

A thick blue horizontal bar with a slight upward curve in the center, spanning the width of the page.

NHS Pension Scheme

Guide for NHS general dental practitioners

Contents

| | |
|--|-----------|
| Chapter 1: NHS Pension Scheme membership | 4 |
| 1.1 Overview | 4 |
| 1:2 Basic rules and NHS pension benefits..... | 4 |
| 1:3 Joining the NHS Pension Scheme..... | 5 |
| Chapter 2: Roles and responsibilities | 7 |
| 2:1 Overview..... | 7 |
| 2:2 GDS/PDS provider responsibilities and the annual reconciliation report (ARR) | 7 |
| 2:3 NHSBSA (Pensions & Dental Services) responsibilities | 8 |
| Chapter 3: Pensionable pay | 10 |
| 3:1 Overview & the pensionable earnings ceiling | 10 |
| 3:2 Providers pensionable income..... | 10 |
| 3:3 Self-employed performers pensionable income..... | 11 |
| 3:4 Employed performers | 12 |
| 3:5 Performers whose pensionable income is less than their net GDS/PDS income.. | 13 |
| 3:6 GDS/PDS locums | 13 |
| 3:7 Nil pensionable pay | 14 |
| 3:8 Deemed pensionable sick pay..... | 14 |
| Chapter 4: Business models | 15 |
| 4:1 Overview..... | 15 |
| Chapter 5: Contributions | 18 |
| 5:1 Overview..... | 18 |
| 5:2 Tiered employee contributions..... | 18 |
| 5:3 Employer contributions | 19 |
| 5:4 Added years contributions | 19 |
| 5:5 Additional pension contributions | 19 |
| 5:6 ERRBO contributions..... | 20 |
| 5:7 NHS money purchase AVC (additional voluntary contributions)..... | 20 |
| 5:8 Free standing AVC (additional voluntary contributions) | 20 |
| Chapter 6: NHS Pension Benefits | 21 |
| 6:1 Overview..... | 21 |
| 6:2 1995 Section pension benefits..... | 21 |
| 6:3 2008 Section pension benefits..... | 21 |
| 6:4 2015 Scheme pension benefits | 22 |
| 6:5 Transition Scheme member pension benefits..... | 22 |
| Chapter 7: Life Assurance Cover..... | 23 |
| 7:1 Overview..... | 23 |
| 7:2 Lump sum..... | 23 |
| 7:3 Adult survivor pension | 24 |
| 7:4 Child pension | 25 |
| Chapter 8: Miscellaneous | 26 |
| 8:1 Claiming NHS pension benefits and '24 hour' retirement | 26 |
| 8:2 Partial retirement | 27 |
| 8:3 Normal pension age..... | 27 |
| 8:4 Ill health | 27 |
| 8:5 'Claw back' | 27 |
| 8:6 Vocational trainees | 27 |
| 8:7 Units of dental activity..... | 28 |

| | |
|--|-----------|
| 8:8 Local Health Boards (Wales) | 28 |
| 8:9 Laboratory fees..... | 28 |
| 8:10 Dental Body Corporates | 28 |
| 8:11 Shareholders/directors pensionable income | 29 |
| 8:12 Additional payments to providers..... | 29 |
| 8:13 Assigning GDS/PDS income to others..... | 29 |
| 8:14 GDPs who are not NHS Pension Scheme members | 29 |
| Chapter 9: Contacting the NHSBSA | 31 |

Chapter 1: NHS Pension Scheme membership

1.1 Overview

The purpose of this guide is to provide an overview of the NHS Pension Scheme rules and rights for NHS general dental practitioners (GDPs).

In the NHS Pension Scheme terms a GDP falls into two categories:

- GDS or PDS provider (contractor)
- GDS or PDS performer (associate).

A provider is a qualified dentist who is a partner, sole trader, or shareholder, and who holds a General Dental Services (GDS) or Personal Dental Services (PDS) contract/agreement. A provider may also be a Dental Body Corporate (DBC).

A performer is a qualified dentist who works for a GDS/PDS provider. They may be self-employed (including a locum) or employed. They must be paid directly by the provider/contractor to be able to pension their GDS/PDS income. Since 7 November 2011, a performer trading as a limited company cannot be in the NHS Pension Scheme.

In the NHS Pension Scheme there is no concept of a GDP being whole time or part-time, regardless of how many hours they work.

1:2 Basic rules and NHS pension benefits

There are effectively three NHS Pension Schemes,

- The 1995 Section
- The 2008 Section
- The 2015 Scheme.

NHS pension benefits for a 1995 or 2008 Section GDP member are broadly based on their dynamised (uprated) GDP pensionable income. Any officer (salaried hospital dentist) pensionable income may convert to practitioner pensionable income or be treated as a separate officer NHS pension, whichever is the most beneficial.

The NHS pension for a 2015 Scheme GDP member is based on 1/54th of each year's pensionable income including any officer income. GDP practitioner and officer pension benefits accrue in exactly the same way. Table 1 outlines the basic rules.

Table 1: basic rules

| Pension Rules | 1995 Section | 2008 Section | 2015 Scheme |
|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Pension accrual rate | 1.4% | 1.87% | 1/54th |
| Automatic lump sum | Yes | No | No |
| Commuted lump sum | Yes | Yes | Yes |
| Normal pension age | 60 | 65 | *State Pension Age |
| GDP income dynamised | Yes | Yes | No |
| Practitioner flexibilities | Yes | Yes | No |
| Max membership age | 75 | 75 | 75 |
| Max calendar membership | 45 years | 45 years | No maximum |
| Tiered employee contribution rate | Based on annualised in year income | Based on annualised in year income | Based on annualised in year income |

* 65 if State Pension Age is before 65

Most GDPs are currently NHS Pension Scheme transition members. That is, they transitioned from the 1995 Section or 2008 Section to the 2015 Scheme on or after 1 April 2015.

The government is currently taking steps to address the age discrimination identified in public service pension schemes where transitional protection was introduced as part of the 2015 pension reforms. Members who joined a public service pension scheme on or before 31 March 2012 and were still a member of a scheme on or after 1 April 2015 may be affected by these changes. More information can be found on our website.

The NHS Pension Scheme year runs from 1 April to 31 March which may be different to a dental practice's account year.

1:3 Joining the NHS Pension Scheme

All eligible and qualified GDPs automatically become members of the NHS Pension Scheme unless they elect to 'opt out'.

NHS Pension Scheme membership is subject to a GDP paying employee contributions. Employer contributions are paid by the employing authority (NHS England or the Local Health Board in Wales) and not the practice.

A GDS or PDS practice is not an NHS Pension Scheme employing authority.

NHS Dental Services collect employee contributions from practices and employer contributions from the employing authority, and forward them, along with the annual pension record, to NHS Pensions.

Chapter 2: Roles and responsibilities

2:1 Overview

GDS and PDS providers and contractors, NHS England, LHBs (Wales), and the NHSBSA are all legally responsible for administering the NHS Pension Scheme.

2:2 GDS/PDS provider responsibilities and the annual reconciliation report (ARR)

GDS/PDS providers must, in law:

- State, if requested, the estimated pensionable income for all the GDPs prior to the start of the pension year.
- Liaise with NHS England or the LHB (Wales) and NHS Dental Services throughout the year in respect of any GDP personnel changes at the practice.
- Ensure that every GDP has access to the NHS Pension Scheme unless they are ineligible or have opted out by completing (opt out) form SD502.
- Declare the NHS pensionable pay (or what would have been the pensionable pay) for every GDP at year end on the ARR (annual reconciliation report) via NHS Dental Services' Compass system.
- Ensure that NHS pensionable income is not assigned to another GDP.
- Ensure that arrangements are in place for tiered employee contributions to be collected by NHS Dental Services. The contributions must be paid by the 19th day of the month following payment.
- Liaise with NHS England or the LHB and NHS Dental Services where a 'claw back' situation arises.

Providers and performers must respond to reminders sent from NHS Dental Services to agree the ARR figures.

The pensionable pay for a performer will not be accepted until the performer had the opportunity to validate the figures via the NHS Dental Services portal. Any disputes relating to net pensionable pay must be resolved internally at practice level as the NHSBSA cannot intervene unless there is clear evidence of foul play. When the ARR process is exhausted and if the pensionable earnings have not been agreed internally NHS Dental Services may accept the information provided by the provider.

An ARR must be completed in respect of every GDS/PDS contract even where several GDS/PDS contracts are held by the same organisation. This is because each contract has its own budget.

The steps to be taken in completing the ARR at year end are as follows:

1. Declare the pensionable earnings ceiling.
2. List all the GDPs in each GDS/PDS practice including those who are not members of the NHS Pension Scheme, such as those who have opted out or who are in receipt of an NHS pension.
3. Declare the pensionable (and non-pensionable) income for all the GDPs in each GDS/PDS practice.
4. Return the ARR to NHS Dental Services within three months of year end.

2:3 NHSBSA (Pensions & Dental Services) responsibilities

NHS Pensions and NHS Dental Service are legally required to:

- Maintain records of NHS Pension Scheme members and pensioners.
- Award pension benefits under the NHS Pension Scheme Regulations (NHS Pensions).
- Collect the employee, additional contributions, and employer contributions and pay these directly to NHS Pensions (Dental Services).

- Provide an estimate of pension benefits upon request where the member has not received an annual benefit statement or estimate in the previous 12 months (NHS Pensions).
- Pay transfer values in respect of a member transferring out of the NHS Pension Scheme and receive payments for a member transferring into it (NHS Pensions).
- Pay refunds of contributions to members with less than two years total NHS Pension Scheme membership (NHS Pensions).
- Process applications to purchase additional NHS Pension Scheme benefits (NHS Pensions).
- Liaise with relevant parties where a 'claw back' situation arises (NHS Dental Services).

Chapter 3: Pensionable pay

3:1 Overview & the pensionable earnings ceiling

The underlying rule is that the pensionable income for each GDS or PDS contract a practice holds is 43.9% of the total contract value. This is known as the pensionable earnings ceiling.

There are occasions where the total pensionable income at a GDS/PDS practice may be lower or higher than 43.9%. Where a practice is a dental body corporate/limited company and the GDP shareholders do not take all their income in the form of salary and dividends, the total pensionable income declared will be less than the pensionable earnings ceiling.

The total pensionable earnings may exceed 43.9% because it excludes maternity, paternity, and sick pay, and the trainer grant.

Where a GDP is involved in more than one practice, they must pension all their income.

3:2 Providers pensionable income

The provider must allocate the pensionable earnings ceiling amongst all the dentists working at the practice. The net pay for all the pensionable and non-pensionable performers is deducted at a first tranche from the 43.9% pensionable earnings ceiling. The remaining balance is the maximum allowable provider's pensionable pay.

If a provider is a sole trader GDP, their GDS/PDS pensionable income is the remaining balance of the 43.9% ceiling. If a provider is in a partnership, the remaining balance will be allocated between the GDP partners in accordance with the partnership agreement.

If a provider is a limited company/dental body corporate, the remaining balance is pensioned by salaries and dividends paid to those who are NHS Pension Scheme members in the year up to 31 March. If salary/dividends paid to the GDP shareholder are less than the available pensionable earnings ceiling, the shortfall cannot be carried forward and pensioned in future years.

A GDP cannot pension GDS/PDS income in respect of a colleague even if that colleague is not a member of the NHS Pension Scheme. A performer's NHS pensionable income must always be consistent with their net GDS/PDS income.



... **For example:**

A (single-handed) GDS/PDS practice has a total contract value of £1,000,000.00, therefore the pensionable earnings ceiling is £439,000.00. There are four performers and their net GDS income is £80,000.00 each leaving the provider with £119,000.00 to pension (£439,000.00 minus £320,000.00). If one of the four performers is not a member of the NHS Pension Scheme the provider cannot assign the £80,000.00 to their own pensionable pay record. Their pensionable pay remains as £119,000.00.



... **For example:**

A GDS/PDS practice is a limited company/body corporate with a total contract value of £1,000,000.00, therefore the pensionable earnings ceiling is £439,000.00. There are two equal GDP shareholders and three performers. The net GDS income for each of the performers is £50,000.00 leaving the two GDP shareholders with a total of £289,000.00 to pension in accordance with their employment or shareholder agreements. If the two shareholders only take £100,000.00 in the form of salary and dividends each leaving £44,500.00 in the business (in reserve) they must only declare £100,000.00 each as their pensionable income on the ARR.

3:3 Self-employed performers pensionable income

The NHS pensionable income of a self-employed performer is their net, not gross, GDS/PDS income. They must be paid directly by the provider and not through a third party. More detailed information about contractual arrangements is contained in Chapter 4.

Calculating net GDS/PDS income is determined at practice level and any formula can be used. The provider and performer must mutually agree the formula. Pensionable income is not specifically linked to UDAs (Units of Dental Activity) performed by a performer. Once agreed, the net (GDS/PDS) amount paid is also their NHS pensionable income. It is not

permissible for the pensionable income as declared on the ARR to be different from the net GDS/PDS income except for in exceptional circumstances.



... **For example:**

A performer completes 6,000 UDAs (Units of Dental Activity) in 2021/22 at an agreed value of £20.00 per UDA. Their practice agreement requires them to pay £10.00 per UDA as surgery contributions together with 50% of their lab fees, bad debts, statutory levy and a contribution to the hygienist.

6,000 UDAs at £20.00 = £120,000.00
£120,000.00 less:
£60,000.00 (6,000 UDAs at £10.00) +
£3,000.00 (50% lab charges) +
£350.00 (50% bad debts) +
£50.00 (50% statutory levy) +
£500.00 (hygienist contribution) = £63,900.00.

The performer's net pensionable pay for the year and also their pensionable income is £56,100.00 (£120,000.00 minus £63,900.00).

The pensionable pay in a specific pension year must be in respect of the GDS/PDS work performed from 1 April to 31 March. The amount will be arrived at using what is called the 'accruals basis'. That is the amount paid to the performer in April will, in nearly every instance, be for work performed in March. Where for example the April 2021 payment to an associate is in respect of work performed in March 2021 it must be declared on the 2020/21 ARR.

3:4 Employed performers

The pensionable pay for an employed performer is their gross basic salary.



... **For example:**

The performer is employed (contract of service) by the GDS/PDS contractor. Their monthly salary of £6,000.00 is based upon a target number of UDAs to be achieved with an annual adjustment for UDAs achieved. For pensionable pay purposes, the calculations to arrive at the adjustment are not relevant. It is only the amount paid for GDS/PDS work completed in the pension year that is relevant.

Annual salary = £72,000.00 (12 x £6,000.00)

*Year-end adjustment paid for over performance = £3,500.00

Total salary and pensionable pay = £75,500.00

**Year end adjustment may be paid after 31 March but must be related back to the pension year.*

3:5 Performers whose pensionable income is less than their net GDS/PDS income

Occasionally a performer's pensionable pay may be less than their agreed net GDS/PDS income because the pensionable earnings ceiling in monetary terms is lower.



... **For example:**

Practice total contract value = £110,000.00

Practice pensionable earnings ceiling = £48,290.00 (£110,000.00 x 43.9%)

Net GDS/PDS income = £50,000.00

*NHS pensionable income = £48,290.00

**Pensionable income cannot exceed the 43.9% 'pensionable earnings ceiling' except where maternity income, etc, is payable.*

3:6 GDS/PDS locums

Where a GDS/PDS contractor engages the services of a locum they are treated as if they were a performer in NHS Pension Scheme term. They cannot pension their income if they

trade as a limited company. Their (non-pensionable) income must still form part of the pensionable earning ceiling.



For example:

Locum's fee to cover a short-term illness of another Performer = £250.00 a session

Ten sessions worked = £2,500.00 (10 x £250.00)

*Net GDS/PDS income and NHS pensionable income = £2,500.00

**The pensionable income of £2,500.00 must be accounted for under the pensionable earnings ceiling.*

3:7 Nil pensionable pay

If nil (or zero) pensionable pay is declared by GDP, their NHS Pension Scheme membership will cease and NHS Pension Scheme membership will be deferred up to normal pension age. If a performer is paid for work completed on the GDS/PDS contract the NPE/NPEE should not be zero as the NHS net pay received by that individual will contribute towards the practice ceiling for NPE.

Contributions must be paid to qualify for NHS Pension Scheme membership. NHS Pension Scheme membership will resume if contributions are paid again. If NHS Pension Scheme membership has been lost through maladministration the GDP will have the opportunity to have this reinstated subject to contributions being paid.

3:8 Deemed pensionable sick pay

If a GDP's pensionable pay reduces or stops for a lengthy period because of illness they can apply for deemed sick pensionable pay for up to 12 months by writing to NHS Pensions directly and providing evidence of absence. They do not receive any actual income however a deemed pensionable pay figure is credited to them on their pension record.

Deemed pensionable pay is not declared on the ARR and can only be calculated sometime after the GDP has returned to work. NHS Pension Scheme contributions are not payable on deemed pensionable pay

Chapter 4: Business models

4:1 Overview

Although the GDP shareholders of a GDS/PDS contractor that is limited company or body corporate have access to the NHS Pension Scheme, if a performer or locum trades as a limited company they do not have access.

Table 2 outlines the many different GDS/PDS business models and who has access to the NHS Pension Scheme.

Table 2: GDS/PDS business models

| Scenario | GDS/PDS contractor | Performer arrangement | NHS Pension Scheme rules |
|----------|-----------------------------------|---|--|
| 1 | Sole trader, Partnership, or DBC. | Contractor directly engages individual associates on a self-employed basis. | GDP contractor & their associates have access to the NHS Pension Scheme. |
| 2 | Sole trader, Partnership, or DBC. | Contractor directly engages individual associates on an employed basis. | GDP contractor & their associates have access to the NHS Pension Scheme. |
| 3 | Sole trader, Partnership, or DBC. | Contractor directly engages associates who individually trade as limited companies. | GDP contractor has NHS Pension Scheme access. Associates trading as limited companies do not have NHS Pension Scheme access since November 2011. |
| 4 | Sole trader, Partnership, or DBC. | Contractor sub-contracts with limited company to perform GDS/PDS. Limited company engages associates on an employed or self-employed basis. No contractual relationship between contractor and associates. | GDP contractor has NHS Pension Scheme access. Associates working for the limited company do not have NHS Pension Scheme access. |

| Scenario | GDS/PDS contractor | Performer arrangement | NHS Pension Scheme rules |
|----------|-----------------------------------|---|---|
| 5 | Sole trader, Partnership, DBC. | <p>Contractor has a business arrangement with the body corporate to assist in the performance of GDS/PDS. The body corporate owns the premises/equipment and/or employs non-GDP staff.</p> <p>The contractor engages the associates on an employed or self-employed basis meaning there is a direct contractual relationship.</p> | <p>GDP contractor has access to the NHS Pension Scheme.</p> <p>Associates have access to the NHS Pension Scheme.</p> |
| 6 | Sole trader, Partnership, or DBC. | <p>Contractor enters in a business arrangement with a body corporate to assist in the performance of GDS/PDS. That is, the body corporate owns the premises/equipment and/or employs the associates and non-GDP staff.</p> <p>The contractor does not engage the associates on an employed or self-employed basis meaning there is no contractual relationship.</p> | <p>GDP contractor has NHS Pension Scheme access.</p> <p>Associates engaged by the body corporate do not have NHS Pension Scheme access.</p> |
| 7 | Sole trader, Partnership, or DBC. | <p>Contacto sub-contracts with limited company they also own to perform GDS/PDS. Limited company directly engages associates on an employed or self-employed basis.</p> <p>No direct contractual relationship between contractor and associates.</p> | <p>GDP contractor has NHS Pension Scheme access however cannot pension any income earned through the limited company.</p> <p>Associates engaged by the body corporate do not have NHS Pension Scheme access.</p> |
| 8 | Sole trader, Partnership, DBC. | <p>Contacto sub-contracts with limited company that they also own to perform GDS/PDS.</p> <p>The contractor directly engages the associates on an employed or self-employed basis, e.g. not via the limited company.</p> | <p>GDP contractor has NHS Pension Scheme access however cannot pension any income earned through the limited company.</p> <p>Associates have NHS Pension Scheme access.</p> |

Key

Associate = qualified GDP who performs NHS work for the contractor

DBC = Dental Body Corporate (e.g., limited company)

Contractor = organisation or person who is a party to the GDS/PDS contract

GDP = a qualified and listed NHS General Dental Practitioner

GDS = General Dental Services

PDS = Personal Dental Services

Chapter 5: Contributions

5:1 Overview

GDS/PDS providers and individual GDPs are responsible for ensuring that NHS Pension Scheme employee (and any additional) contributions are paid. NHS England or the Local Health Board in Wales is responsible for paying NHS Pension Scheme employer contributions in their role as the commissioner.

5:2 Tiered employee contributions

NHS Dental Services will arrange for the appropriate employee tiered contributions to be collected from all the GDPs via the practice monthly. Contribution rates currently range from 5% to 14.5% of pensionable income and are provisionally based on estimated pensionable pay. If the wrong rate has been applied, it will be adjusted either during the year or at year end. Contribution rates are reviewed every few years. The next review will take place ahead of April 2022.

If a GDP is a new starter (or leaver) their actual pensionable earnings are scaled to a full year (annualised) solely for the purposes of setting the correct tiered rate.



For example:

GDP joins a practice on 1 October 2021 exactly six months into the NHS Pension Scheme year.

Net GDS/PDS income (from 1 October 2021 to 31 March 2022) = £40,000.00

Annualised income = £80,219.78 ($£40,000.00 \div 182 \text{ days} \times 365 \text{ days}$)

Tiered rate based on annualised income of £80,219.78 is 13.5%

Employee contributions payable = £5,400.00 ($£40,000.00 \times 13.5\%$)

If a GDP is part-time the tiered rate is based on their actual pensionable pay.

5:3 Employer contributions

The underlying employer contribution rate is 20.68%. This consists of 20.6% plus an administration levy of 0.08%. However, employing authorities currently pay 14.3% plus an administration levy of 0.08% giving a total rate of 14.38%. The 6.3% difference is paid by Treasury. This may be subject to future review.

Employer contributions are collected from NHS England or the Local Health Board by NHS Dental Services every month. Once the ARR is completed NHS Dental Services will collect any arrears or repay overpaid contributions.

5:4 Added years contributions

Added years contracts are no longer available. GDPs with an existing contract must continue to pay the additional contributions in all their NHS pensionable posts including hospital posts.

Where a GDP has an existing added years contract, their additional contributions are collected via the practice by NHS Dental Services. A GDP may terminate their added years contract before the contract end date. They would be afforded a partial pensionable service credit for the added years they intended to buy.

There is still a 'virtual cap' affecting those GDPs who were previously subject to the HMRC earnings cap and took out an added years contract prior to April 2008. The cap changes each year and is published on the NHS Pensions website.

5:5 Additional pension contributions

Where a GDP has an additional pension contract, they pay their additional contributions through one source only, normally via their practice.

A GDP may terminate their additional pension contract before the contract end date if they wish. As such they would be afforded a partial additional pension credit.

5:6 ERRBO contributions

Where a 2015 Scheme GDP has an ERRBO (early retirement reduction buy out) contract they must pay the additional contribution in all their pensionable posts. In respect of their GDP posts the additional contributions are collected via the practice by NHS Dental Services.

A GDP may terminate their ERRBO contract before the contract end date if they wish. As such the 2015 Scheme pension earned whilst paying the ERRBO contributions will benefit from the purchased early retirement age. All other periods will be subject to their normal pension age.

5:7 NHS money purchase AVC (additional voluntary contributions)

Where a GDP has an NHS money purchase AVC contract, and they elect to pay as a percentage of their pensionable income they must pay their additional contributions via all of their GDP pensionable posts. If they elect to pay a fixed amount every month (for example £100.00) they may pay via one source only.

When considering whether to take out an NHS money purchase AVC contract the GDP should in the first instance contact the relevant provider (Standard Life or the Prudential) whose contact details are on NHS Pensions website. The contributions are paid to Standard Life or the Prudential via NHS Dental Services.

5:8 Free standing AVC (additional voluntary contributions)

If a GDP elects to take out a free standing AVC they must liaise directly with their chosen provider and pay the contributions directly to that provider. There is no interface with NHS Dental Services.

Chapter 6: NHS Pension Benefits

6:1 Overview

GDPs receive a guaranteed index linked NHS annual pension and, in some circumstances, a lump sum at retirement. To claim pension benefits in full a GDP must retire from the NHS for at least 24 hours. This means that:

- a provider sole-trader must terminate all their GDS or PDS contracts,
- a provider partner must resign from the partnership for at least 24 hours,
- a provider shareholder must cease to hold any shares in the organisation for at least 24 hours,
- a performer must terminate all their contractual relationships with the provider for at least 24 hours.

6:2 1995 Section pension benefits

Where a GDP has 1995 Section membership of the NHS Pension Scheme they receive an annual pension at retirement based on 1.4% of their total dynamised (uprated) GDP pensionable income. Any officer (hospital dentist) pensionable service may convert to practitioner (GDP) if this is more beneficial than a separate officer pension at retirement.

The GDP also receives an automatic lump sum which is three times the value of the annual pension. They can increase this lump sum further by commuting £1.00 of their annual pension for an additional lump sum of £12.00. Under HMRC rules not all the annual NHS pension can be commuted.

The normal pension age is 60. Pension benefits can voluntarily be taken earlier from a minimum pension age (before normal pension age). The benefits would be actuarially reduced, meaning they will be reduced because they are being paid earlier and will be paid for longer.

6:3 2008 Section pension benefits

A 2008 Section GDP member receives an annual pension at retirement based on 1.87% of their total dynamised GDP pensionable income. Any officer (hospital dentist)

pensionable service may be converted to practitioner (GDP) if this is more beneficial at retirement than a separate officer pension.

There is no automatic lump sum however the GDP can choose to receive a lump sum. Every £1.00 of their annual pension commuted results in a lump sum of £12.00. Under HMRC rules not all the annual NHS pension can be commuted.

The normal pension age is 65. Pension benefits can voluntarily be taken earlier from a minimum pension age (before normal pension age). The benefits would be actuarially reduced, meaning they will be reduced because they are being paid earlier and will be paid for longer.

6:4 2015 Scheme pension benefits

A 2015 Scheme GDP member receives an annual pension at retirement based on 1/54th of each years' pensionable income including officer (hospital dentist) pensionable income.

There is no automatic lump sum however a GDP can choose to receive a lump sum. Every £1.00 of their annual pension commuted results in a lump sum of £12.00. Under HMRC rules not all the annual NHS pension can be commuted.

The normal pension age is the same as their state pension age but cannot be less than 65. Pension benefits can voluntarily be taken earlier from a minimum pension age (before normal pension age). The benefits would be actuarially reduced, meaning they will be reduced because they are being paid earlier and will be paid for longer.

6:5 Transition Scheme member pension benefits

Where a GDP is a 1995/2015 or 2008/2015 transition member their pension benefits at retirement are based on all their NHS pensionable service resulting in two NHS pensions. They can elect for a greater lump sum by commuting some of their annual pension however under HMRC rules not all the annual NHS pension can be commuted.

Chapter 7: Life Assurance Cover

7:1 Overview

This chapter only provides a broad overview as there is more detailed information on the NHS Pensions website.

In addition to a pension at retirement the NHS Pension Scheme also provides life assurance benefits for the dependents of deceased GDP members. The amount of benefits payable are different depending on if a GDP dies in pensionable service, between pensionable posts, as a deferred member, or as an NHS pensioner.

7:2 Lump sum

A lump sum is payable even if a GDP dies on day one of first joining the NHS Pension Scheme. It is paid to the legal spouse, registered civil partner, or nominated qualifying partner, unless the GDP nominated someone else using a DB2 form. If there is no legal spouse, registered civil partner, nominated qualifying partner, or nominated 3rd party, the lump sum is paid to the estate and therefore may be subject to Inheritance Tax.

When a GDP dies in pensionable service the lump sum is broadly based on twice their pensionable income but this is calculated differently depending on which part of the NHS Pension Scheme the GDP is a member of at time of death. If they are a transition member the lump sum is based solely on 2015 Scheme GDP pensionable income.

If a GDP dies between pensionable posts or as a deferred member (after leaving pensionable service but before claiming their NHS pension) the lump sum is based on a multiplication of their accrued annual pension.

If a GDP dies within five years of receiving their NHS pension, there may also be a lump sum payable.

If the lump sum is not paid within two years of notification of death, it is subject to a HMRC tax charge of 45%.

The lump sum payable on death in pensionable service (excluding death in re-employment) is broadly twice a GDP's actual or average pensionable earnings depending on which Section of the NHS Pension Scheme they are in.

The lump sum payable in respect of a deferred GDP member or a pensioner who has been in receipt of an NHS pension for less than five years is calculated differently.

If a GDP has not nominated another person to receive the lump sum it will be automatically paid to the spouse, registered civil partner, or Scheme partner (subject to them meeting the eligibility criteria). The lump sum is not normally included in a HMRC Inheritance Tax assessment if the payment is made to a legal spouse or registered civil partner.

If the payment is made to a nominated person(s), a qualifying scheme partner, or to a member's estate, then the lump sum will normally be included in a HMRC Inheritance Tax assessment.

7:3 Adult survivor pension

If a GDP dies in pensionable service, and with more than two years NHS Pension Scheme membership, a short-term pension (based on the GDP's most recent pensionable income) is payable for six months. This is followed by the permanent adult survivor pension based on a percentage of the GDP's notional ill-health pension if they died before normal pension age, or a percentage of the GDP's notional age pension if they died after normal pension age.

The adult survivor pension may be payable to the legal spouse, civil partner, or qualifying Scheme partner. It is payable for life, even if they remarry or begin living with someone else.

An adult survivor pension may also be payable in respect of a deferred GDP member or a GDP who dies whilst on pension however these pensions are calculated differently.

7:4 Child pension

In the event of a GDP's death a child pension is payable. It usually ceases when the child reaches the age of 23 unless there are extenuating circumstances for it to continue, such as the child being unable to earn a living due to ill health.

The amount of child pension payable depends on the number of children and if the GDP died in pensionable service, as a deferred member, or as a pensioner.

Chapter 8: Miscellaneous

8:1 Claiming NHS pension benefits and '24 hour' retirement

An active GDP NHS Pension Scheme member who wants to claim their NHS pension benefits must contact NHS Dental Services and jointly complete form AW8.

To claim their NHS pension benefits in full a single-handed provider must terminate their GDS/PDS contract.

A provider who is a partner must resign from the partnership and a shareholder must cease to be a DBC/company shareholder. They can return to their former roles after a minimum break of 24 hours.

A performer must terminate all their contractual relationships with a GDS or PDS practice for at least 24 hours to claim their NHS pension in full.

If a GDP has concurrent officer (salaried hospital) NHS posts elsewhere these must end too for a minimum of 24 hours regardless of if they are pensionable posts or not.

If a GDP is a fully protected 1995 Section member and has concurrent officer posts that do not exceed 16 hours a week in total, they do not need to take '24 hour' retirement in the officer posts but they must cease to be pensionable.

If a GDP is a deferred NHS Pension Scheme member they must complete form AW8P (downloaded from NHS Pensions) website and send it directly to NHS Pensions.

Where the GDP opted out of the NHS Pension Scheme but continued performing GDS or PDS in a non-pensionable capacity they must still take '24 hour' retirement as though they were an active NHS Pension Scheme member.

There is more detailed information in the Retirement Guide located in the Member Hub of the NHS Pensions website.

8:2 Partial retirement

A member of the 2008 Section or 2015 Scheme (but not the 1995 Section) may draw down some of their NHS pension benefits without having to take '24 hour' retirement. There is more information on the NHS pensions website, here is the link.

www.nhsbsa.nhs.uk/employer-hub/technical-guidance/retirement

8:3 Normal pension age

The normal pension age is 60 in the 1995 Section, 65 in the 2008 Section, and State Pension Age (or 65 if SPA is lower than 65) in the 2015 Scheme.

GDPs may take their NHS pension in full earlier on voluntary early retirement from their minimum pension age. Their NHS pension would be actuarially reduced.

8:4 Ill health

If a GDP is considering retirement before their normal pension age due to ill health, they should apply for the (in service) ill health pension before they finish work.

To qualify for the NHS ill health pension NHS Pensions (and its independent medical advisors) must be satisfied that the GDP is permanently incapable of performing their core NHS duties (tier 1) or any type of work (tier 2) up to their normal pension age.

8:5 'Claw back'

Where a GDS/PDS practice underperforms by more than the allowable threshold the commissioner will claw back in monetary terms the underperformance. The pensionable earnings ceiling must be reviewed because of the revised (lower) total contract value.

A new ARR must be submitted if the underperformance has not already been taken into consideration.

8:6 Vocational trainees

A practice based vocational (foundation) trainee is regarded as a Type 2 dental practitioner in NHS Pension Scheme terms.

The trainer grant that is paid to the training practice is 100% pensionable however because this grant does not form part of the total contract value it is not included within the 43.9% pensionable earning ceiling. NHS Dental Services will superannuate the grant separately. The service costs (and other reimbursements) are non-pensionable.

8:7 Units of dental activity

If a provider makes a margin on a performer in respect of UDAs (units of dental activity) that is an internal practice arrangement.

The 'golden rule' for a performer is that their NHS pensionable pay should be the same as their agreed net GDS/PDS income however it is arrived at.

8:8 Local Health Boards (Wales)

A GDP engaged on a contract for services (self-employed) arrangement by a LHB can join the NHS Pension Scheme. They are afforded Type 2 dental practitioner status.

8:9 Laboratory fees

The amount of laboratory fees contribution will be agreed between the provider and the performer. In a mixed practice (NHS and private) the laboratory fees relating to private work must be identified and excluded from the calculations. This (identification) process can be arrived at by using any formula that is mutually agreed at practice level.

8:10 Dental Body Corporates

A DBC (Dental Body Corporate) can hold a GDS contract or PDS agreement. It is regarded as a provider in NHS Pension Scheme terms. A DBC has a special set of corporate governance rules controlling its operations. Where a DBC holds several GDS contracts/PDS agreements it must complete a separate ARR for every contract.

From 7 November 2011 a performer trading as a DBC or as a limited company cannot pension their GDS/PDS income.

A shareholder/director of a DBC who a GDP is not eligible to join the NHS Pension Scheme.

8:11 Shareholders/directors pensionable income

A shareholder/director of a DBC who a qualified GDP (and is on the performers list) is afforded NHS Pension Scheme Type 1 dental practitioner status. Their pensionable income is the salary and/or dividends actually paid to them by the DBC in the relevant pension year up to 31 March. A dividend is treated as being paid on the date of a correctly convened, documented, and recorded directors/shareholders meeting when the dividend is declared on, on an unconditional basis.

If a shareholder/director does not take their full entitlement in salary and/or dividends they cannot pension the residual amount held in reserve; that is invested or left in the business. This means that the total pensionable earning declared may not reach the 43.9% pensionable earnings ceiling. The GDP shareholder/director cannot pension the residual amount in future years even if they eventually draw it down.

Where a DBC has mixed (NHS and private) income there is no need to apportion salary/dividends between NHS and private income for NHS Pension Scheme purposes.

8:12 Additional payments to providers

Any additional payments made to providers from 1 April 2013 are non-pensionable except for parental leave pay, sickness pay, seniority pay, paternity pay, maternity pay, and the trainer grant. These are payments that are pensionable but are not included in the calculation of the 43.9% pensionable earnings ceiling.

8:13 Assigning GDS/PDS income to others

It is illegal for a GDP to assign their own GDS/PDS pensionable or non-pensionable income to another.

8:14 GDPs who are not NHS Pension Scheme members

It may be the case that a practising GDP is not a member of NHS Pension Scheme. This would arise when:

- They have opted out of the NHS Pension Scheme by completing form SD502.
- They are a performer who trades as a DBC/limited company.
- They are a performer with no direct contractual relationship with the provider.
- They have claimed their NHS pension and cannot re-join the NHS Pension Scheme.

Where a GDP is not a member of the NHS Pension Scheme the provider must take account of their (non-pensionable) income when completing the ARR because it still forms part of the 43.9% pensionable earnings ceiling.

Chapter 9: Contacting the NHSBSA

Information on how to contact NHS Pensions can be found on the Member Hub of the website:

www.nhsbsa.nhs.uk/member-hub/contact-nhs-pensions-members

Information on contacting NHS Dental Services can be found at:

www.nhsbsa.nhs.uk/contact-nhs-dental-services