap are still limited to £141,000 for 2013/14 (see TN4/2013).**

**Any added years agreements starting on or after 1 April 2008, are not subject to the earnings cap and contributions will be payable on the full actual NHS pensionable earnings. Do NOT enter “Yes” in box K if this is the case.**

Further information and guidance on the operation of the earnings cap can be found in Newsletters TN5/2011 and TN17/2008 on [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). And also in a factsheet; GPs that are subject to the earnings cap FAQs, in the employers hub area of the website under practitioner forms.

## Box L: Provisional Accounts

Note your 2013/14 personal tax return will not necessarily need to have been completed to enable you to make the entries on your 2013/14 ltd certificate. It will, however, be beneficial to have done so to cross reference the entries extracted from the company records.

There is no reason why the figures for salary and dividend from two sets of accounts should be provisional as they are taxed on a receipts/paid basis and definite figures will be known for the tax year. The entries on the ltd certificate should not, therefore, be from provisional personal tax return figures.

It is possible, however, that the accounts for the year end falling after 5 April 2014 may not have been prepared by the time you need to submit the ltd company certificate. In these circumstances, an estimated figure will be required in box 5a and box L should be ticked. An adjustment to pensionable pay will then be required on your 2014/15 ltd certificate to correct the position.

See also the guidance for box 5a below.

## Calculating your pensionable pay: Boxes 1 - 62

### Important notes regarding the following guidance:

Any comments made for boxes 1, 2, 3 etc apply equally to boxes 1a, 2a, 3a etc. Unless otherwise stated, all instructions are relevant to figures for each particular year end being considered. Separate guidance will be provided in specific instances where differences are required.

Pensionable limited company income for the year ended 31 March 2014 is based upon the employment income and dividends received from the company in the tax year 2013/14, i.e. the year ended 5 April 2014. Dividends and salary paid in the 5 days from 1 April 2014 to 5 April 2014 will therefore be included in the 2013/14 pensionable pay.

In looking at the payment of dividends, only legal dividends as per section 830 of the Companies Act 2006 will be considered to be pensionable. Section 830 says that a company may only make distributions out of profits available for the purpose. A final dividend will require full accounts to be prepared to determine whether such a dividend can be paid. A final dividend will be treated as paid when it is declared by ordinary resolution.

It is feasible that the limited company may pay a GP provider a commercial fee, which is an expense within the company, for services or work done over and above that required of him/her by the shareholder agreement. This may be allowable as a deduction in the company accounts in line with HMRC guidance at page BIM38110 of their business income manual. Such income is not income derived as a shareholder of the limited company and plays no part in the certificate to which these notes refer.

It is likely that a type 2 medical practitioners self assessment form will be required for such income, with the appropriate GP SOLO forms having been completed for payments to the GP.

Full accounts do not need to be prepared to pay an interim dividend. This may be authorised by the directors and will be treated as paid when the entry is made in the company records.

Documentation and records should not be backdated to retrospectively declare a dividend.

NHS Pensions confirms that there can be no carry forward of undistributed pensionable dividend income. Only dividends legally paid and declared for an accounting period can be pensionable. Pensionable NHS dividends will be treated as the first slice of dividends paid for the accounting period, to the limit of the maximum pensionable amount of dividend (see more in the notes to box 2 and annex D). Any dividends paid in excess of the maximum pensionable amount, no matter to what tax year they relate, will not be pensionable.

### Box 1: Accounting Year End

Salary and dividends paid in 2013/14 may be paid from two or more accounting year ends. Enter these accounting year ends in boxes 1 and 1A.

For 31 March year ends, enter 31 March 2014 in box 1 and 31 March 2015 in box 1A. The other procedures are exactly the same as for any other year ends.

Where the company only started in 2013/14 and therefore has no accounting period ending in 2013/14, enter the first accounting period end date in both boxes 1 and 1A, with the corresponding total income and non-NHS income figures for that period in both sides of page 1.

### Box 2: Share Of Total Income

The figure in box 2 should be your share of the company's total medical related (NHS and non-NHS) income as calculated for, say, shareholder 1 in annex D.

Annex E (June year end) and annex F (March year end) provide diagrammatic illustrations of how the dividends in respect of these different accounting years would be pensionable on the ltd certificate based upon dividend figures as per Annex D.

NHS Pension Scheme regulations allow for pooling of certain outside appointment income. Examples of this may include PEC positions, appraisal income or salaried hospital appointments.

The figure in box 2, (step 1 from annex D) for the company's total income and non-NHS income, must exclude GP SOLO or NHS GP locum income (recorded on locum forms A, B, C, or D) paid to the limited company. Such income is generally deemed to be private income with superannuation contributions already deducted and should **not** be paid into the company.

Should such income be paid to the company and pooled with other income, it should be paid gross **plus** the employer contribution.

Where GP SOLO income (e.g. PEC, appraisal, appointment income) has been paid into a company's bank account net, i.e. after the deduction of SOLO superannuation contributions. This income should **not** form part of the company's income.



Similarly, employment income is also private income and should be retained privately. The administrative practice (HMRC Employment Income Manual EIM03000 to EIM03004, also Business Income Manual BIM40350 to BIM40360 and Extra Statutory Concession A37) of including certain employment professional fees as professional fees within the trading income rules does not apply, other than in very restrictive circumstances, to receipts by a limited company. Any salaried appointments that have traditionally been paid into a partnership and pooled between partners should not be paid into a limited company. Where the shareholders' agreement stipulates that such salaried appointment income is pooled between shareholders, that income should not appear in the company accounts. Effect may be given to the 'pooling' by allocating additional salary or dividends to the non-salary-earning shareholders appropriately.

### **Box 3 – Non-NHS Income**

State your share of the amount in box 2 that was in respect of non-NHS medical related work. This includes private income, insurance reports and medicals, etc.

### **Box 4 - NHS Income**

Box 4 will state the company's total NHS income and must not include SOLO, GP locum, or employed NHS income. Box 4 must not include any private income.

### **Box 5 – NHS Income Ratio**

The figure in box 5 is the NHS income/non-NHS income ratio for the purposes of calculating the element of company salary and dividends that are 'NHS pensionable'. It is recognised that the accounts for the year end falling **after** 5 April 2014 may not have been prepared by the deadline for submission of this certificate. Where this is the case, no entries are required at boxes 1A, 2A, 3A and 4A and an estimated figure only is required at box 5A. You should use your knowledge of your affairs to make a best estimate for the ratio that is entered in box 5A.

Alternatively, if the ratio of NHS to total income for the accounts to which box 5A relates is expected to be in line with those for box 5, then it is acceptable to utilise the same percentage in box 5A.

Where a different percentage is used, please describe in box 50 how this has been determined.

Where an estimated figure was used in box 5A of the 2012/13 ltd certificate, then an adjustment is required to the pensionable pay in 2013/14. Further entries will be required at box 51 onwards, and then boxes 10 and 19 as a result.

Where an estimated percentage figure has been utilised in box 5A for 2013/14, then correcting figures will be required on the 2014/15 ltd certificate.

### **Box 6 – Accounting Year End**

These boxes must reflect the company year ends from boxes 1 and 1A.

### **Box 7 – Salary Received**

You must enter your gross limited company salary, i.e. before the deduction of tax and national insurance, paid in the year 2013/14 that relates to the accounts referred to at box 6 above. Such a company salary should not have had superannuation deducted at source as it is the purpose of this certificate to collect this superannuation. Where, however, such a salary has incorrectly been pensioned through the payroll, the salary gross of tax, NIC and superannuation should be entered in box 7 and the contributions deducted entered in boxes 41 to 44.

Where personal expenses have been incurred and are claimed on the employment pages of your tax return at boxes 17 to 20, enter in box 7 the net figure after the deduction of these expenses. This is a different approach to the calculation of officer pensionable pay, but is required by NHSPS Regulations for GPs and non GP providers.

### **Box 8 – NHS Element Of Salary Received**

The purpose of box 8 is to calculate what element of your company salary is in respect of NHS income.

### **Box 9 – Total Pensionable Salary for 2013/14**

The purpose of box 9 is to total the two elements of pensionable salary paid by the company that falls into 2013/14.

### **Box 10 – Adjustment For 2012/13 Pensionable Salary**

The figure in box 10 is the result of the calculations on page 4 and is used to amend the pensionable salary figure for 2013/14 to compensate for over/under statement of the 2012/13 figure.

### **Box 11 – Adjusted Total Pensionable Salary for 2013/14**

This provides the total pensionable salary figure for 2013/14.

### **Box 12 – Share Of Profit After Tax**

The narrative beside box 12 on the certificate states that pensionable dividends will be treated as the first slice of dividends paid for the accounting period. In order to determine the maximum pensionable dividend you must first determine the company's overall income, expenses and corporation tax and hypothetically allocate these to each shareholder to whom dividends have been paid during the company's accounting year.

The company income, expenses and corporation tax are allocated in the ratio of the scheme member's personal dividend income for the year to the total dividends paid in that year. In this way each shareholder is apportioned at box 12 a maximum theoretical share of profit after tax. On no account should brought forward undistributed profits from earlier years be included in this calculation. See annex D for an illustration.

### **Box 13 – Maximum Potential NHS Pensionable Dividend**

This maximum theoretical dividend from box 12 is then apportioned between the maximum **potential NHS dividend** and the remaining non-NHS dividend. See annex E and F for an illustration.

### **Box 14 – Net Dividend Received**

This reflects the actual net dividend paid in respect of the respective accounting years at boxes 6 and 6A above. This is the full dividend paid as per the company accounts.

### **Box 15 – Maximum Actual Pensionable Dividend**

Box 15 is the lower of 1) the maximum potential NHS dividend from box 13 and 2) the actual dividend paid from box 14.

### **Box 16 – Dividend Paid Before 6 April 2013**

NHS dividends are deemed to be the first slice of dividend payments made. Box 16 is therefore the amount of total dividend relating to the accounting year in box 6 that was paid before 6 April 2013. This figure also represents how much of the box 15 maximum pensionable dividend was used up by the pre 6 April 2013 dividends.

### **Box 17 – NHS Pensionable Dividend For 2013/14**

Box 17 is the result of subtracting box 16 from box 15. This is the amount of dividends paid after 6 April 2013 and in respect of the accounting year shown in box 6 which are pensionable.

### **Box 16A – Dividend Paid Before 6 April 2014**

Box 16A is the total amount of dividends paid before 6 April 2014 but in the company accounting year end shown in box 6A. As pensionable dividends are deemed to be the first slice of dividends paid, all of these will be pensionable in 2013/14, provided they don't exceed the maximum level of pensionable dividends per box 15A.

### **Box 17A – Lower Of Boxes 16A And 15A**

Box 17A is the lower of boxes 16A and 15A. This reflects the actual pensionable dividend for 2013/14 that relates to the accounting year end shown in box 6A.

### **Box 18 – Pensionable Dividend For 2013/14**

The purpose of box 18 is to total the two elements of pensionable dividend paid by the company that fall into the year ended 5 April 2014.

### **Box 19 – Adjustment For 2012/13 Pensionable Dividend**

The figure in box 19 is the result of the calculations on page 4 and is used to amend the pensionable dividend figure for 2013/14 to compensate for over/under statement of the 2012/13 figure.

### **Box 20 – Total Pensionable Dividend For 2013/14**

This provides the total pensionable dividend figure for 2013/14.

### **Box 21 - Total Pensionable Pay For 2012/13**

Box 21 totals the pensionable salary and pensionable dividend for 2013/14. This is your total limited company pensionable pay for 2013/14.

### **Box 22 – Pensionable Pay For Added Years Purposes**

Also see notes to box K. Only enter a figure in this box if you are capped **just** for added years purposes. From 1 April 2008 a cap does not apply to mainstream pensionable pay.

The figure in this box would normally be the earnings cap relevant to 2013/14 (£141,000).

However, care should be taken when entering a figure here if you also have income pensioned separately (e.g. salaried appointments or GP locum income) or pensionable income derived from a GMS/PMS contract. Under these circumstances the correct amount may not be the full value of the cap as an amount of the cap may have been allocated against these other sources.

Where the cap applies to your added years contract, your **total** NHS pensionable income from **all** NHS sources in the year ending 31 March 2014 cannot exceed £141,000.

**NHS Pensions cannot advise on the application of the cap to any particular source of NHS income.**

**Professional assistance should always be sought on this issue from an appropriately qualified Independent Financial Adviser.**

### **Box 23 – Seniority For 2013/14 From Each Accounting Year End**

Seniority payments (if applicable) have to be separately identifiable in the certificate in accordance with the Statement of Financial Entitlements mainly for the purposes of the calculation of average adjusted superannuable income.

The figures in these boxes should be the amount of seniority received by the company for you in the company accounts in the year ended 31 March 2014. No adjustment should be made for employer superannuation contributions.

Where the company accounting year end is not 31 March, each box will reflect one, two or three quarters of the seniority paid to the company for you in the year ended 31 March 2014. Seniority payments are made in the practice statements of June, September, December and March. If the accounting year end were, for example, 30 June, box 23 would contain the seniority payment for June 2013 from the accounts for the year ended 30 June 2013 and box 23A would contain the seniority payments for the three quarters ended 30 September 2013, 31 December 2013 and 31 March 2014 from the accounts for the year ended 30 June 2014.

### **Box 24 - Total Seniority**

This is the sum of the four quarters of seniority for the year ended 31 March 2014.

## Box 24A – Excluded Income For Seniority Purposes

The Department of Health have confirmed what constitutes superannuable income for seniority purposes. This includes mainstream GP income from GMS, PMS, APMS practice, out of hours, GP with Special Interest income, PEC positions, CCG income etc. Specifically excluded, however, are income from honorary board posts, salaried clinical positions (other than bed fund posts) and salaried community medical officer posts.

The purpose of box 24A is to identify any amounts that the AT/LHB may have to deduct from the pensionable pay declared at box 21 that are not relevant for pensionable pay for seniority purposes.

Usually no entry should be required in this box on the ltd certificate because any excluded income is generally in the form of a salaried PAYE position and would therefore be personal income that appears on an individual's personal tax return and would not be paid into a limited company. However, this box is present on the certificate, to enable the exclusion of a shareholder's share of excluded income paid to the company that may have been paid on a fee basis.

## Box 25 - 32 – Establishing Tier Rates For Employee Contributions

Employee contributions in 2013/14 range from 5% to 13.3% as stated on page 3 of the ltd certificate.

The rate payable in 2013/14 will be determined by the provider's aggregated pensionable income for 2013/14. The aggregate of pensionable income includes:

- Type 1 (principal) practitioner certified profits
- Type 2 (assistant) practitioner income
- Pensionable GP locum (practitioner) income (i.e. 90% of the gross)
- OOHs posts
- PEC posts
- Salaried bed fund posts, which are treated as practitioner positions
- Pensionable pay from 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 in 2013/14 within the scheme. Salaried bed fund posts are, however, considered to be practitioner positions and should be included.

### **Important note: GP Locum work and employed practitioner posts.**

Where, as a result of the above, it transpires that, the incorrect percentage of employee contribution has been paid on 2013/14 GP Locum income through forms A & B, out of hours, salaried practitioner or bed fund posts, the GP must contact the AT/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 GP Locum form B for further information.

**See Technical Note TN10/2010 for further information and the notes to the Type 2 Practitioner Self Assessment Form.**

## **Boxes 33-36 Contribution Rates**

These boxes state the percentages at which the varying classes of contribution are paid.

### **Tiered Employee Contributions:**

Please see the notes for boxes 25 to 32 regarding the calculation of the appropriate tier.

### **Added Years**

No new added years contracts should have been commenced after 31 March 2009.

### **Money Purchase AVCs**

The figure in box 35 is your provisional NHSPS money purchase AVCs if you have a NHS money purchase AVC contract with the Prudential, Standard Life, or Equitable Life. This is generally based on a percentage of your pensionable pay however can be a fixed amount. Where it is a fixed amount, the annual amount should be entered in box 35A rather than box 35. The amount in box 35A should then be copied into box 39.

**Do not** enter details in respect of any free standing AVC's.

### **Additional Pension Purchase**

Where an additional pension contract exists in 2013/14, it will be necessary to enter the contributions due in box 35B for the period from 1 April 2013, or commencement if later, to 31 March 2014.

Contributions for additional pension can be made either by a single lump sum or regular monthly payments. For single lump sum payments made during 2013/14 enter this sum in box 35B. Where payments are made monthly, enter the monthly amount multiplied by the number of whole months paid during the year ended 31 March 2014.

### **Employer Contributions**

Employer contributions are 14% for 2013/14

Where a limited company is providing GMS, PMS, sPMS, or APMS services, the NHS Pension Scheme employer contributions must be treated as an expense of the company.

## **Boxes 37-40 - Contributions Due**

Multiply the pensionable pay figure from box 21 (or 22 if the cap applies for your added years purchase) to the relevant percentage figure from boxes 33 to 36.

Where you have an NHS money purchase AVC paid as a fixed amount, the figure in box 39 will match that in box 35A.

Where you have an additional pension contract, the figure in box 39 will match that in box 35B.

Where you have a combination of arrangements under money purchase percentages/fixed amounts and additional pension purchase, the amount at box 39 will reflect the total amount due for all such arrangements.

## **Boxes 41-44 – Contributions Already Paid**

These boxes must state the company based contributions already paid that relate to 2013/14 (i.e. not including payments made in respect of a previous year).

These figures should include payments already made to your host AT/LHB or deducted from your contract payment 'on account' throughout the year to 31 March 2014 by the AT/LHB.

Boxes 41-44 should not include any deductions from outside salaried appointments, locum income, GP SOLO income, appraisal income or any other privately earned amounts. Where the shareholder agreement determines that such income, although performed by a shareholder personally, should be pooled among all shareholders, the earning shareholder should be considered to have retained those fees as private income and the remaining shareholders allocated additional salary or dividend to ensure they receive their entitlement.

The exception to the preceding paragraph is where a shareholder salary is paid by this limited company that has superannuation incorrectly deducted at source. Where this has occurred, the deductions (employee, employer and added years) should all be included in boxes 41-44.

There is no link between the figures in these boxes and the level of contributions which are claimed for tax relief purposes. The entries in these boxes will relate to those contributions made in respect of 2013/14 that are paid or deducted by the AT/LHB before this Ltd certificate is submitted.

## **Boxes 45-49 – Contributions Due Less Contributions Paid**

These are the balance of contributions to be paid/ (or refunded).

## **Box 50 – Notes To The Certificate**

White space to add any additional information deemed helpful to understanding the figures in the certificate and in particular re box 21.

## **Boxes 51 - 62 – Prior Year Adjustment**

Where an estimated figure was included at box 5A of the 2012/13 Ltd certificate, an adjustment is required to ensure that the correct amount of income has been pensioned. These boxes calculate how much that adjustment needs to be.

It is possible that the adjustment may be negative and that the 2013/14 pensionable pay will be reduced as a result. Downwards adjustments of this nature may, in circumstances such as cessation and leaving the practice, mean that overall pensionable pay is negative.

Where this occurs, it is necessary to go back and amend the previous year's certificate with the correct figures in the right hand side and submit to the AT/LHB. A nil return will then need submitting for 2013/14.

### **Boxes 51 and 51A – Accounting Year End**

Both of these boxes will be the accounting year end that falls in 2013/14 for which estimated figures were included on the 2012/13 certificate.

### **Boxes 52 and 52A - Comparison of NHS Income Ratio**

These boxes compare the estimated NHS income ratio from the 2012/13 certificate to the actual NHS income ratio from this 2013/14 certificate.

Box 52 will be the estimated figure from box 5A of the 2012/13 certificate.

Box 52A is the actual figure from box 5 of the 2013/14 certificate.

### **Boxes 53 and 53A - Salary Received in 2012/13**

These figures will be the same as they reflect the actual salary paid prior to 6 April 2013 that relate to the accounts ending after that date.

Box 53 will be the salary from box 7A of the 2012/13 certificate.

Box 53A is the salary from box 7 of the 2013/14 certificate.

### **Boxes 54 and 54A – NHS Salary**

The results at boxes 54 and 54A respectively will reflect the estimated pensionable salary from the 2012/13 certificate for the accounts ending in 2013/14 and the actual figure for this period from finalised accounts.

### **Box 55 - Adjustment Required For 2012/13 Pensionable Salary**

Box 55 is the result of subtracting box 54 from 54A and reflects the adjustment necessary to the 2013/14 pensionable salary at box 10 of this certificate to correct the estimate used in 2012/13.

### **Boxes 56 and 56A – Comparison Of Profit After Tax**

Box 56 and 56A will show the theoretical entitlement to profit after tax.

Box 56 will be the estimated entitlement as per box 12A of the 2012/13 certificate.

Box 56A will be the actual entitlement as per box 12 of the 2013/14 certificate.

### **Boxes 57 and 57A - Maximum Potential Pensionable Dividend**



Multiplying the potential after tax entitlement by the NHS income ratio produces the estimated maximum potential pensionable dividend and the actual maximum potential pensionable dividend.

### **Boxes 58 and 58A - Net Dividend Received**

Clearly the pensioned dividend may not exceed the actual dividend paid. The actual dividend paid for the accounting year is therefore entered here for the purposes of comparison and box 59 below.

Box 58 should match box 14A of the 2012/13 certificate, which may have been provisional.

Box 58A will match box 14 of the 2013/14 certificate.

It is probable that box 58 will also match boxes 14 and 58A.

### **Boxes 59 and 59A – Maximum Actual Pensionable Dividend**

Box 59 and 59A are the maximum actual pensionable dividends for the above accounting year end.

### **Boxes 60 and 60A – Dividend Paid Before 5 April 2012**

The purposes of boxes 51 to 62 are to amend an incorrect position in 2012/13 on the 2013/14 certificate.

Boxes 60 and 60A therefore identify the element of dividends paid in respect of the accounting year that were paid in 2012/13.

Box 60 will reflect the entry at box 16A of the 2012/13 certificate, which may have been provisional.

Box 60A will be the entry from box 16 on page 2 of the 2013/14 certificate.

It is probable also that box 60 will be the same figure as boxes 16 and 60A.

Boxes 61 and 61A – NHS Pensionable Dividend for 2012/13 For The Accounting Year Ending 2012/13

Boxes 61 and 61A produce the estimated and actual NHS pensioned dividend for the above accounting year.

### **Box 62 – Adjustment To Pensionable Dividend For 2012/13**

By subtracting box 60 from box 61, the necessary adjustment to the 2013/14 pensioned dividend is arrived at and should be copied to box 19. The number may be negative and will therefore reduce the 2013/14 pensionable dividend.

## **Declaration page**

The GP or non GP Provider should sign and date the declaration on page 5 of the Ltd certificate and submit to the AT/LHB for processing, providing the summarised information at the bottom of the form as specified.

## Annex A

### GP Providers Pensionable Pay 2013/14

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

GP providers must pension income in respect of the following;

Additional services

Adoption and fostering work (collaborative services)

APMS (Alternative Provider of Medical Services: TN06/2007 refers).

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 01.04.13. See FAQs for further details.

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

Commissioned services

Contact price (PMS)

Dispensing

Dispensing services (i.e. the provision of drugs, medicines, and appliances).

Educating medical students or GPs in a practice (The fees must come directly from the AT/LHB and not a medical school or university)

Enhanced services (direct, local, or national)

Essential services

Family planning (Commissioned services)

Food poisoning notifications (Commissioned services)

General/Personal Dental Services

General Ophthalmic Services

Global sum (GMS)

GMS

GP Locum work (This work must always be recorded on GP Locum forms A, & B which can be downloaded from the NHS Pensions website. It must never be recorded on form SOLO or paid (as pooled pensionable income) into the practice accounts. A GP provider cannot record locum work in their own practice i.e internal locum work, on Locum forms A & B)

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

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)

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

AT sessions (Commissioned services)

PCO administered funds

PMS

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

Premises (e.g. cost or notional rent)

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

Prisoners' healthcare (Fees in respect of a prisoners' healthcare are pensionable subject to the AT/LHB paying the fees directly to the GP/practice)

QOF (quality and outcome framework)

'Section 12' or mental health work (Collaborative services)

Seniority payments

Sessional work commissioned by family planning clinics (Collaborative services)

Social services reports (Collaborative services)

SPMS (Specialist Personal Medical Services: Technical Newsletter 6/2007 refers)

Trainers grant

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

GP providers must not pension the following:

Fees paid to a GP (or practice) by an Independent Provider, a GP Federation, an LMC, a medical school, a NHS Pension Scheme 'Direction Body' (i.e. a hospice), the police, the DWP, a Local Authority, the Ministry of Defence, or by the NHS Pensions Division (in respect of NHS ill health pension or Injury Benefit Scheme medical reports) are not pensionable.

Fees paid to a GP in respect of the national 'Drug Intervention Programme', private fees (i.e. travel vaccination fees not funded by the NHS) and cremation fees are not pensionable.

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.

**Non GP Providers Pensionable Pay**

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

**Non GP Providers can only pension income from one practice/centre.**

## Annex B

### **Out Of Hours Providers With NHS Pension Scheme Employing Authority (“EA”) Status During 2013/14**

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)

Central Notts Clinical Services Ltd (W204)

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)

EDICS Ltd (W315)

FRENDOC Ltd (W312)

Fylde Coast Medical Services (NW) Ltd (W103)

Gateshead Doctors On Call (W116)

GOTODOC Ltd (W106)

Halton Health Ltd (W317)

Herts Urgent Care Ltd (W227)

Invicta Health Community Interest Company (W318)

KEYDOC Ltd (W203)

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)

NENEDOC Ltd (W203)

North Bristol Doctors Ltd (W309)

North Hants Urgent Care (W304)

Northern Doctors Urgent Care Ltd (W104)

Out of Hours West Lancashire Ltd (W102)

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

Preston Primary Care Centre (W119)

Principal Medical Ltd (W226)

SAGPEC Ltd (W111)

Shropshire Doctors' Co-operative Ltd (W201)

SOUTH DOC Services Ltd (W223)

South East Health Ltd (W313)

Southport & Formby Out of Hours Centre Ltd (W100)

St Helens Rota (W115)

THAMESDOC (W311)

Urgent Care Ltd (Social Enterprise) (W228)

Urgent Care 24 Ltd (W113)

WALDOC Community Benefit Society (W211)



## Annex C

### Frequently Asked Questions

#### General

**1. Q. Do you have a list of the local area teams?**

A. A list of local area teams and addresses can be found at the link below:

<http://www.nhs.uk/servicedirectories/Pages/AreaTeamListing.aspx>

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

A. GP (and non GP) providers are legally bound to complete the certificate. Not completing the certificate will have a detrimental effect on their (and their dependants') NHS pension benefits and any seniority allowance.

**3. Q. Why do I have to complete the certificate on an annual basis?**

A. A provider's pensionable pay is based on their NHS income, less expenses. Therefore the only way to measure a provider's pensionable pay is for them to complete an individual certificate.

**4. Q. What is an NHSPS Employing Authority (EA)?**

A. An NHSPS Employing Authority in respect of GPs is generally the AT, LHB, or OOHP.

**5. Q. Are GP shareholders eligible for seniority payments?**

A. Much depends on the contract. GP shareholders should seek clarification from their AT/LHB.

#### General Status Questions

**6. Q. I have retired from my provider post; do I still have to complete the certificate?**

A. Yes, if you were in 'pensionable employment' during 2013/14.

You may also voluntarily complete the certificate solely for the purposes of establishing your entitlement to the seniority allowance even if you were not an active Scheme member in 2013/14.

**7. Q. I am a non GP Provider; do I still complete the certificate?**

A. Yes. Every non GP provider must complete the certificate annually. As non GP providers are classed by the Scheme as 'whole-time officers' (regardless of the hours they work) they can only be 'pensionable' in one practice/centre and therefore are only required to complete one certificate. By virtue of the fact that non GP providers are

classed as whole-time they must decide, after seeking expert advice, which of their NHS posts should be pensionable.

**8. Q. I am a GP provider in two or more separate practices/centres; do I need to complete two certificates?**

A. Yes, even if the practices are located within the same AT/LHB boundary.

**9. Q. I am a GP provider; do I have to complete more than one certificate if I had more than one host AT or LHB in the same year?**

A. If you relocated during the year then you must complete a certificate in respect of each practice. However, if your host AT/LHB changed due to a AT/LHB merger (but you did not change practices) only one certificate is required. If you moved from England or Wales to Scotland (or Northern Ireland) you will need to complete one certificate in respect of England/Wales and another in respect of Scotland (or Northern Ireland)

**10. Q. I am a salaried GP (i.e. a performer) directly employed (i.e. under PAYE) by a practice, AT, LHB, or SPMS/APMS provider; do I have to complete a certificate?**

A. Yes, you are legally required to complete a Type 2 Self Assessment Form at the end of the pension year 2013/14. This is to ensure you have paid the correct rate of tiered contributions. This form is on the NHS Pensions website.

**11. Q. My GMS/PMS/APMS practice converted from being a partnership to a limited company on the 1st of October 2013, how does this affect the certificate?**

A. Each GP (and non GP) provider must complete 2 certificates, the main certificate covering the period 01/04/2013 to 30/09/2013 and the limited company certificate covering the period 01/10/2013 to 31/03/2014.

**12. Q. I am a GP with my own ltd co practice however, for tax reasons, have separately set up another ltd co as a vehicle for my fringe NHS (i.e. PEC, OOHs) income to flow through. Is this pensionable?**

A. No. If you have set up a limited company yourself (i.e. as an individual) that is a separate legal entity to your practice any income that is paid to you cannot be pensionable. This is because the unique limited company that you have set up does not qualify under the Regulations as an Employing Authority or as an individual member.

## **Accountancy Related Questions**

**13. Q. Am I subject to 'pension overlap' when dealing with pensionable pay from a limited company?**

A. No. Pension overlap only arises in a self-employed or partnership situation where the accounts are not drawn up to a 31 March or 5 April year end. In a limited company the pensionable income derived is from salary and/or dividends paid in the tax year. As the income is based upon the tax year, no overlap period is created.

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

- A. The basic redress (which represents the refund of excess payments for the hedging product), the 8% compensatory interest and any consequential loss claim should be excluded from all income, corporation tax and profit figures used for the limited company certificate (there is no need to exclude dividends paid from redress monies).

This treatment may result in GP shareholders not being compensated for past restrictions to NHS pensionable dividend and salary as a result of product costs. You may therefore need to consider if a consequential loss claim is appropriate.

**NHS Pensionable Income (Dividends & Salary)**

**15. Q. What is classed as NHS pensionable pay in 2013/14?**

- A. Please see Annex A .

**16. Q. I am a GP shareholder; do I have to pension all of my NHS GP work?**

- A. Yes, you must pension all of your eligible NHS GP (practitioner) income; you cannot opt out of pensioning certain parts of practitioner income. As far as the limited company practice/centre is concerned you must pension all the income you draw down. Any income (profits) retained in the business are not pensionable even if you take this (reserved) income in the future.

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

**17. Q. How should a GP shareholder pension OOHs income?**

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

**18. Q. I am a GP provider. Can I pension income as a GP provider through my own practice earned from working for another practice that I may (or may not) be involved in as a partner or shareholder?**

- A. No. This is strictly forbidden under the NHS Pension Regulations.

**19. Q. I am a GP provider, can I pension work as a GP locum in my own practice(s)?**

- A. If you work internal locums 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.

## **20.Q. Is medical school income pensionable?**

- A. No. Although some medical schools are granted special Scheme 'Direction' Status, any fees paid to a GP (or practice) by a medical school are not 'pensionable'. Only salaried employees of an open 'Directions body' may join the Scheme.

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

## **22.Q. Is prison work pensionable?**

- A. Yes, however only if the fees are being paid directly to the GP/practice by the AT/LHB.

## **23.Q. How should CCG income be pensioned?**

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

All formal employment posts are officer posts in the NHS Pension scheme. These employees must be set up on the CCGs payroll with pension contributions deducted at source and paid to NHS Pensions.

All income earned under fee based arrangements is pensionable but the CCG must not create an officer post.

For pension purposes the treatment of fee based arrangements depends whether the fees are paid to an individual GP or to a practice.

Where the CCG pays fees to an individual GPs the CCG must complete a SOLO form and forward the form and all contributions to the AT.

Where fees have been paid to a practice (rather than a specific GP) the CCG must include the 14% employer contributions within the fee paid to the practice and make it clear it has done so. This income will be pensioned on the GP provider certificate.

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

CCG arrangements do not apply to GPs working in Wales.

## **24.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 partner, single-hander or GP 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 AT 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.

This does not apply to GPs working in Wales.

**25.Q. I Perform GP OOHs work for a NHS Trust/Foundation Trust who are 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% 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.

**26.Q. The GP (and non GP) providers (i.e. shareholders) draw down their profits as a combination of salary and dividends. Are the dividends pensionable?**

- A. Where a practice is a limited company, any dividends taken are pensionable subject to them being solely in respect of NHS work and in the year 2013/14. Any income retained in the business can never be pensioned.

**27.Q. Are the gross dividends or the net dividends pensionable?**

- A. It is the net dividends that are actually drawn down in 2013/14 and that relate to 2013/14 that are pensionable.

**28.Q. Are all the net dividends and salary pensionable?**

- A. No, only those that are drawn down at the time and are wholly attributable to GMS, PMS, or APMS.

**29.Q. Are dividends pensionable if they are held in reserve and taken in a future year?**

- A. No. There are no provisions in the NHSPS Regulations to pension reserves. It is only the NHS net dividends that are actually taken in the relevant year that are pensionable.

**30.Q. Is a capital distribution of 2013/14 funds pensionable?**

- A. No. Only income in the form of dividends and salary taken are pensionable and they must only relate to year 2013/14 profits.

**31.Q. What happens when there are sources of non-NHS income in the company accounts?**

A. That element of non-NHS income must be stripped out of the dividend and salary so that it is not pensioned.

**32.Q. How is the non-NHS income stripped out of a salary?**

A. Simply by applying the percentage of NHS income to total income from the company accounts year end falling into the tax year 2013/14 to the salary taken in that tax year.

**33.Q. But where the accounting year-end is not March, the percentage applied to the salary will not have been calculated upon the income for the period the salary was earned?**

A. That is correct. However, for the ease of application, a straightforward method has been implemented.

**34.Q. What happens when an existing company has undistributed reserves brought forward from a time before an NHS contract was entered into?**

A. Undistributed reserves are not pensionable.

**35.Q. What happens if I dispose of, or acquire shares?**

A. The working of the certificate will not be affected as the pensionable pay follows your entitlement regardless of the level. Your entitlement to dividends decreases or increases appropriately.

**36.Q. If, once I have actually received a 2013/14 dividend payment, I decide to reinvest some of that money back into the company, will this affect my pensionable pay?**

A. So long as you have actually been paid a net NHS dividend that relates solely to year 2013/14 it is pensionable. What you do with that money thereafter is up to you.

**37.Q. What are the tax implications regarding the pensioning of dividends?**

A. NHS Pensions cannot provide financial or tax advice. Please consult HMRC or your accountant.

## **Other Information**

**38.Q. What are the rules regarding claiming NHS pension benefits?**

A. A GP shareholder (provider) and non GP shareholder (provider) must terminate any involvement in the contract in order to claim their pension. This means they must cease to be a shareholder for at least 24 hours.

A GP provider (or non GP provider) who is the sole shareholder must completely terminate their contract with the AT/LHB and must resign from any other NHS posts eg

hospital posts. If they are one of a number of shareholders they must give up their shares, however the actual contract can remain intact.

**39. Q. What is deemed pensionable sick pay?**

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

## Annex D

**Annex D - see the guidance notes in respect of box 2 of the limited company certificate.**  
**Establishment of maximum individual NHS dividend entitlement per accounting period**  
**Limited company certificate - shareholder breakdown**

Accounts year ended	30/06/2013	Shareholder 1	Shareholder 2	Shareholder 3	Shareholder 4	Shareholder 5
Total non-NHS income	78,000	17,808 Box 3	17,808	13,356	17,808	11,219
Total NHS income	860,000	196,347	196,347	147,260	196,347	123,699
<b>Less</b> Total expenses	938,000	214,155 Box 2	214,155	160,616	214,155	134,918
Profits chargeable to corporation tax	(500,000)	(114,155)	(114,155)	(85,616)	(114,155)	(71,918)
<b>Less</b> Corporation tax	438,000	100,000	100,000	75,000	100,000	63,000
Distributable profit	(87,600)	(20,000)	(20,000)	(15,000)	(20,000)	(12,600)
	350,400	80,000 Box 12	80,000	60,000	80,000	50,400
Dividends paid:						
Shareholder 1	(80,000)	(80,000)	(80,000)	(60,000)	(80,000)	(50,400)
Shareholder 2	(80,000)					
Shareholder 3	(60,000)					
Shareholder 4	(80,000)					
Shareholder 5	(50,400)					
Retained funds	-	-	-	-	-	-

**Step 1 - from the company accounts for each year stipulated, determine the full amount of non-NHS income, NHS income and expenses, then include the actual corporation tax payable. This determines the overall distributable profit for the accounting period.**

**Step 2 - allocate the non-NHS income, NHS income, expenses and corporation tax to each shareholder using the ratio of that shareholder's dividend paid to the total dividend paid, i.e. for shareholder 1 for 30/06/2013 the company's total income, expenditure and corporation tax allocated to him/her by the ratio: 80,000 / 350,400, being that necessary for box 12A of the 2013 certificate and 75,000 / 300,000, being for box 12A of the 2014 certificate.**

Accounts year ended	30/06/2014	Shareholder 1	Shareholder 2	Shareholder 3	Shareholder 4	Shareholder 5
Total non-NHS income	90,000	22,500 Box 3A	22,500	15,000	18,000	12,000
Total NHS income	860,000	215,000	215,000	143,333	172,000	114,667
<b>Less</b> Total expenses	950,000	237,500 Box 2A	237,500	158,333	190,000	126,667
Profits chargeable to corporation tax	(500,000)	(125,000)	(125,000)	(83,333)	(100,000)	(66,667)
<b>Less</b> Corporation tax	450,000	112,500	112,500	75,000	90,000	60,000
Distributable profit	(90,000)	(22,500)	(22,500)	(15,000)	(18,000)	(12,000)
	360,000	90,000 Box 12A	90,000	60,000	72,000	48,000
Dividends paid:						
Shareholder 1	(75,000)	(75,000)	(75,000)	(50,000)	(60,000)	(40,000)
Shareholder 2	(75,000)					
Shareholder 3	(50,000)					
Shareholder 4	(60,000)					
Shareholder 5	(40,000)					
Retained funds	60,000	15,000	15,000	10,000	12,000	8,000



# Annex E

Annex E - see the guidance notes in respect of box 2 of the limited company certificate.  
Establishment of principle of pensionable dividend income "drawn down".  
Limited company certificate - schematic of method of individual first slicing  
30 June year end

**Shareholder 1**

	<b>30/06/2013</b>	
Non-NHS income	17,808	
NHS income	196,347	
<b>Total</b>	<b>214,155</b>	
<b>Less</b> Expenses	(114,155)	
Profits chargeable to corporation tax	100,000	
<b>Less</b> Corporation tax	(20,000)	
Distributable profit	80,000	
Dividends paid and declared	(80,000) <b>Box 14</b>	
<b>Retained funds</b>	<b>0</b>	

Maximum pensionable x =  $\frac{196,347}{214,155} \times 214,155 = 196,347$  **Box 13**

**Step 1 - determine your maximum pensionable dividend in the ratio of NHS income to total income**

	<b>30/06/2014</b>	
	22,500	
	215,000	
<b>Total</b>	<b>237,500</b>	
<b>Less</b> Expenses	(125,000)	
Profits chargeable to corporation tax	112,500	
<b>Less</b> Corporation tax	(22,500)	
Distributable profit	90,000	
Dividends paid and declared	(75,000) <b>Box 14A</b>	
<b>Retained funds</b>	<b>15,000</b>	

Maximum pensionable x =  $\frac{215,000}{237,500} \times 215,000 = 196,347$  **Box 13A**

**05/04/2013**

31/08/2012	30/11/2012	28/02/2013	30/06/2013
Interim re 2013	Interim re 2013	Interim re 2013	Interim re 2013
20,000	15,000	10,000	35,000

**Dividends paid**

2012/13	31/08/2012	30/11/2012	28/02/2013	20,000
				15,000
				10,000
				<b>45,000 Box 16</b>
2013/14	30/06/2013			28,348 <b>Box 17</b>
				73,348

**Pensionable dividends**

Unpensionable dividend	30/06/2013	6,652
------------------------	------------	-------

**05/04/2014**

31/08/2013	31/12/2013	31/03/2014	05/04/2014	30/06/2014
Final re 2013	Interim re 2014	Interim re 2014	Interim re 2014	Interim re 2014
20,000	10,000	5,000	5,000	35,000

**Dividends paid**

2013/14	31/08/2013	31/12/2013	31/03/2014	05/04/2014	20,000
					10,000
					5,000
					<b>40,000 Box 16A</b>
2014/15	30/06/2014				35,000
					75,000

**Pensionable dividends**

Unpensionable dividend	30/06/2014	-
------------------------	------------	---

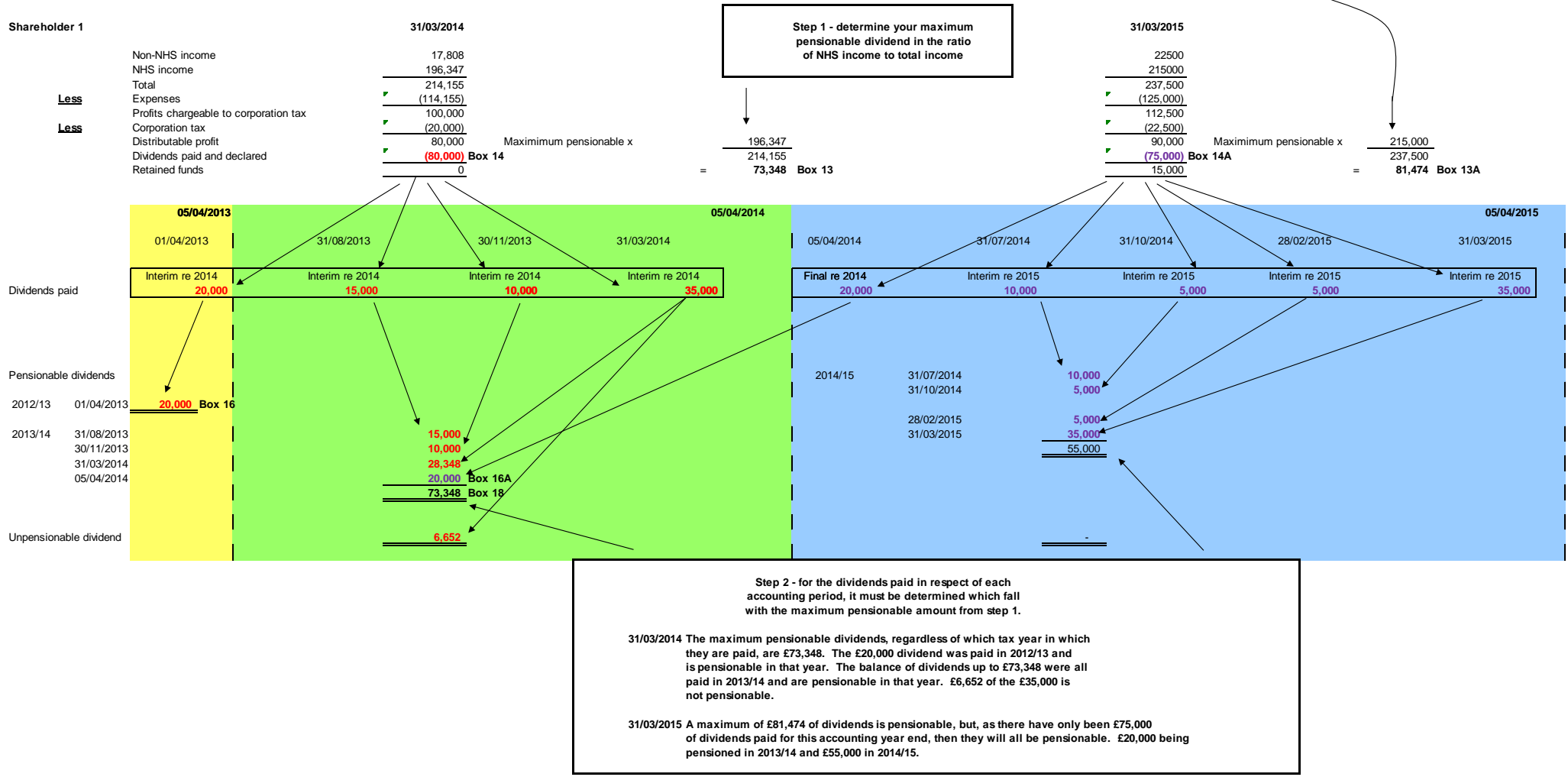
**Step 2 - for the dividends paid in respect of each accounting period, it must be determined which fall within the maximum pensionable amount from step 1.**

**30/06/2013** The maximum pensionable dividends, regardless of the tax year in which they are paid, are £73,348. As NHS dividends are treated as the first slice of those paid, all three dividend paid in 2012/13 are pensionable and, for 2013/14, the first £28,348 of the dividend of £35,000 paid at 30/06/2013 is pensionable. The balance of the £35,000 dividend, being £6,652, is not pensionable.

**30/06/2014** A maximum of £81,474 of dividends is pensionable, but, as there have only been £75,000 of dividends paid for this accounting year end, then they will all be pensionable; £40,000 being in 2013/14 and £35,000 in 2014/15.

# Annex F

Annex F - see the guidance notes in respect of box 2 of the limited company certificate.  
 Establishment of principle of pensionable dividend income "drawn down"  
 Limited company certificate - schematic of method of individual first slicing  
 31 March year end



## Annex G

### GP Provider (or non-GP Provider) Shareholder of a Qualifying Limited Company Certificate of Pensionable Income for 2013/14

To be completed by all GP (and non-GP) providers who are shareholders in a limited company that holds a GMS, PMS, APMS or SPMS contract and is a Scheme Employing Authority

The main 2013/14 Certificate and/or Type 2 Certificate may also need to be completed if not all of your pensionable earnings derive from this one company contract.

NOT to be completed by a salaried GP employed by a limited company who is not a shareholder.

Provider's full name	<input type="text" value="Shareholder 1"/>	A
Provider's NI number or Pension Scheme Ref No	<input type="text"/>	B
Company's full name	<input type="text"/>	C
Company's employing authority code	<input type="text"/>	D
Company's registered number	<input type="text"/>	E
Type of contract; i.e. GMS, PMS, APMS, SPMS, etc.	<input type="text"/>	F
Host AT/LHB	<input type="text"/>	G
Tax and NHS Pension Scheme year end, to which the pensionable income at box 19 relates.	<input type="text" value="31/03/2014"/>	H
Date during 2013/14 that the pension scheme member became a shareholder	<input type="text"/>	I
Date during 2013/14 that the pension scheme member ceased to be a shareholder or retired from the NHS Pension Scheme.	<input type="text"/>	J
Enter 'YES' if earnings cap applies to your added years purchase.	<input type="text"/>	K
Tick this box if figures in this certificate are estimated or from provisional accounts.	<input type="checkbox"/>	L

Please refer to the 'Limited Company Guidance And Completion Notes' when completing this Schedule

#### Calculation of the company's NHS income ratio

For each of the company year ends from which salary and dividends were paid in the tax year 2013/14, the particular ratio of NHS income needs to be calculated.

Accounting year ended	<input type="text" value="30/06/2013"/>	1	<input type="text" value="30/06/2014"/>	1A
State your theoretical share of the company's total NHS and non-NHS income (not adjusted for tax purposes) excluding shareholders' income that has been pensioned separately.	<input type="text" value="214,155.00"/>	2	<input type="text" value="237,500.00"/>	2A
State the amount of income included in Box 2 above relating to non-NHS income.	<input type="text" value="17,808.00"/>	3	<input type="text" value="22,500.00"/>	3A
Deduct the non-NHS income stated in Box 3 from the income stated in Box 2. This is your theoretical entitlement to the company's NHS income.	<input type="text" value="196,347.00"/>	4	<input type="text" value="215,000.00"/>	4A
(Box 4 / Box 2) x 100 = NHS income ratio ***	<input type="text" value="91.68%"/>	5	<input type="text" value="90.53%"/>	5A

#### **IMPORTANT NOTE**

\*\*\* Where a provisional ratio was used at box 5A of the 2012/13 certificate, please consult the guidance regarding necessary adjustments, complete page 5 and enter the adjustments at boxes 10 and 19.

\*\*\* Where the accounts for the year end falling after 5 April 2014 have not been either prepared or finalised, it will be necessary to use an estimated percentage at box 5A. You should use your knowledge of your own affairs to determine this percentage, but it is acceptable to rely on the figure from box 5. Where the figure is estimated, tick box L above and, if not using the figure from box 5, explain at box 46 how you have arrived at the figure in box 5A.

**Calculation of pensionable profits paid as salary**

Accounting year ended	<input type="text" value="30/06/2013"/>	6	<input type="text" value="30/06/2014"/>
For each company year end, enter the element of salary received in 2013/14. The sum of boxes 7 and 7A will therefore reflect the entry at box 1 of the employment page E1 of your 2013/14 tax return (see below).	<input type="text" value="4,000.00"/>	7	<input type="text" value="4,200.00"/>
Multiply the figure in box 7 by the figure in Box 5	<input type="text" value="3,667.38"/>	8	<input type="text" value="3,802.11"/>
Add box 8 to 8A. This equals your pensionable salary for 2013/14	<input type="text" value="7,469.49"/>	9	
Enter the adjustment to pensionable salary for 2012/13, from box 55 on page 4.	<input type="text" value="80.82"/>	10	
Add box 9 to 10. This is your total pensionable salary for 2013/14	<input type="text" value="7,550.30"/>	11	

**Calculation of maximum potential pensionable dividend**

Enter your theoretical share of the after tax profit, but before dividends paid, in respect of each accounting year end to which dividends paid in 2013/14 relate, based upon the ratio indicated in the guidance notes.	<input type="text" value="80,000.00"/>	12	<input type="text" value="90,000.00"/>
Multiply the figure in Box 12 by the figure in Box 5 This is your maximum <b>potential</b> pensionable dividend for the respective accounting year end.	<input type="text" value="73,347.62"/>	13	<input type="text" value="81,473.68"/>
Enter your total net dividend received in respect of each accounting year above.	<input type="text" value="80,000.00"/>	14	<input type="text" value="75,000.00"/>
Enter the smaller of boxes 13 and 14. This is your maximum <b>actual</b> pensionable dividend for each accounting year.	<input type="text" value="73,347.62"/>	15	<input type="text" value="75,000.00"/>
For the accounting year ending in 2013/14, enter the amount of your dividend that was paid before 6 April 2013 (cannot be more than box 12).	<input type="text" value="45,000.00"/>	16	
For the accounting year ending in 2013/14, subtract box 16 from box 15. This is your NHS pensionable dividend for 2013/14 for the accounting year end that falls in 2013/14 (cannot be a negative figure).	<input type="text" value="28,347.62"/>	17	
For the accounting year ending after 2013/14, enter the amount of dividend paid before 6 April 2014 (cannot be more than box 14A). This figure will carry forward to box 16 of the 2014/15 Limited Company Certificate			<input type="text" value="40,000.00"/>
Enter the lower box of 15A and 16A. This is your NHS pensionable dividend for 2013/14 for the accounting year ending after 2013/14			<input type="text" value="40,000.00"/>
Add box 17 to 17A. This is your pensionable dividend for 2013/14	<input type="text" value="68,347.62"/>	18	
Enter the adjustment to pensionable dividend for 2012/13, see box 62 on page 4.	<input type="text" value="-"/>	19	
Add box 18 to 19. This is your total pensionable dividend for 2013/14	<input type="text" value="68,347.62"/>	20	

**NHS pensionable pay**

Add the figures in Boxes 11 and 20 together and enter the total in Box 21. This is your total limited company pensionable pay for 2013/14	<input type="text" value="75,897.93"/>	21
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**NHS Pensionable pay for Added Years purposes**

Enter the amount of pensionable pay for Added Years purposes for 2013/14 Whilst this defaults to the prescribed full value for the year, where there is income pensioned elsewhere it may be that the amount in box 22 should be reduced.	<input type="text"/>	22
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**Seniority**

Enter the seniority for the respective year end that was paid to the company for you in 2013/14. Depending upon the year end of the company accounts, either entry may reflect one, two, three or all four of the quarterly seniority payments received for you on the practice statements of June, September and December 2013 and March 2014.	<input type="text" value="4,500.00"/>	23	<input type="text" value="1,500.00"/>
Add box 23 to 23A. This is your total seniority payment for the year ended 31 March 2014	<input type="text" value="6,000.00"/>	24	

Enter the amount of excluded income included in box 21 above from honorary board posts, salaried clinical posts or salaried community medical officer posts (please see notes to this box, but the entry is likely to be nil)	<input type="text"/>	24A
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**2013/14 TAX RETURN CHECK BOXES**

Employment		Dividends	
Employment box 7 above	4,000	30/06/2013 dividends per box 14 above	80,000
Employment box 7A above	4,200	30/06/2013 paid 2012/13	(45,000)
Cross reference to box 1, E1	8,200	30/06/2014 paid 2013/14	40,000
		Cross reference to box 3 TR3	75,000

**NHS pensionable tier rate**

**Determination of the tiered employee contribution rate to be applied to all practitioner pay for 2013/14. Where income has been pensioned separately, you must contact the relevant employing authority to arrange any adjustment necessary.**

Pensionable pay from box 21	<input type="text" value="75,897.93"/>	25
Add Locum income pensioned separately	<input type="text"/>	26
Add Type 2 practitioner pensionable pay already pensioned at source	<input type="text"/>	27
Add The pensionable amount of other salaried income treated as practitioner pay (hospital bed fund posts)	<input type="text"/>	28
Add Pensionable GP SOLO income	<input type="text"/>	29
Add Pensionable practitioner income from the Type 1 Practitioner Certificate of Pensionable Profit	<input type="text"/>	30
Add Any other pensionable practitioner pay not included above; eg other type 1 practitioner certificate	<input type="text"/>	31
<b>This is your gross practitioner pensionable pay for the determination of the tier rate you will pay</b>	<input type="text" value="75,897.93"/>	32

Match the figure from box 32 above to the bands below and enter the appropriate rate in box 33:

Up to £15,431.99	<input type="text" value="5.00%"/>
£15,432.00 up to £21,387.99	<input type="text" value="5.30%"/>
£21,388.00 up to £26,823.99	<input type="text" value="6.80%"/>
£26,824.00 up to £49,472.99	<input type="text" value="9.00%"/>
£49,472.99 up to £70,630.99	<input type="text" value="11.30%"/>
£70,631.00 up to £111,376.99	<input type="text" value="12.30%"/>
£111,377.00 and above	<input type="text" value="13.30%"/>

**Calculation of NHS Pension Scheme Contributions**

	Relevant %	Box No.	Amount in box 21 multiplied by % stated in boxes 33 to 36 is contributions due	Box No.	Contributions already paid and recorded by the PCT for 2013/14 in respect of company income	Box No.	Contribution due less contributions paid	Box No.
Employee pension contributions*	<input type="text" value="12.30%"/>	33	<input type="text" value="9,335.44"/>	37	<input type="text" value="5,650.00"/>	41	<input type="text" value="3,685.44"/>	45
Added years pension contributions*	<input type="text" value="0.00%"/>	34	<input type="text" value="-"/>	38	<input type="text" value="-"/>	42	<input type="text" value="-"/>	46
Money Purchase AVC*	<input type="text" value="0.00%"/>	35	<input type="text" value="-"/>	39	<input type="text" value="-"/>	43	<input type="text" value="-"/>	47
Money Purchase amount*	<input type="text" value="0"/>	35A	<input type="text" value="-"/>		<input type="text" value="-"/>		<input type="text" value="-"/>	
Additional Pension amount*	<input type="text" value="0"/>	35B	<input type="text" value="-"/>		<input type="text" value="-"/>		<input type="text" value="-"/>	
Employer pension contributions	<input type="text" value="14%"/>	36	<input type="text" value="10,625.71"/>	40	<input type="text" value="7,000.00"/>	44	<input type="text" value="3,625.71"/>	48
Total amount of contributions (over)/under paid for the year							<input type="text" value="7,311.15"/>	49

\* You must enter zero or the actual percentage in boxes 33, 34 & 35, and zero or the actual amount in boxes 35A & 35B.

\* See boxes 25 to 32 above and the accompanying notes regarding the employee tier rate to be used.

**Use box 50 to make any notes pertinent to this certificate.**

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## 2012/13 Adjustments

### Calculation of the company's NHS income ratio

If estimated figures have been used in the 2012/13 certificate, for profits from accounts ending in the 2013/14 tax year, the correct ratio of NHS income needs to be calculated and an adjustment needs to be made to the pensionable pay

Accounting year ended	<input type="text" value="30/06/2013"/> 51	<input type="text" value="30/06/2013"/> 51A
	Estimate from 2012/13	Actual from final accounts.
Enter the estimated and actual NHS income ratio (box 5A from the 2012/13 certificate and box 5 from this certificate)	<input type="text" value="90.53%"/> 52	<input type="text" value="91.68%"/> 52A

### Calculation of pensionable profits paid as salary

For each, enter the element of salary received in 2012/13 (box 7A from the 2012/13 certificate and box 7 from this certificate).	<input type="text" value="7,000.00"/> 53	<input type="text" value="7,000.00"/> 53A
Multiply the figure in box 53 by the figure in Box 52	<input type="text" value="6,337.10"/> 54	<input type="text" value="6,417.92"/> 54A
Subtract box 54 from 54A. This is the adjustment to your pensionable salary for 2013/14.	<input type="text" value="80.82"/> 55	

### Calculation of maximum potential pensionable dividend

Enter your theoretical share of the after tax profit, but before dividends (box 10A from the 2012/13 certificate and box 12 from this certificate).	<input type="text" value="81,000.00"/> 56	<input type="text" value="80,000.00"/> 56A
Multiply the figure in Box 56 by the figure in Box 52 This is your maximum <b>potential</b> pensionable dividend for the respective accounting year end.	<input type="text" value="73,329.30"/> 57	<input type="text" value="73,347.62"/> 57A
Enter your total net dividend received in respect of the above accounting year.	<input type="text" value="80,000.00"/> 58	<input type="text" value="80,000.00"/> 58A
Enter the smaller of boxes 57 and 58. This is your maximum <b>actual</b> pensionable dividend.	<input type="text" value="73,329.30"/> 59	<input type="text" value="73,347.62"/> 59A
Of the figure in box 58, enter the amount of dividend paid before 6 April 2013.	<input type="text" value="45,000.00"/> 60	<input type="text" value="45,000.00"/> 60A
Enter the lower box of 59 and 60. This is your NHS pensionable dividend for 2012/13 for the accounting year ending in 2013/14	<input type="text" value="45,000.00"/> 61	<input type="text" value="45,000.00"/> 61A
Subtract box 60 from 61. This is the adjustment to your pensionable dividend for 2013/14	<input type="text" value="-"/> 62	

DECLARATION

Now you must read and sign the statement below and send this completed Certificate to the appropriate AT/LHB as soon as possible and NO LATER THAN 28th February 2015.

If you give false information you may be liable for prosecution.

"I confirm that the information provided on this Certificate is correct and is consistent with my self-assessment tax return and the appropriate company accounts. I also confirm that my declared NHS pensionable pay in Box 21 does not include any non-NHS (i.e. private) income or NHS income pensioned elsewhere."

GP (or non-GP)

Provider signature \_\_\_\_\_ Date \_\_\_\_\_

An electronic spreadsheet version of the Certificate is acceptable subject to a paper page 4 being provided with the Provider's signature.

AT/LHB Agreement

I have checked the figures shown in boxes 21, 22 and 24 of this Certificate and am satisfied that they appear consistent with the relevant NHS work and income that this AT/LHB is aware of and confirm that they have been used to confirm, record and pay over to NHS Pensions the appropriate NHS Pension Scheme Contributions for the year to which this Certificate relates.

AT/LHB authorised signature \_\_\_\_\_ Date \_\_\_\_\_

(To be signed by the host AT/LHB at year-end or when the contract ceased)

Provider's name (box A)	Shareholder 1
NI number or Pension Scheme Reference number (box B)	0
Company's full name (box C)	0
Company's NHSPS Employing Authority Code (box D)	0
Pensionable pay for employee and employer contributions (box 21)	75,897.93
Pensionable pay for added years contributions (box 22)	-

(Note for ATs/LHBs: The pensionable profit is the amount to be declared on the SD55; i.e the amount in boxes 21 and 22)