



HSC Pension Service

Provided by



Business Services Organisation

Welcome to HSC Pension Service GP Newsletter

This newsletter is for all General Practitioners (GPs) who are members of the HSC Pension Scheme. Please read carefully as it contains important information about your HSC Pension benefits

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2016/17 Quarter 4

1. Contribution Tier for 2015 CARE Membership

The pay that is used to set the contribution tiered rate for GP (and non-GP) Providers who start after the 1st of April and join the CARE Scheme is **annualised**.

For example, a GP who starts in a Practice on 01/06/2016, joining the scheme for the first time, and earns £70,000.00 up to 31/03/2017 will be subject to the 13.5% rate. (£70,000.00 divided by 304 days x 365 days = notional pay of £84,046.05).

If for example, a GP has service in either 1995/2008 during the year in which they move to CARE, then it is the aggregate of these earnings that is used to set the tier.

Please click [here](#) for information on the 2015/16 to 2018/19 Tiered Contributions.

2. Annual Certificate of Pensionable Profit

The deadline for submission of the Annual Certificate of Pensionable Profit 2015/16 has now passed. Thank you to the 80% who have made submissions within the required deadline. If you have not yet submitted the 2015/16 returns please do so as soon as possible.

The FPPS has meant that where all the information has been received in order to produce the Annual Statements we can set adjustments and reconcile the year more efficiently.

The certificate can be found on our website by clicking [here](#).

GP SOLO/OOH

We are continually trying to improve our OOH process, therefore, if a doctor works for an OOH provider, we require OOH documentation for these employments to be sent with the annual certificate at the time of submission. For any salaried GP Out of Hours employments, the P60s unfortunately do not show any superannuation contributions, therefore a March payslip would be beneficial. From 2016/17 any GP with an Assistant Practitioner post should complete Self Assessment of Tiered Contributions—see Section 8 for more information.

Please send all submissions to GPcertificates@hscni.net rather than individual mail boxes so that we can track returns.

The Scheme Regulation governing the non-return of Annual Certificates can be found in The Health and Personal Social Services (Superannuation) Regulations (Northern Ireland) 1995 Schedule 2, Regulation 23(2) Page 181 by clicking on this [link](#).



3. Annual Benefit Statements (ABS)

HSC Pension Service are in the process of producing Annual Benefit Statements (ABS) for all current **officer and medical practitioner scheme members** to 31.03.2016

The ABS will include information such as: Pension Benefits accrued, the value of any Lump sum accrued, Pensionable Service used in the calculation and Survivor Pension/Death benefits payable in the event of your death.

The Practitioner team already produce a variety of calculations including estimates, IP estimates, Pension Savings statements. The ABS may not fully reflect all of your benefits accrued at year end. This is because the information for practitioner pensionable pay does not interface to our systems as a bulk return but rather individual submissions across all employments are required each year and records need to be built up and maintained from these returns.

This year HSC Pension Service has committed extra resources and system upgrades to enhance and further develop Practitioner records to reflect ongoing pension reform and HMRC changes.

These system developments are in the crucial final stages and will be followed by stringent testing of the systems to ensure accurate results following calculations.

In the meantime, we will continue to prioritise requests for information.

If you have any queries regarding your ABS please email directly to

ABSQueries@hscni.net

4. Seniority

Work is currently ongoing on the Seniority Reconciliation exercise for years 2013/14 and 2014/15. This process will also have a knock on effect on the Annual Certificates for the respective years, in these circumstances revised Annual Statements will be generated.

We will inform each Practice Accountant of the outcome of this exercise and liaise with them and the GPs regarding any under/overpayment of Seniority and Scheme Contributions. It has been agreed with the HSC Board that **all** Seniority adjustments should be made through the Global Sum unless there are exceptional circumstances. If there is no adjustment due we will still send a notification to the Accountant.

Going forward we would advise as a general figure to use £77,000 as the average (provisional 2015/16) Therefore anything above £51,333 (2/3) will attract 100% seniority payments. To arrive at your figure, remember to deduct IPS, Solo and the seniority already paid. When the POA is submitted with an estimated figure, this would be the correct time to make adjustments to seniority payments. Practices should contact BSO on gms.claims@hscni.net and insert 'Seniority Adjustment' in the subject line. We would expect that GPs who perhaps reduce working hours and earnings in the run up to retirement would contact colleagues at BSO to make the necessary reduction to payments.

In each year only those certificates received by the submission date of 28.02.yy will be used to calculate the NI average. The average is obviously subject to change each year. The seniority entry on the annual certificate should only be relevant to that years' certificate. The entry should reflect the entitlement. Do not enter previous years' seniority adjustments in a current years' certificate. We will re- issue annual statements for 13/14 or/and 14/15 if necessary as part of the reconciliation.

5. Payment of Arrears

Any GP's who are considering paying arrears of contributions by cheque, should ensure the cheque is made payable to **BSO**, and sent with a covering letter outlining the relevant period of arrears i.e. Arrears of contributions for year 2015/16 to:

GP Payment Section
HSC Pension Service
Waterside House
75 Duke Street
Londonderry
BT47 6FP



6. GP's Who Retire Mid-Year

If a GP takes a 24 hour retirement and returns to work as a partner in a practice, HSC Pension Service requires two Annual Certificates of Pensionable Profit, one to cover the period up to the date of retirement and another covering the full year. The second certificate is required for the calculation of seniority. **Failure to supply both certificates will result in seniority payments being stopped from the date of retirement.**

When a member retires we require an AW6 completed and received in branch 3 months prior to retirement. The AW6 must be completed with a copy of birth certificate and IP protection certificate (if applicable). Please ensure revised Payment on Account is also submitted to reflect these changes.

7. Salaried/Retainee GP's Change in Process

As with previous years each Practice that employs a Salaried/Retainee GP must complete form [SR1](#), this will be completed annually and should be submitted prior to 31st March. If you have not already submitted this form for 2017/18 please do so as soon as possible. The purpose of this form is to estimate the earnings for each Salaried/Retainee GP in order to determine the correct level of monthly contributions due.

The [SR2](#) form which confirms the actual salary earned for each Salaried/Retainee GP in the year 2016/17 is available on our website and should be submitted as soon as possible. The purpose of the SR2 is to ensure that the correct contributions have been made, any underpayment/overpayment will be adjusted and the member's record will be updated accordingly with the remuneration listed on the form. Click to access the SR2 [for 2016/17](#)

If a Salaried/Retainee GP leaves during the year then an SR2 should be submitted at the date of leaving to cease pension deductions. Previously, this would be reconciled and any over/underpayment would be adjusted through the Practice Global Sum. ***This process will now be slightly different in that we will only be adjusting the Employer's element of contributions. The employee's element will be held until year end when the GP submits the Assistant Medical Practitioner-Self Assessment form (see section 8 for more information). Please do not enter any details on GP1 for your salaried GPs.***

Please ensure that you advise Patricia Craig (Patricia.Craig@hscni.net) if any GPs start or leave your practice.



8. Assistant Medical Practitioners—Self Assessment of Tiered Contributions 2016/17

Every Assistant Medical Practitioner who had pensionable employment between 01/04/2016 to 31/03/2017 (inclusive) in Northern Ireland should complete an Assistant Medical Practitioner—Self Assessment of Tiered contributions form. This form is now due and is available on our website by clicking [here](#).

The tiered employee contribution rate in year 2016/17 is the **total** of all HSC GP (Practitioner) income for 2016/17. It includes Practice, Trust, Board, Solo OOHs, Bed Fund and GP locum income.

Refer to Section 1 for tier setting in CARE 2015 scheme.

An Assistant Medical Practitioner is:

A salaried GP formally employed by a GP Practice, Trust or Board.

A long-term fee based GP who works for a GP Practice, Trust or Board.

A GP who solely works on an employed or self-employed basis, for an Out of hours Provider and that OOHP is registered as a Scheme Employing Authority.

If an Assistant Medical Practitioner has worked for more than one GMS Practice as an Assistant in 2016/17 they must complete a form in respect of every Practice.

If an Assistant Medical Practitioner also worked as a Principal Practitioner (ie GP Partner or Single-Hander) in 2016/17 they must also complete the Annual Certificate of Pensionable Profit.

GP Locum.

If an Assistant Practitioner also worked as a freelance GP Locum they must continue to declare their GP Locum income on forms A & B, and complete a Self-Assessment form.

If incorrect contributions have been paid across the year, the Self-Assessment form will highlight any under/over payments.



9. Estimated Payment on Account Year 2017/18

Thank you to all who have already submitted the Estimated Payment of Account for the coming year.

If you have not submitted your Payment on Account form **this is now overdue**. In these cases we will continue to deduct the amount deducted in March. However, it is important that these forms be submitted each year to ensure the correct deductions are made for each GP. This will help eliminate large underpayments of contributions

Any changes to the POA throughout the year should be sent to gpcertificates@hscni.net

See Part 1 of this Newsletter regarding contribution tier for GPs joining CARE Scheme.

10. HMRC - Individual Protection

The standard Lifetime Allowance (LTA) has reduced to £1m from 6 April 2016

Individual Protection 2014 - Reminder

Members with a Capital Value exceeding £1.25 million at 5th April 2014 are reminded that the deadline to Apply for Individual Protection 2014 is 5th April 2017.

Individual Protection 2016

Members can apply to HMRC for individual protection 2016 as long as they do not have primary protection (active or dormant) and the Capital Value of their pension benefits, from all their registered pension schemes, is equal to or exceeds £1 million at 5th April 2016.

Individual protection 2016 allows members to accrue further benefits in their Scheme, without the risk of losing this protection.

Members will have an individual lifetime allowance equal to the capital value of their benefits at 5 April 2016 but subject to a maximum cap of £1.25 million. Pension benefits will be protected up to this amount and they may be able to take a tax-free lump sum of up to 25% of their individual lifetime allowance, this will be lower if the member already has benefits in payment.

Estimates for Individual Protection 2016 will not be available until the 2015/16 Annual Certificate of Pensionable Profit has been received and agreed by HSC Pensions.

Further details on Protection and how to apply can be found on the HMRC website at;

<https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm090000>



11. GP Locums

GP Locum administration has now fully transferred to HSC Pension Service at Waterside House.

All forms relating to Locum employments should now be emailed to golocums@hscni.net

An automatic email receipt will confirm that we have received your email and submissions. No further emails will be sent unless we have a query.

Alternatively you can send your submissions via post to:

GP Locum Administration

HSC Pension Service

Waterside House

75 Duke Street

Londonderry

BT47 6FP

As a reminder to GP Practices, you should know at the outset when you are filling a vacancy, what capacity that vacancy is for. For example, if it is to cover a short term gap or ad hoc work or if the vacancy is for less than 6 months, it should be treated as Locum work.

Practices have a responsibility to ensure that public funds are appropriately administered and as such, should determine at the outset if it is a Locum or Assistant Practitioner. If Locum work does extend beyond the 6 months then the Practice should change the status from Locum and send through a revised SR1 to cover any period beyond the 6 months. We will continue to work with our colleagues at HSCB to identify any Locums working in a Locum capacity beyond the 6 months.

Every Assistant Medical Practitioner who had pensionable employment between 01/04/2016 to 31/03/2017 (inclusive) and subsequent years in Northern Ireland should complete an Assistant Medical Practitioner—Self Assessment of Tiered contributions form. This form is now due and is available on our website by clicking [here](#).

The team will continue to reconcile contributions and pensionable pay figures for years to 31.03.2017 inclusive. We will contact you if there are any adjustments to be made as a result of this exercise.



12. Annual Allowance

The Annual Allowance is the maximum amount of tax-free growth an individual's pension savings can grow by in one year. The Annual Allowance limit covers all your pensions except your State Pension and includes contributions made to money purchase schemes, defined contribution schemes, personal pensions and the growth in benefit for defined benefit schemes.

The Annual Allowance limit was reduced from £255,000 to £50,000 with effect from 6 April 2011 and has reduced further to £40,000 from 6th April 2015. The vast majority of GP Practitioners will be affected by the changes as this will primarily affect high earners, but this can vary depending on the length of pensionable service and pensionable pay earned in any particular year.

Any of the following could impact on the growth of your pension savings:

- Being a high earner with long pensionable membership
- Significant increase in membership (eg change to full-time, doubled membership for Mental Health Officers)
- Purchasing added years and/or additional pension
- A significant pay rise, possibly due to promotion
- Application of late retirement factors in the 2008 section
- Receipt of a Clinical Excellence Award
- Tier 2 ill health retirement with an enhancement to your membership
- Contributions paid to other pension saving arrangements, including the HSC AVC Scheme

You may be at risk of exceeding the Annual Allowance if you meet some or all of these conditions.

The Annual Allowance is worked out by measuring the growth in benefits from one year to the next taking into account inflation, which is measured using the Consumer Price Index (CPI).

In respect of HSC AVC benefits, the Annual Allowance is based on the amount of contributions paid into the AVC Scheme.

Further information on Annual Allowance is available on the Scheme website at [scheme factsheets](#) or on the HMRC website.



13. Correspondence Details

We advise all Practitioners to complete the [correspondence details](#) form which is available on our website. We require this form to keep all personal information up to date. It will also help us if we need to contact your accountant about your record. Please see 14. as below.

Please be aware that any letter of authority is only valid for 3 years after which it must be renewed, please ensure all letters of authority are signed and dated by the member.

14. Encrypted HSC Emails

To enable us to email sensitive information outside the organisation and where the [correspondence details](#) as at 13. above has been received, you may receive an email requesting you to set up a password. This will allow you to view the information sent by HSC Pensions.

15. Schedule of Charges

Estimates can be requested free of charge by calling 02871 319111 (option 3) or emailing hscpensions@hscni.net. However, please note that currently, if an estimate is required within 365 days of a previous estimate, or requested by a third party there will be a £30 charge made payable to BSO. For more information click [here](#) to see our Schedule of Charges.



How to Contact Us

GP Payment Section
HSC Pension Service
Waterside House
75 Duke Street
Londonderry
BT47 6FP

Via e- mail at:- GPCertificates@hscni.net

By Telephone: 028 7131 9111 option 3.

9.00am to 5.00pm – Monday to Thursday;

9.00am to 12.00pm - Friday

Employer Technical Updates are available at :

<http://www.hscpensions.hscni.net/employer-technical-updates/>

All Newsletters produced this quarter are available at :

<http://www.hscpensions.hscni.net/quick-links/newsletters/>

Employers Newsletter
Members Newsletter
GP Newsletter
GP Practice Staff Newsletter
Pensioner Newsletter

