

# 2011/12 (MAIN) CERTIFICATE - FREQUENTLY ASKED QUESTIONS

## GENERAL

**Q. What is the deadline for completing the 2011/12 Certificate?**

- A. The deadline, in accordance with HSC Pension Scheme (HSCPS) Regulations, for completing the 2011/12 Certificate (and sending it to the host Board/Trust) is the 28th of February 2013. You (or your accountant) should always keep a copy.

**Q. What is a host Board/Trust?**

- A. The host Board/Trust in respect of a GP Provider is the commissioning Board/Trust (which may also be the listing Board/Trust). If a GP Provider holds several (GMS/PMS/APMS/sPMS) contracts they may have several host Boards/Trusts.

In respect of a non-GP Provider the host Board/Trust is always the one (i.e. commissioner) they hold a GMS/PMS/APMS/sPMS contract with.

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

- A. A Provider's pensionable pay is based on their HSC income, less expenses. Therefore the only way to measure their pensionable pay is for them to complete a Certificate.

**Q. I have just retired from my Provider post; do I still have to complete the Certificate?**

- A. Yes, although you may no longer be an active HSCPS member you must complete the Certificate in respect of the year(s) that you were a pensionable Provider.

You may also voluntarily complete the Certificate solely for the purposes of establishing the seniority allowance even if you were not an active HSCPS member in 2011/12; this is not a requirement though of the HSCPS Regulations.

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

- A. It is a mandatory requirement under the HSCPS Regulations and the SFE (Statement of Financial Entitlement) that Providers must complete the Certificate. Not completing the Certificate may have a detrimental effect on your (and your dependents) HSC pension benefits and seniority allowance. HSC Pensions may 'zero' your pensionable pay until you do comply. The SFE also states that the monthly global sum payments may be withheld if a Provider fails to complete the Certificate.

**Q. I am a fixed salary partner; do I still complete the Certificate?**

- A. Yes. The HSCPS Regulations state that every Provider (i.e. partner) must complete the Certificate; there are no exceptions. Remember that a Provider's salary still represents a share of the Practice profits. Whatever figure is agreed must take into account that the Practice will have to pay the employer contributions which are an expense.

**Q. My accounting year- end is 5 April. This falls after the HSC pension year of 31 March in a fiscal year. Do I still include my tax return entries on the Certificate for a period that finishes 5 days earlier?**

- A. 31 March is the HSCPS year-end corresponding to the tax year-end. Whilst the tax year ends on 5 April each year, the HSCPS year-end finishes on 31 March each year. To all 'intents and purposes' the '5 day' difference between these dates can be ignored.

This prevents anomalous treatment whereby an accounting year ended 5 April 2012 falls into the tax year 2011/12, but not into the HSCPS year ended 31 March 2012. Because an accounts year ended 5 April falls into the tax year, this will also be deemed to fall into the HSCPS year. The golden rule is that the tax return entries form the basis of the pensionable pay.

**Q. I am a non-GP Provider; do I still complete the Certificate?**

A. Yes. Every non-GP Provider must complete the Certificate annually. Non-GP Providers are classed by the HSCPS as 'whole time Officers' (regardless of the hours they work) therefore they can only be pensionable in one post and are only required to complete one Certificate. By virtue that non-GP Providers are classed as whole-time they must decide, after seeking expert advice, which of their HSC posts should be pensionable.

**Q. I am a GP Provider (i.e. partner) in two or more separate Practices; do I need to complete two Certificates?**

A. Yes, even if the Practices are located within the same Board/Trust boundary.

**Q. I am a GP Provider in both APMS and GMS/PMS; do I need to complete two Certificates?**

A. Yes, even if the organisations are located within the same Board/Trust boundary. Each contract will have it's own ring fenced budget, expenses ratio, and set of individuals acting as Providers. Also the contract may also be with various Trusts/Boards.

**Q. I am a GP Provider; do I have to complete more than one Certificate if I had more than one host Trust or Board 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 Board/Trust changed due to a Board/Trust 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).

**Q. Our Practice incorporated mid- year; do I need to complete two Certificates?**

A. Yes, you must complete the main Certificate whilst as a partnership and the limited company Certificate covering the period when you were the shareholder of the limited company.

**Q. I am a GP Provider and also a salaried GP directly employed (i.e. schedule E) by a Practice, Trust, Board, or SPMS/APMS Provider; do I have to complete any other forms as well as the Certificate?**

A. Yes, you also have to complete the Assistant Practitioner's self-assessment form at the end of the pension year.

**Q. What does 'pensioned separately' on the main Certificate mean?**

A. This will be income that has already been pensioned elsewhere in the HSC, i.e. contributions will have already been deducted. For example if a GP works for a hospital as a part-time clinical assistant and is paid a salary, the GP will have already paid pension contributions on this income at source and be credited with a part-time Officer post. Fee based GP SOLO income is not regarded as 'pensioned separately' income for the purposes of this Certificate and must be declared in the relevant boxes in the Certificate.

**Q. Why is there the calculation of profits x 100/113.3?**

A. It is important that in the calculation of HSC pensionable pay the employer's pension contributions that are included in the budget are excluded. Otherwise, the Provider would illegally be getting pension benefits based on HSCPSS employer contributions.

**Q. What do I do if I am subject to 'pensions overlap'?**

A. You should seek assistance from an accountant; please refer to separate 'overlap' guidance.

**Q. I understand that the profits to be declared are based on the accounting year; my Practice makes accounts up to 30 June each year. I have two objections to this, firstly, the profits will be lower than that for the following year ending 31 March, and it seems so much more complicated. Why can't I just prorate the profits by taking three months of the year ended 30 June 2011 and nine months of the next year to give me twelve months covering the 31 March?**

A. The reasoning behind using the accounting year profits (adjusted for tax purposes) is to facilitate some objectivity and ratification by comparing the figures from the GPs tax return to the Certificate of pensionable profits. Yes, while profits are rising the profits declared for a year to 30 June will be less than 31 March, but if profits fall, the converse will be true. Over a long period, the effect on a GPs pension is unlikely to be significant.

**Q. What is a HSC Pension Scheme (HSCPS) Employing Authority (EA)?**

A. An Employing Authority, in GP terms, is a Trust, Board, GP Practice, and APMS/sPMS contractor/Out of Hours Provider that is an EA.

**Q. Not all OOHPs are Scheme Employing Authorities, how will I know which are?**

A. Please refer to Annex B below that lists OOHPs with EA status.

**Q. What legislative requirement is placed upon the BSO in respect of validating the Certificate?**

A. The HSCPS Regulations place no specific legal requirement to validate all the figures declared on the Certificate. Therefore the declaration that the BSO is required to sign is worded in such a way that recognizes that some of the income declared on the Certificate will have come from other sources.

**Q. What about the SOLO income as declared on the Certificate when the Practice year-end is not 31 March?**

A. A Board/Trust should record the estimated pensionable profit and the contributions collected in the month they were collected and the contributions must be paid over to the HSC Pensions by the 19<sup>th</sup> of the following month. SOLO income should be recorded in the month the payment relates. It is therefore very important that SOLO information including the relevant contributions is supplied quickly and regularly to HSC Pensions.

For a Practice with an accounts year-end of 31 March, a reconciliation of the Certificate with the monthly estimates, SOLO forms and balance can be made.

Some GPs may have SOLO income that is not accounted for to 31 March. The figures in the SOLO boxes may not therefore match the total of the SOLO income for the year ended 31 March. This is fine. It is NOT the BSO's role to audit the SOLO income figures stated on the Certificate however they should ensure that the figures entered on the Certificate broadly match those received by HSC Pensions.

### **SCHEME CONTRIBUTIONS**

**Q. How are a GP Provider's tiered contributions assessed in 2011/12?**

A. They are based upon their total aggregated (i.e. global) GP pensionable pay in 2011/12. The tiered rates are as follows.

5% Up to £21,175.99  
6.5% £21,176.00 to £69,931.99  
7.5% £69,932.00 to £110,273.99  
8.5% £110,274.00 +

The HSC Pensions website provides more detailed guidance.

- Q. Who is responsible for the payment of any arrears of HSCPS Practice based contributions?**
- A. In GMS the Practice, rather than the individuals, is responsible for paying arrears of contributions immediately. The host Board/Trust is within its rights to recover any arrears from future payments it makes to the Practice. If the Provider has left or retired it is the Practice who is still responsible for paying arrears. GP (and non-GP) Providers should seek expert advice from a medical accountant in respect of paying arrears and the 'knock on' effect on tax relief/NI. In PMS much depends on the PMS (and partnership) agreements.
- Q. What happens if I have not paid the correct rate of tiered contributions in respect of my SOLO work (i.e. OOHs).**
- A. Your tiered contribution rate is based on your global GP pensionable income; not just your SOLO income. Therefore if you have paid contributions at the incorrect tiered rate in respect of SOLO income you must liaise with the relevant 'SOLO employer' in order to pay the correct rate. If this is not possible you may pay the arrears via the Certificate.
- Q. What happens if contributions have been overpaid because a Provider's HSC pensionable pay was over estimated?**
- A. The BSO must repay the overpaid contributions to the Practice without delay.

### **HSC PENSIONABLE INCOME, SENIORITY, & LOCUMING**

- Q. What is regarded as GP Provider's HSC pensionable pay in 2011/12?**
- A. Please see Annex A below.
- Q. Does a GP have to pension all of their HSC GP work?**
- A. Yes, they must pension all their HSC GP (Practitioner) income and cannot opt out of pensioning certain parts of it. They can opt out of pensioning salaried Officer posts such as clinical assistant or community posts however cannot opt out of pensioning bed fund posts.
- Q. I have set up a unique limited company for the purposes of my HSC fringe/ad hoc work such as OOHs, prison work, etc; can I pension/superannuate this income?**
- A. No. If you are performing fringe/ad hoc work and are trading through a unique limited company that you have set up for this purpose you cannot pension/superannuate this income.
- Q. I am a GP Provider, can I pension/superannuate 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 statutory HSCPS Regulations.
- Q. I am a GP Provider; can I work as a GP Locum in my own Practice(s)?**
- A. No. You cannot pension/superannuate income as a GP Locum in a Practice where you are a Provider, even if you are a part-time Provider. You must declare all your income on the Certificate.
- Q. I am a GP Provider, can I work as a GP Locum in other Practices?**
- A. Yes, under certain circumstances. You must record your GP Locum work on forms A and B. More information can be found on HSC Pensions website. Fee based GP work of more than 6 months in any one Practice is not regarded as GP Locum work in HSC pension terms.
- Q. Can a Salaried GP (including a GP Retainer) also work as a GP Locum their Practice?**
- A. Yes; but there are caveats. The Salaried GP could work as a GP Locum however only on a temporary short-term deputising basis; i.e. no more than 6 months. After 6 months the post converts to an 'Assistant Practitioner' in HSC pension terms and the Practice pays the 13.3% employer contributions.

**Q. I am a PMS Provider and the Board/Trust are still paying the employer's 13.3% directly, therefore by multiplying my profits by 100/113.3 I am excessively reducing my pensionable profit figure, what should I do?**

A. It is unusual for the contract price to exclude the employer contributions however if it does (and the Board/Trust has paid the 13.3%) you must find out from them the amount to ensure your pensionable profits are not adversely reduced. It is best to seek expert professional advice from an accountant.

**Q. Is Practice Based Commissioning (PBC) income pensionable?**

A. If the PBC income is paid directly to a GP (or their Practice) by a Board/Trust then, yes, it is pensionable net of expenses. However if PBC income is paid to a GP or their Practice by a PBC consortium/collaborative it is NOT pensionable. If a GP or GMS/PMS Practice receives PBC income from a Board/Trust and then passes it onto another GP that 'another GP' cannot pension their PBC income.

**Q. Is Clinical Commissioning Group (CCG) income pensionable?**

A. If the CCG income is paid directly to a GP (or their Practice) by a Board/Trust then, yes, it is pensionable net of expenses. However if the income is paid to a GP or GMS/PMS Practice directly by a CCG it is not currently pensionable. This may change from April 2013.

**Q. Is medical school income pensionable/superannuable?**

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. Generally only salaried TUPE'd employees of an open 'Directions body' may join the Scheme.

**Q. Is prison work and 'blue badge work' pensionable?**

A. Yes, however only if the fees are being paid directly to the GP/Practice by the Board/Trust.

**Q. If VAT is included on the SOLO form is it pensionable?**

A. No, there are no provisions to pension/superannuate VAT under the HSCPS Regulations.

**Q. How should PEC income be recorded?**

A. All GPs (except GP Locums) must pension/superannuate their PEC income.

GP Providers can elect to either SOLO or pool their PEC income. The vast majority elect to SOLO their PEC income so the relevant PEC employer (i.e. Board/Trust) must deduct contributions at source and forward these to the host Board/Trust. If the PEC employer has also deducted tax and national insurance at source the GP should ensure that they are not liable to pay these again.

If the GP has elected to pool their PEC income (i.e. paid directly into the Practice account to be shared) they must ensure that the fee takes account of employer contributions as ultimately the GP/Practice will be responsible for forwarding these to the host Board/Trust.

Trusts/Boards must not set up a unique pensionable employment in respect of fee based PEC work.

**Q. Is QOF income still pensionable if I pass on some of it to my staff?**

A. No, if QOF income is passed onto Practice Staff or to Salaried GPs as a reward/bonus it cannot be regarded by them as pensionable income.

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

A. GPs who suffer a genuine loss of pensionable income as a result of illness may qualify for deemed pensionable sick pay to be credited to their pension records; they should contact HSC Pensions for advice. Deemed pensionable sick pay is not recorded on the Certificate.

**Q. How do I know if I am, or ever was, subject to the pensionable earnings cap?**

A. You should seek expert advice. If you first joined the HSCPS on or after 01/06/89 or before 01/06/89 but had a break of 365 days or more that ended on or after 01/06/89, you are likely to be capped. Although, since April 2008, your actual pensionable pay is no longer capped this may have an effect on your added years contract.

**Q. What pensionable pay should the seniority allowance be based upon?**

A. Basically core Practice pensionable income plus other GP income such as OOHs, PEC, GPwSI, CCG, etc. Non GP income such as income from salaried clinical assistant hospital posts and honorary posts are excluded.

**Q. Why are seniority payments declared in the Certificate?**

A. The SFE stipulates that income for the seniority allowance must be declared on the Certificate however it is accepted that the figure stated may be provisional.

**Q. Should seniority payments be grossed up for the employer's pension contributions?**

A. No. The purpose of including the figure is just to enable the Board/Trust to establish whether the appropriate level of seniority has been paid, after taking into account the earnings criteria.

**Q. Should I complete a Certificate if I am no longer a HSCPS member?**

A. There is no legal requirement to do so under the HSCPS Regulations however many non-pensionable GP Providers use the Certificate for the purposes of calculating their entitlement to the seniority allowance. GP Providers must ensure they do not inflate (i.e. 'double count') their GP income if they retired mid year and complete two Certificates in the same year.

**ADDED YEARS & ADDITIONAL PENSION**

**Q. Where can I find more information about the new Additional Pension?**

A. On HSC Pensions website;  
<http://www.nhs.gov.uk/PDweb/PensionCalculators/AdditionalPension/index.htm>

**Q. Can I take out a new Added Years contract?**

A. No, but all existing contract are honoured until their end date.

**Q. I have an existing Added Years contract; can I also purchase the Additional Pension?**

A. Yes, but you must stay within HMRC limits.

**Q. I was previously subject to the earnings cap; how does this affect me in 2011/12?**

A. Since April 2008 the cap no longer applies in respect of mainstream HSC pensionable income. However, if you took out an Added Years contract prior to 1 April 2008, and your mainstream income was previously capped before that date, your Added Years contributions will be capped on pay of £129,600 for 2011/12. (£137,400.00 for pensions year 2012/13).

**HSCPS RETIREMENT RULES**

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

A. A GP Provider and non-GP Provider must resign from any involvement in the GMS, PMS, sPMS, or APMS contract for at least 24 hours to access their HSC pension benefits.

A single-handed GP (or non-GP) Provider must completely terminate their contract with the Board/Trust.

If they are a partner they must resign from the partnership for at least 24 hours.

If they are a shareholder they must cease to be a shareholder for at least 24 hours; i.e. they must give up their shares.

A Practitioner or non-GP Provider who retires on normal age (or voluntary early retirement) grounds and who exceeds 16 hours per week HSC work in the first calendar month following retirement will have their pension suspended. Those who retire due to ill health may have their pension abated if they return to HSC work and earn a certain amount in their re-employment.

**Q. What if I do not abide by the rules?**

A. If your pension has been put into payment it will stop; any pension already paid will be recovered.

## **ANNEX A**

### GP Providers Pensionable Pay

GP Providers (i.e. Principal Practitioners) pensionable income is listed below and is subject to the payments being net of expenses. The fees must be in respect of HSC primary medical services and be paid directly to the GP (or Practice). GP Providers must 'pension' income in respect of the following;

Additional services

Adoption and fostering work (Collaborative services)

APMS (Alternative Provider of Medical Services).

Appraisal work

Blue (disabled) badge scheme (Collaborative services)

Board and advisory work (non-clinical work and includes Primary Care Trust Executive Committee (PEC) 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 Group (paid directly by a Board/Trust and not a CCG; this may change from April 2013

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 Board/Trust 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

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

IT

Lecture fees (Commissioned services)

Marriage difficulty sessions (Commissioned services)

Medical certificates (as listed in the GMS Contracts Regulations)

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

PCT sessions (Commissioned services)

PCO administered funds

PEC

PMS

Practice Based Commissioning (PBC) (Only if paid **direct** to a GP, or GMS/PMS Practice, by a BOARD/TRUST)

Premises (i.e. notional rent)

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

Prisoners healthcare (Fees in respect of a prisoner's healthcare are pensionable subject to the BOARD/TRUST 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)

***GPs must pension/superannuate all of their GP HSC income. However if they are trading through a unique limited company (that they have set up) for the purposes of performing OOHs and other fringe work they cannot pension/superannuate this income.***

***A GMS/PMS/APMS Practice can be a limited company.***

***Fees paid to a GP (or Practice) by a LMC, a medical school, a HSCPS Direction Body (i.e. a hospice), the police, the DWP, the Ministry of Defence, an insurance company, or HSC Pensions (in respect of HSC ill health pension or Injury Benefit Scheme medical reports) are not pensionable.***

***Fees paid in respect of housing reports, the national 'Drug Intervention Programme', and travel vaccination are not 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.***

#### Non GP Providers Pensionable Pay

Non-GP Providers are whole-time Officers and can only pension/superannuate income from one Practice/Centre. Their HSC pensionable pay is their share of the profits. This will include pensionable income in respect of ad hoc GP work that their GP colleagues have elected to 'pool'.