

## **NHS Dental Services - Your guide to completing Annual Reconciliation Reports**

**Important information for all dental Performers and Providers**

From 1 April your Annual Reconciliation Report (ARR) will be available to complete in Compass, there is no facility for this to be completed on paper.

This booklet contains information on how to complete your ARR. To complete the process successfully, Providers and Performers will work together to discuss and agree the ARR figures using Compass. **All Providers and Performers must complete this by 30 June.**

## What is the ARR and why is it important?

All **Providers** and **Performers** are required by law to confirm net earnings for the financial year by 30 June. We refer to this as the Annual Reconciliation Process. It's important that this is completed because your net earnings are used to calculate your entitlement to statutory payments, such as sickness, as well as to keep accurate pension records.

**Tip:** **NPE** (Net Pensionable Earnings) is your net GDS/PDS income paid up to 31 March excluding any payment for parental leave, seniority, long term sickness and trainer's grant paid from 1 April up to 31 March.

**Providers** and **Performers** who are members of the NHS Pension Scheme are required to confirm that the estimate of their net pensionable earnings (NPE) is correct. You do this by completing the ARR online.

**The ARR has been produced in accordance with the Statement of Financial Entitlements and is a requirement under the NHS Pension Scheme Regulations. You therefore have both a statutory obligation and a contractual requirement to declare your NPE or NPEE.**

**Tip:** **NPEE** (Net Pensionable Earning Equivalent) is your net GDS/PDS income that you would have notified to us if you were in the NHS Pension Scheme, excluding any payment for parental leave, seniority, long term sickness and trainer's grant paid from 1 April up to 31 March. You can therefore have both NPEE and NPE figures if you were in the NHS Pension Scheme for only part of the financial year.

## Completing the ARR

Follow these important steps to complete and submit your ARR.

### Step 1

Log in to your Compass account and click on the ARR Folder item, then select the ARR Contract Selection option.

**Note:** If you are a Provider please follow steps 2 – 5

If you are a Performer please skip to step 6

### Step 2

#### Providers only

Providers need to start this process as soon as possible from 1 April to give their Performers time to check their figures and raise any queries before the completion date of 30 June.

NHS Dental Services  
provided by...  
Business Services Authority

DCS317 - ARR Contract Selection  
Home

Contract ID  Financial Year  FYE 31/03/2016  
Search Clear

Contract ID	Provider	Start Date	End Date	Ceiling	Action
		01/04/2006		323557.57	Select
		01/04/2006		230619.56	Select
		01/04/2006		296435.46	Select
		01/04/2006		213834.23	Select
		01/04/2006		152151.52	Select
		01/04/2006		601392.35	Select
		01/04/2006		95680.64	Select
		01/04/2006		291653.75	Select
		01/04/2006		539632.91	Select
		01/04/2006		264267.65	Select
		01/04/2006		160052.43	Select

Click search and it will populate grid with all contracts – select the contract required. Alternatively click the magnifying glass and select the contract from the table

When you select a contract you'll then be presented with a table listing all the Performers on the contract. The Provider and Performer status will be set to "Waiting".

## Step 3

To confirm the NPE/NPEE figure for each of your Performers click "Accept"

ARR Details

Contract ID:  Financial Year:

Ceiling:

Search: Performer

Performer	Name	Start	End	NPE	NPEE	Performer NPE	Performer NPEE	Provider Status	Performer Status	Action
		01.04/2015	31/03/2016		0.00	0.00	0.00	Waiting	Waiting	Accept
		01.04/2015	31/03/2016		0.00	0.00	0.00	Waiting	Waiting	Accept
		01.04/2015	31/03/2016		0.00	0.00	0.00	Waiting	Waiting	Accept
		01.04/2015	31/03/2016		5139.72	0.00	0.00	Waiting	Waiting	Accept
		01.04/2015	31/03/2016		75050.04	0.00	0.00	Waiting	Waiting	Accept
		01.04/2015	31/03/2016		74134.81	0.00	0.00	Waiting	Waiting	Accept

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To confirm the NPE/NPEE figure for each of your Performers click "Accept"

If you want to reject a figure then select Reject

Reject ARR Entry

Performer Id:

Start Date:  Wednesday, 01 April 2015 End Date:  Thursday, 31 March 2016

Original NPE:  64660.31 Original NPEE:  0.00

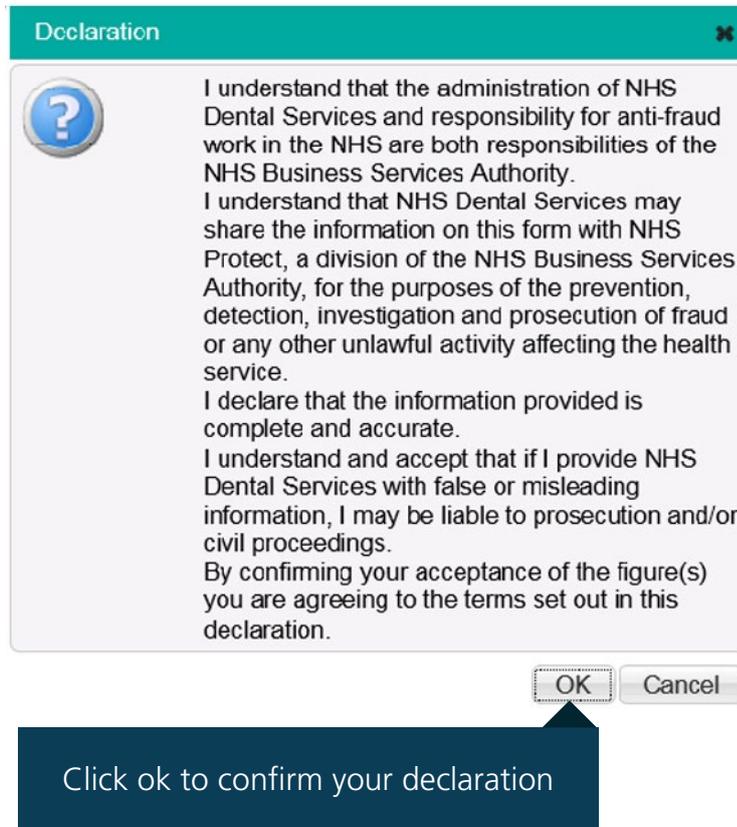
Actual NPE:  60000.00 Actual NPEE:  0.00

Proposed NPE:  60000.00 Proposed NPEE:  0.00

Enter a revised amount against proposed NPE/NPEE and then click Save

## Step 4

You will then be presented with a declaration. Click on ok to confirm. Providers will be presented with this declaration for each performer.

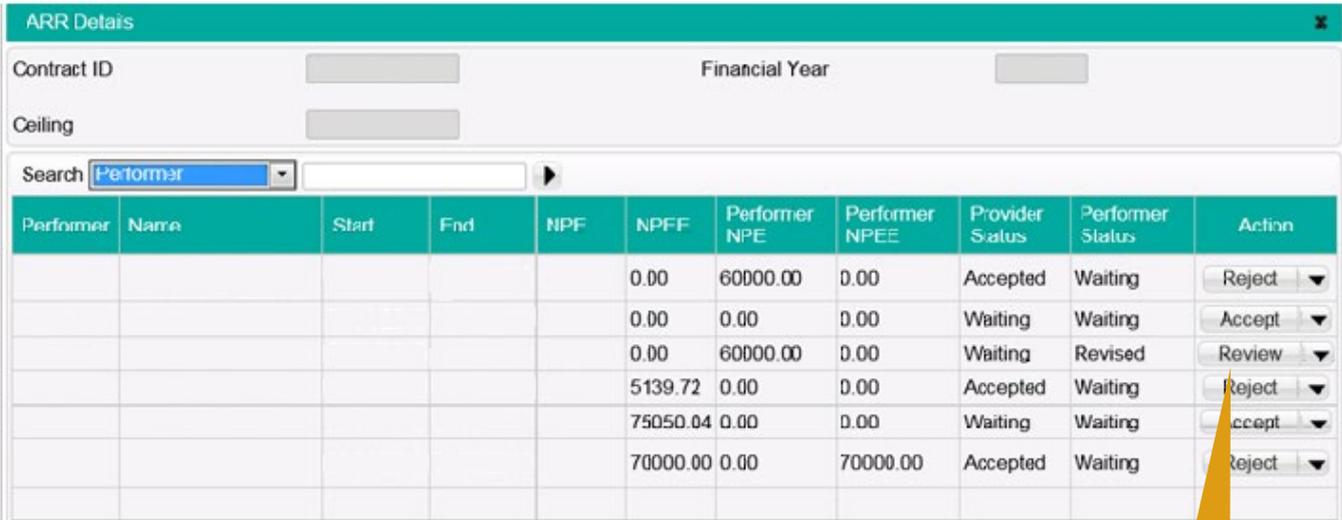


An email will be sent to all Performers notifying them that their NPE/NPEE figures are available for confirmation.

## Step 5

If a Performer submits a revised NPE/NPEE figure you will be informed by email and should discuss the new figure with the Performer to reach agreement.

When the new figure is agreed go to the ARR Details screen and click on Review against the relevant Performer.

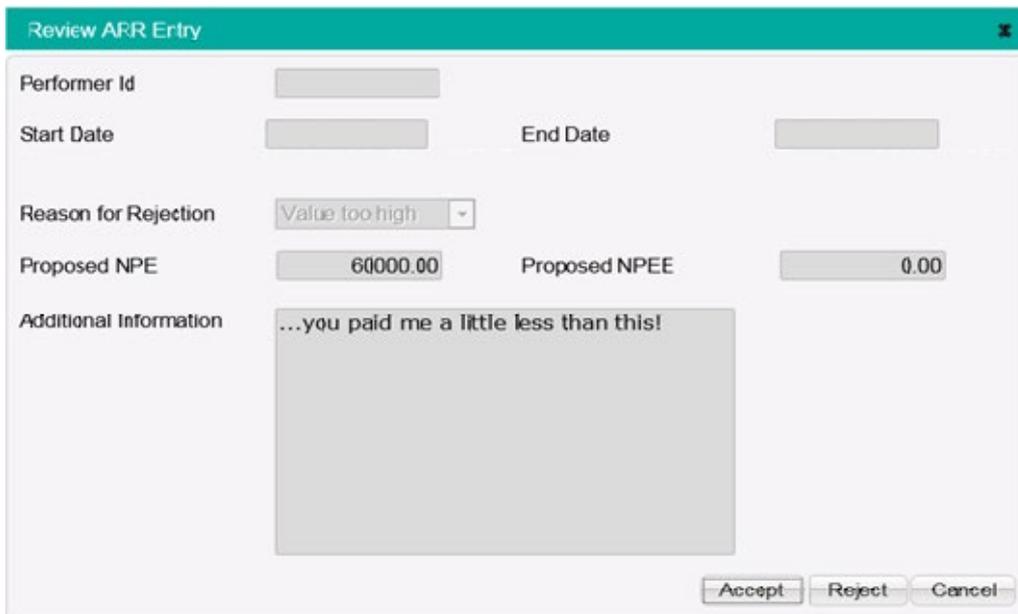


The screenshot shows the 'ARR Details' window with a search filter set to 'Performer'. The table below lists several performer entries with their respective NPE, NPEE, and status values. The 'Review' button in the 'Action' column for the third row is highlighted with a yellow callout.

Performer	Name	Start	End	NPF	NPEE	Performer NPE	Performer NPEE	Provider Status	Performer Status	Action
					0.00	60000.00	0.00	Accepted	Waiting	Reject
					0.00	0.00	0.00	Waiting	Waiting	Accept
					0.00	60000.00	0.00	Waiting	Revised	Review
					5139.72	0.00	0.00	Accepted	Waiting	Reject
					75050.04	0.00	0.00	Waiting	Waiting	Accept
					70000.00	0.00	70000.00	Accepted	Waiting	Reject

Provider and performer screen is then presented with the Performer status as "Review"

You'll then be presented with the following screen:



The screenshot shows the 'Review ARR Entry' window. It contains several input fields and a text area. The 'Reason for Rejection' dropdown is set to 'Value too high'. The 'Proposed NPE' field contains '60000.00' and the 'Proposed NPEE' field contains '0.00'. The 'Additional Information' text area contains the text '...you paid me a little less than this!'. At the bottom right, there are three buttons: 'Accept', 'Reject', and 'Cancel'.

Review the revised figures and then click on Accept or Reject

## Important information for Providers only

### Sole traders or partnerships

Providers should declare the net pay of any Performers and take account of the net income of any non-pensionable dentists. The remaining balance is the maximum the sole trader or partner can pension.

### Partners

The remaining balance can be allocated between partners as per their partnership agreement up to the maximum amount.

### Limited companies

For limited companies, Providers should confirm the net pay for their Performer(s) and take account of the net GDS/PDS income of any non superannuable dentists. The remaining balance is the amount the dentist shareholders (who are active members of the NHS Pension Scheme) may 'pension'. **Only income taken in the form of a salary and dividends can be 'pensioned'**. Any income not taken and left in the company is not pensionable.

The total pensionable income declared by a limited company practice may not reach the net pensionable earnings ceiling.

Where a limited company practice has a mixed NHS and private income, there is no need to apportion salary/dividends between NHS and private income for NHS Pension purposes. All salary/dividends paid, up to the ceiling, are available for allocation as NHS pensionable income.

If salary/dividends paid by a limited company practice do not reach the maximum available in any year then the shortfall is lost. It cannot be carried over to the following year.

More information can be found on the [NHS Pensions website](#) and in our online knowledge base [Ask Us](#)

## Step 6

### Performers only

Performers will receive an email to notify them that their NPE/NPEE figures are available for confirmation once they've been reviewed by their Provider. You should check each line in the ARR against each contract (if you work on more than one contract) to make sure the estimated amount(s) for either NPE or NPEE is/are correct.

If you are happy with the amount entered, click **Accept**. If you feel the figures are incorrect reject the figure and continue to Step 7.



Performer	Name	Stat	EriJ	NPE	NPEE	Performer NPE	Performer NPEE	Provider Status	Performer Status	Action
					0.00	0.00	0.00	Waiting	Waiting	Accept Reject

Performers should review their NPE or NPEE and then select Accept or Reject for the figures entered

**Tip:** The NPE/NPEE figure quoted is the estimated earnings figure for Performers which has been supplied by the relevant health body for April to March.

## Step 7

### Performers only

If you feel the estimated figure(s) for either NPE or NPEE is/are incorrect, click on **Reject**. A box will then be displayed. This should be completed with the reasons you've rejected the figure so your Provider can see why it's been rejected.

Reject: ARR Entry

Performer Id

Start Date  End Date

Original NPE  Original NPEE

Actual NPE  Actual NPEE

Proposed NPE  Proposed NPEE

Reason for Rejection

Additional Information

If you want to reject the figure select a reason for rejection. You can also add some additional information. Then click Save

Your Provider will be automatically informed by email if you choose to reject the figure. You should discuss and agree your suggested figures with your Provider.

When a revised figure has been agreed, your Provider must enter it into the ARR process screen in Compass by repeating Steps 3-5. Once this has been done, repeat Step 6.

### Timetable

Date	Activity
1 April	The annual reconciliation reports are available in Compass
30 June	All annual reconciliation reports must be completed and submitted by 30 June
July	Any adjustments needed as a result of the declared figures will appear on the July schedules paid in August
August	SD86Cs giving the final position for contributions will be available in Compass from early August