Dear Colleague,

NHS PENSIONS NEWSLETTER – GPs NHS PENSIONS

This letter updates Technical Newsletter TN 3/2005 and contains important information about the following:

1. General Medical Practitioners Pensionable Pay
2. Form GP SOLO
3. GPs End of Year Certificate of Pensionable Profits
4. GPs Scheme Contributions
5. Forwarding GP Pay Data
6. GP Locums; Scheme Employer Contributions
7. Non-GP Providers

1. General Practitioners Pensionable Pay

With effect from 1 April 2004 all ‘fee based’ income (including GP ‘ad hoc’ work) paid directly to a GP Partner, Single Handed GP, or Salaried GP by a NHS Pension Employing Authority in respect of performing NHS primary medical services is pensionable, after deductions of expenses. A NHS Pension Scheme Employing Authority is any of the following:

- Primary Care Trust (in England)
- Local Health Board (in Wales)
- NHS Trust
- NHS Foundation Trust
- Special Health Authority
- certain Out of Hours Providers
- GMS/PMS Practice
- certain APMS Contractors
GPs who are already members of the Scheme must ‘pension’ their entire NHS GP fee based ‘ad hoc’ income, and any NHS GP Locum income, in addition to all their NHS Practice based income. If they do not they are not allowed to remain a GP (Practitioner) Scheme member.

GP Partners and Single Handed GP Scheme members who also perform NHS Practice based GP Locum work on an individual basis must ‘pension’ their GP Locum income using forms GP Locum A and B. If they do not they are not allowed to remain a GP (Practitioner) Scheme member.

In respect of other NHS ‘ad hoc’ fee based income such as board and advisory work, GP Partners and Single Handed GPs have the choice of ‘pooling’ this income (earned outside of their GMS/PMS contract) or to record it as an individual pension credit on the form GP SOLO. ‘Pooled’ income must be recorded, as well as mainstream GMS/PMS income, on the End of Year Certificate.

GP Partners and Single Handed GPs must forward NHS Pension Scheme employer and employee contributions to their host PCT/LHB in respect of their NHS Practice based income; i.e. income that is not derived from ‘Schedule E’ work, GP Locum work or work recorded on the form GP SOLO.

Salaried GPs, GP Retainers, and Flexible Career Scheme GPs who also perform NHS Practice based GP Locum work on an individual basis must ‘pension’ their GP Locum income using forms GP Locum A and B. Any additional NHS ‘ad hoc’ work must always be recorded on the form GP SOLO unless they have agreed to perform this ‘ad hoc’ work on behalf of their employer and it is reflected in their basic salary.

GPs must also pay additional contributions in respect of all their NHS pensionable income if they are buying ‘added years’.

The End of Year Certificate, the form GP SOLO and the GP Locum forms can be downloaded from the Agency’s website (www.nhspa.gov.uk) by clicking onto ‘Library’ and then onto ‘GP Forms’.

Information in respect of the pensionable earnings cap or any other tax related issues can be found on the Agency’s website by clicking onto ‘Current Member’ and then onto ‘New Tax Rules from 6th April 2006’.

GP earnings will not be pensionable where a GP, or GP Practice, receives income directly from a prison, a hospice, a charitable organisation, an insurance company, a commercial out of hours provider, the DWP, a LMC, a professional body such as the GMC, or a Local Government Authority, because these are not NHS Pension Scheme Employing Authorities.

Further details about pensionable GP income, from 1 April 2006, is at Annexe A

2. Form GP SOLO

Previously a GP who does not want to share their ‘ad hoc’ NHS income amongst the Practice Partners (i.e. ‘pool’ it) must record the income on form GP SOLO every time the GP is paid.

Some NHS bodies (including out of hours providers) with a large list of GPs have experienced difficulties in jointly completing a GP SOLO form every time the GP is paid for their services. If this is the case then NHS bodies and GPs may complete just the one form...
GP SOLO summarising the pensions year (i.e. 1 April 2006 to 31 March 2007) income at the end of the year. The form GP SOLO has been amended accordingly.

This arrangement is subject to the ‘host’ PCT/LHB’s agreement and the employee and employer contributions continuing to be sent to the GPs ‘host’ PCT/LHB within the strict ‘seven day’ statutory time limit in accordance with the NHS Pension Scheme Regulations. NHS bodies who set up such arrangements with the ‘host’ PCT/LHB must provide the ‘host’ with details of the amounts and to whom contributions relate.

GP SOLO forms in respect of ‘ad hoc’ pensionable pay from 1 April 2005 to 31 March 2006 must be completed and sent to the GPs ‘host’ PCT/LHB as soon as possible to allow for the ‘host’ PCT/LHB to update their records.

If the ‘host’ PCT/LHB does not agree to this arrangement the form GP SOLO must be jointly completed every time a NHS body pays a GP for NHS fee based outside of their GMS/PMS contract.

3. **GPs End of Year Certificate of Pensionable Profits**

A revised version of the Certificate is now available on our website but GPs who have already completed the 2004/05 Certificate do not need to complete another one. The Supplementary Explanatory Notes that accompany the Certificate now include a list of questions and answers that should assist in the completion of the Certificate.

GPs and their accountants are reminded that, in accordance with the NHS Pension Scheme Regulations, they must provide their PCT/LHB with a completed Certificate no later than one month from the date the HMRC tax return is due.

It is our understanding that HMRC plan to extend ESC A9 flexibility so that GPs can claim through the self-assessment tax return for relief on late paid arrears related to the 2 years 2004/05 and 2005/06. Specific enquiries about this matter MUST be directed to HMRC and not the Pensions Agency.

4. **GPs Scheme Contributions**

Once a GP’s pensionable pay has been confirmed, PCTs and LHBs must collect any arrears of Scheme contributions from the Practice immediately. This is in accordance with the SFE (Statement of Financial Entitlement) and the NHS Pension Scheme Regulations.

If a GP has overpaid Scheme contributions, PCTs and LHBs must return these immediately to the Practice or relevant employer.

5. **Forwarding GP Pay Data**

PCTs and LHBs are reminded that they must forward individual GP pensionable pay data to the Pensions Agency as soon as possible after the year end.

This will ensure that individual GP’s pensions records are regularly updated and will also provide valuable data in respect of the medical dynamising factors.

6. **GP Locums; Scheme Employer Contributions**
It has recently been announced that PCTs and LHBs will continue to directly pay employer contributions in respect of Practice based GP Locum work for 2006/07. Annex A provides further details about GP Locums NHS pensionable pay.

GPs who work solely as freelance GP Locums and have no other GP Scheme membership have the choice of whether or not to ‘pension’ their Practice based GP Locum work. If they elect to do this they must complete forms GP Locum A and B.

Any regular out of hours (OOHs) GP work performed by a freelance GP Locum for an OOHs Provider that is a Scheme Employing Authority must be recorded on form GP SOLO. Any irregular GP Locum work (i.e. occasionally deputising for an absent OOHs GP) must be recorded on forms GP Locum C and D.

Existing GP Scheme members who also perform NHS Practice based GP Locum work on an individual basis must ‘pension’ their GP Locum income using forms GP Locum A and B. If they do not they are not allowed to remain a GP Scheme member.

Further information about pension matters for GP Locums can be found on the homepage of the Agency’s website, www.nhspa.gov.uk.

7. Non-GP Partners
Since 1 April 2004 all non GP Partners in GMS and PMS have been allowed to join the Scheme as whole time Officers. Their ‘employer’ for NHS Pension Scheme (and NHS Injury Benefit Scheme) purposes is their host PCT/LHB.

Non GP Partners must also complete the End of Year Certificate of pensionable profits.

Enquiries
Enquiries about this Newsletter should be made to your usual Pension Centre contact.

Yours sincerely

Paul Wilson
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Annex A

**Principal Practitioner NHS Pensionable Earnings from 1 April 2004**

The following payments that are paid directly to a Principal Practitioner (i.e. GP Partner or Single Handed GP) or to a Practice by a NHS Pension Scheme Employing Authority are pensionable. This is subject to the GP being a Scheme member and, from 6 April 2006, the limitations of the Finance Act 2004.

Fee based payments (net of expenses) in respect of:

- A GMS contract*
- A PMS agreement
- Appraisal work
- Certification services (medical certificates as listed in the GMS Contracts Regulations)
- Collaborative services**
- Commissioned services***
- Educating medical students (or GPs) in a Practice
- General Dental Services
- General Ophthalmic Services
- NHS board and advisory work (including PEC work)
- NHS GP Locum work
- NHS Out Of Hours work
- Pharmaceutical services (i.e. NHS profits from providing NHS pharmaceutical services)
- Providing APMS (Alternative Provider of Medical Services)
- Seniority payments

* Includes payments (net of expenses) in respect of additional services, enhanced services, essential services, the global sum, quality and outcome framework, dispensing, 'PCO administered funds', premises, and IT.

** In accordance with section 26(4) of the 1977 Health Act and includes fees (net of expenses) paid directly by a PCT/LHB in respect of adoption and fostering work, the blue (disabled) badge scheme, social services reports.

***This includes fees paid directly by a PCT/LHB to GPs with special interests (GPswi), and also in respect of family planning, food poisoning notifications, lecture fees, marital difficulty sessions, and primary care trust sessions.

**Assistant Practitioner NHS Pensionable Earnings from 1 April 2004**

Salaried GPs, GP Retainers, and Flexible Career Scheme GPs pensionable earnings are based upon their basic NHS salary. If they also undertake any additional NHS work they must ‘pension’ it by using the form GP SOLO or the GP Locum forms when appropriate.

**Locum Practitioner NHS Pensionable Earnings from 1 April 2004**

GP Locums pensionable earnings are based upon the temporary provision of NHS primary medical services, commissioned services, collaborative services and pharmaceutical services. Freelance GP Locums cannot ‘pension’ appraisal or board and advisory work.