

FREQUENTLY ASKED GENERAL QUESTIONS – SUPERANNUABLE PAY

Q. What is classed as superannuable pay in 2006/07?

A. Please see Annex A below.

Q. I am a GP; do I have to ‘pension’ all of my HPSS GP work?

A. Yes, you must ‘pension’ all of your HPSS GP (Practitioner) work and you cannot opt out of ‘pensioning’ certain types. However, if you are subject to the superannuable earnings cap you cannot pension HPSS income in excess of it.

Q. I am subject to the HPSS Superannuation Scheme superannuable earnings cap; how does this affect me?

A. This means that your total superannuable pay at the end of the ‘pensions year’ (i.e. 31 Mar 2007) must not exceed the cap, even if your actual HPSS income is higher. CSA tend to ‘track’ capped GPs on a monthly basis to ensure that they are not exceeding the cap and are not overpaying contributions.

Q. What is the earnings cap for 2006/07?

A. For those Scheme members who are subject to the cap it is £108,600.00

Q. What is the earnings cap for 2007/08?

A. For those Scheme members who are subject to the cap it is £112,800.00.

Q. Does my ‘schedule E’ income (i.e. salaried clinical assistant work) count towards the earnings cap?

A. Yes; remember that because schedule E income is generally automatically ‘pensioned’ at source via the payroll it will reduce the scope for ‘pensioning’ other HPSS income. For example if you earned £10,000.00 as a salaried clinical assistant in 2006/07 you can only pension £98,600.00 of your GP income if you are subject to the cap.

Q. I am a GP Provider who is subject to the superannuable earnings cap however my HPSS income comes from various sources. Who decides what elements of my HPSS income should be ‘pensioned’ first?

A. You do. Capped GP Providers must decide for themselves what NHS income falls under the cap and what income is in excess of the cap. If they elect for their fringe (i.e. OOHs) income to be over and above the cap they must inform the relevant OOHs employer so that Scheme contributions are not paid. It is likely that schedule E income (i.e. salaried clinical assistant) will already have contributions paid on it at source by virtue of being paid through the Trust payroll. HPSS Superannuation Branch cannot offer financial advice in this matter.

Q. I am a GP who works ‘cross border’; is the cap unique to each country in the UK?

A. In 2006/07 a Scheme member who is subject to the cap can ‘pension’ up to £108,600.00 of their England and Wales NHS income. However they cannot pension £108,600.00 in England and a further £108,600.00 in Wales. A capped Scheme member who also works in Scotland or Northern Ireland is allowed to ‘pension’ up to £108,600.00 in each of these countries (regardless of their income in England and Wales) because they would also be members of those countries Schemes.

Q. I am a buying ‘added years’; do I have to pay additional contributions on all of my HPSS GP income?

A. Yes, if you are buying added years you must also pay additional contributions in respect of all your pensionable HPSS GP income.

Q. Are dividends pensionable?

A. Yes, from April 2006 onwards. More information is provided in the ‘FAQs’ about limited companies.

Q. I am a GP Provider member of the HPSS Superannuation Scheme who also performs HPSS GP Locum work; must I ‘pension’ this?

A. Yes, if you perform Practice based GP Locum type work in your spare time you must record your GP Locum work on forms A and B; n can be found on the HPSS Superannuation Branch website. The HSS Board is responsible for paying the employer contributions in respect of Practice based GP Locum work.

Q. Who is responsible for the payment of any arrears of Scheme contributions?

A. The Practice, not 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/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 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 contributions have been overpaid because a Provider’s HPSS superannuable pay was over estimated?

A. The overpaid contributions must be paid to the Practice without delay.

Q. Is medical school income superannuable?

A. No. Although some medical schools are granted special ‘Direction’ status any fees paid to a GP (or Practice) by a medical school are not ‘pensionable’. Only salaried employees of an open ‘Directions body’ may join the Scheme.

Q. Is prison work pensionable?

A. Yes, subject to the fees being paid directly to the GP/Practice by the HSS Board/Trust.

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

A. If a Provider decides to pass on some of their QOF income to their Practice Staff as a reward it counts as pensionable income for the Practice Staff subject to it being a regular salaried payment.

Q. What is deemed superannuable sick pay?

A. GPs who suffer a genuine loss of superannuable income as a result of illness may qualify for deemed sick superannuable pay to be credited to their pension records; Evidence may be required to demonstrate a genuine loss in superannuable income.

Q. Where can I find information about recent tax changes ('A-day') affecting pensions?

A. The HPSS Superannuation Branch website provides useful information,
www.dhsspsni.gov.uk/superann

ANNEX A

GP Providers Pensionable Pay

A GP Partner, Single Handed GP, or GP shareholder is classed as a GP Provider for the purposes of the HPSS Superannuation Scheme. Superannuable income is listed below and is subject to the payments being net of expenses. The fees must be in respect of HPSS primary medical services and be paid directly to the GP (or Practice) by another Practice, an OOHs Provider, or by an approved HPSS Superannuation Scheme Employing Authority .

- **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.
- **HPSS 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.**
- **HPSS board and advisory work.** This is non-clinical work and includes Primary Care Trust Executive Committee (PEC) work.
- **HPSS dispensing services** (i.e. the provision of drugs, medicines, and appliances).
- **HPSS GP Locum work.** GP Locum work must always be recorded on GP Locum forms A, B, C, or D. It must never be recorded on form SOLO or paid (as pooled superannuable income) into the Practice accounts.
- **HPSS Out Of Hours** work for a HSS Board/Trust, or an OOHP that is an Employing Authority.
- **Practice Based Commissioning (PBC).** Fees paid to a GP (or Practice) in respect of Practice Based Commissioning are only superannuable if the organisation paying the fees is a Scheme Employing Authority. A collaborative or a consortium 'per se' does not qualify as a Scheme

Employing Authority however if a PBC organisation operates as a SPMS contractor the fees can be 'pensioned'.

- **Prisoners' healthcare.** Fees in respect of a prisoner's healthcare are superannuable 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 superannuable because the prison is not an Employing Authority
- **Seniority payments.**

Any HPSS profits that are 'drawn down' as dividends in 2006/07 are superannuable.

GPs must 'pension' all of their Practitioner HPSS income provided that they are not subject to the pensionable earnings cap.

GP Providers Income That Is Not Superannuable

Fees paid to a GP (or Practice) by a LMC, a medical school, a HPSS Superannuation Scheme 'Direction Body' (i.e. a hospice), the police, the DWP, a Local Authority.

Fees paid to a GP by a hospital under a 'honorary contract' or under a service level agreement are not generally superannuable however contact the Pensions Division for further guidance. Salaried (i.e. schedule E) clinical assistant and hospital practitioner work is superannuable and is 'pensioned separately'.

Private fees (i.e. travel vaccination fees not funded by the HPSS) are not regarded as pensionable income.

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 superannuable in the HPSS Superannuation Scheme

The general rule is that the fees listed under the heading of 'Non-NHS pay for GPs' in the 'MedEconomics' supplement of 'GP Magazine' are not superannuable under the HPSS Superannuation Scheme Regulations.

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 HPSS superannuation Scheme purposes. Their superannuable pay is their share of the GMS/PMS Practice HPSS profits less expenses. This will include superannuable income in respect of 'ad hoc' GP work that any GP Partners have elected to 'pool'.

Non GP Providers must 'pension' all of their Practice profits provided that they are not subject to the pensionable earnings cap.