

2009/10 CERTIFICATE - FREQUENTLY ASKED QUESTIONS

GENERAL

Q. What is the deadline for completing the 2009/10 Certificate?

A. The deadline for completing the 2009/10 Certificate and sending it to the Business Services Organisation (BSO) is the 28th of February 2011.

Q. Is the deadline a strict deadline?

A. Yes, the statutory HSC Pension Scheme Regulations state that the Certificate must be sent within one calendar month of the tax return deadline.

Q. Where should the Certificate be sent?

A. GP Payments Office
Business Services Organisation
County Hall
182 Galgorm Road
Ballymena
BT42 1QB

Q. What is a host Board?

A. The host Board in respect of a GP Provider in Northern Ireland will usually be the Regional Health and Social Care Board (RHSCB) on whose Performers List the GP Provider is registered with. However, if the GP Provider is contracted to provide GMS/APMS with a Trust, that Trust is the host. Therefore a GP Provider may have more than one host Board.

In respect of a non-GP Provider the host Board is always the one they hold a GMS/APMS 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 a Provider's pensionable pay is for them to complete an individual Certificate.

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

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

You may also complete the Certificate solely for the purposes of establishing the seniority allowance even if you were not an active Scheme member in 2009/10.

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

A. It is a mandatory requirement of HSC Pension Scheme membership that Providers must complete the Certificate. Those who do not are in breach of the HSC Pension Scheme Regulations and the SFE (Statement of Financial Entitlement) both of which are statutory legislation. Not completing the Certificate may have a detrimental effect on your (and your dependents') HSC pension benefits and seniority allowance. 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 share Partner; do I still complete the Certificate?

A. Yes. The Scheme Regulations state that every Provider must complete the Certificate; there are no exceptions. Remember that any 'fixed share' is in effect 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.

Fixed share Partners should not be deemed just to be allocated either pensionable or non-pensionable income. They should calculate their percentage share of the overall

Practice profit based upon their fixed share and, for the purposes of the Certificate, use this percentage to allocate themselves HSC income, non-HSC income, and expenses from the Practice.

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 HSC Pension Scheme 'year end' corresponding to the tax 'year end'. Whilst the tax year finishes on 5 April each year, the HSC Pension Scheme '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 2010 falls into the tax year 2009/10, but not into the HSC Pension Scheme year ended 31 March 2010. Because an accounts year ended 5 April falls into the tax year, this will also be deemed to fall into the Pension Scheme 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. As non-GP Providers are afforded 'whole time Officer' status regardless of the hours they work they can only be 'pensionable' in one post and therefore may only be required to complete one Certificate. By virtue that non-GP Providers are classed as whole-time means 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 HSC Board boundary.

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

A. Yes, even if the organisations are located within the same HSC Board 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 HSC Trusts / Boards.

Q. I am a GP Provider; do I have to complete more than one Certificate if I had more than one host Board / Trust 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 changed due to a re-organisation (but you did not change Practices) only one Certificate is required. If you moved from Northern Ireland to England / Wales or Scotland you will need to complete one Certificate in respect of Northern Ireland and another in respect of England / Wales or Scotland.

Q. In 2009/10 I was a Salaried GP (i.e. a Performer) directly employed (i.e. schedule E) by a Practice, RHSCB or APMS Provider; do I have to complete a Certificate?

A. No, your HSC pensionable pay is based on your basic salary however you must also 'pension' any HSC fringe (i.e. OOHs) by completing form SOLO. You will be legally required to complete an 'Assistant Practitioner's Self-Assessment Form' for pensions year 2009/10. This is to ensure that you have paid tiered contributions at the correct rate.

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 and is paid a salary, the GP will have already paid pension contributions on this income at source. 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 100/114?

A. It is important that in the calculation of HSC pensionable pay the employer's pension contributions, that are included in the GMS global sum, are excluded. Otherwise, the Provider would illegally be getting pension benefits based on HSC Pension Scheme 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, and 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 2009 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. Why are seniority payments declared in the Certificate and what if seniority payments are pooled?

A. The SFE stipulates that the seniority allowance must be declared on the Certificate however it is accepted that the figure stated may be provisional; the guidance note to box 38a provides more information.

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 / BSO to establish whether the appropriate level of seniority has been paid, after taking into account the earnings criteria.

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

A. A Scheme Employing Authority, for the purposes of 'pensioning' GPs HSC income, is the RHSCB an HSC Trust, GP Practice or OOHHP with EA status.

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

A. Please check with HSC Pension Service if you are unsure.

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

A. The HSC Pension Scheme Regulations place no specific legal requirement to validate all the figures declared on the Certificate. Therefore the declaration that BSO/RHSCB are 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. Where should the Certificate be sent after it has been validated by the PCT/LHB?

A. BSO should keep the Certificate. The GP (or their accountant) should keep a copy.

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

A. The Board / BSO 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

Department by the 19th 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 the BSO.

SCHEME CONTRIBUTIONS

Q. How are a Provider's tiered contributions assessed in 2009/10?

A. They are based upon their total aggregated (i.e. global) Practitioner (GP) pensionable pay in 2009/10. The tiered rates for GPs for 2009/10 are as follows.

5% Up to £20,709.99
6.5% £20,710.00 to £68,392.99
7.5% £68,393.00 to £107,846.99
8.5% £107,847.00 +

Q. Who is responsible for the payment of any arrears of HSC Pension Scheme Practice based contributions?

A. In GMS the Practice, rather than the individual GP (or non-GP) Provider, is responsible for paying arrears of contributions immediately. If the Practice is not pro-active the host Board 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 an accountant with experience in GP finances in respect of paying arrears and the 'knock on' effect on tax relief/NI.

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 through the Certificate.

Q. What happens if contributions have been overpaid because a Provider's HSC pensionable pay was over estimated?

A. The Board / BSO must repay the overpaid contributions to the Practice without delay.

HSC PENSIONABLE INCOME & ADDED YEARS

Q. What is classed as GP Provider HSC pensionable pay in 2009/10?

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 hospital based clinical assistant or community posts however cannot opt out of pensioning bed fund posts.

Q. I am a GP Provider, can I pension income as a GP Provider in 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 HSC Pension Scheme Regulations.

Q. I am a GP Provider; can I work as a GP Locum in my own Practice or Practices?

A. No. You cannot 'pension' income as a GP Locum in a Practice where you are a Provider, even if you are a part-time Provider. This is strictly forbidden under the HSC Pension Scheme Regulations.

Q. I am a GP Provider, can I work as a GP Locum in other Practices?

A. Yes, under certain circumstances. Please refer to our website www.hscni.net. You must record your GP Locum work on forms A and B. More information can be found on our website.

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

A. If the PBC income is paid **directly** to a GMS Practice by a Board / Trust then, yes, it is pensionable net of expenses. However if PBC income is paid to a GP or GMS Practice by a PBC consortium/collaborative it is NOT pensionable.

If a GP or GMS 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 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'. Generally only salaried TUPE'd employees of an open 'Directions body' may join the Scheme.

Q. Is prison 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' VAT under the HSC Pension Scheme Regulations

Q. How should PEC income be recorded?

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

GP Providers can elect to either SOLO or pool their PEC income. If they elect to SOLO their PEC income the relevant PEC employer (i.e. Board / Trust) will 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.

Boards / Trusts must not set up a unique pensionable employment in respect of fee based PEC work; this is in accordance with previous guidance, the HSC Pension Scheme Regulations.

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

A. No. If a Provider decides to pass on some of their QOF income to their Practice Staff or to Salaried GPs as a reward/bonus it cannot be regarded 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 BSO for advice. Evidence may be asked for to demonstrate a genuine loss of pensionable income.

Deemed pensionable sick pay is not recorded on the Certificate.

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

A. There is a factsheet on our website www.hscni.net entitled 'Purchase of Additional Pension'

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 HSC Pension Scheme after 01/06/89, or before 01/06/89 but had a break at some time after, you are likely to be capped.

Q. I joined the Scheme after 1 April 1989 and understand that my GP pensionable pay is no longer capped. Won't that mean that I'll have a large underpayment of contributions for 2009/10?

A. Not necessarily. You should have agreed with the Board / BSO in 2008 to adjust the amount of contributions being deducted from your contract payments throughout the year to allow for a higher liability for contributions. If this was not done, there may be a significant shortfall of contributions payable.

Q. I was previously subject to the earnings cap; how does this affect me in 2009/10?

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 percentage will still be applied to a capped amount of income (£123,600 for 2009/10).

Annex A

GP Providers Pensionable Pay

GP Providers pensionable income is listed below and is subject to the payments being net of expenses. The fees must be in respect of HSC/NHS primary medical services and must be paid directly to the GP (or Practice) by a Board, Trust or OOHs Provider that qualifies as a Scheme EA.

- **A GMS contract.** This includes payments in respect of additional services, essential services, the global sum, quality and outcome framework, dispensing, 'PCO administered funds', premises, and IT.
- **A PMS agreement.** This includes the 'contract price' and payments similar to GMS.
- **An APMS agreement.** Subject to the APMS contractor being an Employing Authority;
- **HSC appraisal work** (GP Locums cannot 'pension' this work).
- **Certification services** (i.e. medical certificates as listed in the GMS Contracts Regulations).
- **Collaborative services** in accordance with section 26(4) of the 1977 Health Act. This includes fees paid directly by a Board/Trust in respect of adoption and fostering work, the blue (disabled) badge scheme, social services reports, 'section 12' work, priority housing reports requested by local authorities, attendance at case conferences and other meetings arranged by Social Services, certificates to enable chronically disabled or blind persons to obtain telephones, and sessional work commissioned by family planning clinics.
- **Commissioned services.** This includes fees paid directly by a Board/Trust to GPs with special interests (GPsWSI), and also in respect of family planning, food poisoning notifications, lecture fees, marital difficulty sessions.
- **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).

- **General Dental Services.**
- **General Ophthalmic Services.**
- **HSC board and advisory work.** This is non-clinical work and includes Primary Care Trust Executive Committee (PEC) work.
- **HSC dispensing services** (i.e. the provision of drugs, medicines, and appliances).
- **HSC GP Locum work.** GP Locum work must always be recorded on GP Locum forms A and B, which can be downloaded from the HSC Pension Service website. It must never be recorded on form SOLO or paid (as pooled pensionable income) into the Practice accounts.
- **HSC Out Of Hours** work for a Board, Trust or an OOHP that is an Employing Authority.
- **Practice Based Commissioning (PBC).** Only if paid **direct** to a GP or GMS Practice by a Board/Trust.
- **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. If the fees are paid directly by the prison they are not pensionable because the prison is not an Employing Authority
- **Seniority payments.**
- **Honorary Posts.** Fees paid to a GP by a hospital under a 'honorary contract' may be pensionable; contact HSC Pension Service for guidance.

GP Providers Income That Is Not Pensionable

Fees paid to a GP (or Practice) by a LMC, a medical school, a HSC Pension Scheme 'Direction Body' (i.e. a hospice), the police, the DWP, a Local Authority, the Ministry of Defence, or by the HSC Pension Service (in respect of 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' and private fees (i.e. travel vaccination fees not funded by the NHS/HSC) 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 in the HSC Pension Scheme

Non GP Providers Pensionable Pay

A non GP Provider (i.e. Partner, Single-Hander, or shareholder who is not a GP) is classed as whole time Officer for HSC Pension Scheme purposes. Their HSC pensionable pay is their share of the GMS/APMS Practice HSC 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 must 'pension' all of their HSC Practice profits provided that they are not subject to the pensionable earnings cap.