



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 2

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 2015 and join the CARE Scheme is **annualised**.

For example, a GP who starts in a Practice on 01/06/2016 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).

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

2. Annual Certificate of Pensionable Profit

The Annual Certificate of Pensionable Profit for 2014/15 is now overdue. The deadline for submission was Monday 29th February 2016. The new 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.

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. This year we will further develop the OOH return that we send to Accountants in the Autumn.

From 2016/17 any GP with an Assistant Practitioner post should complete Self Assessment of Tiered Contributions—see Section 3 for more information.

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



2. Annual Certificate of Pensionable Profit..continued

Please see below an extract from the Scheme Regulations governing the non-return of Annual Certificates.

This can be found in the The Health and Personal Social Services (Superannuation) Regulations (Northern Ireland) 1995 Schedule 2, Regulation 23(2) Page 181 by clicking on this [link](#). Unfortunately, there are 15 practices that we have not been able to complete because of missing certificates. In some of these cases there is more than 1 accountant working for the GPs and in other cases we simply have not received the returns. The team spend a lot of valuable time contacting these accountants by email and phone which could be avoided if the certificates were received on time.

“In respect of each scheme year, a principal medical practitioner and a non-GP provider shall provide each relevant host Health and Social Services Board with a certificate of their superannuable earnings based on—

a) the accounts drawn up in accordance with generally accepted accounting practice by the practice of which the member is a member; and

b) the return that member has made to Her Majesty’s Revenue and Customs in respect of their earnings for that year, no later than 1 month after the date on which that return was required to be submitted to Her Majesty’s Revenue and Customs”.

Under the scheme regulations, a GP who fails to submit all relevant documentation will have their pensionable profit for that year deemed to be zero. This may have an adverse impact on a member’s pension and/or survivors benefits.

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

Every Assistant Medical Practitioner who is in 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 will be available at www.hscpensions.hscni.net for year end accounting.

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.



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

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.

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.

4. Seniority

The team have recently started to reconcile seniority payments to GPs from year 2008 to 2014 inclusive.

Going forward we would advise as a general figure to use £70,000 as the average. Therefore anything above £46,666 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 work and earnings in the run up to retirement would contact colleagues at BSO to make the necessary reduction to payments.

In each year those certificates received by the submission date of 28.02.yy will be used to calculate the NI average.



5. New Family Practitioner Payment System (FPPS)

You will be aware that the new FPPS system went live in May 2015. The team at HSC Pension Service have been uploading the [SR1s](#) /[SR2s](#) /[POAs](#) and Annual Certificates on your behalf to produce Annual Statements for the GP's for 2013/14 and 2014/15. When you submit an SR1/ SR2/POA/Annual Certificate through the new system this will automatically filter into our workflow and we will process and send confirmation back to you as a notification.

We will no longer be sending emails confirming the new monthly amount being deducted from the practice after a POA or SR1 has been submitted. This information can be found on FPPS under claims history once forms are received and approved.

6. Payment on Account Forms

The Payment on Account can be changed during the financial year, if a new GP joins, or a current partner leaves the practice or you think you have under/overestimated the GP's potential earnings.

If for any reason you are not submitting your POA for 2016-17 through the new system, the [form](#) "Calculation of Estimated Monthly Practice Superannuation Payment on Account 2016-17" declaring the estimated pensionable income for year 2016-17 can be found via our website www.hscpensions.hscni.net.

When a new partner joins the practice, they need to complete form SS14 and ensure an email is sent to patricia.craig@hscni.net with the details.

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



7. 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.**

8. 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 2014/15 to:

GP Payment Section

HSC Pension Service

Waterside House

75 Duke Street

Londonderry

BT47 6FP



9. Correspondence Details

[The Correspondence Details](#)

We advise all doctors 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.

10. Salaried/Retainee GP's & Assistant Practitioner's

Each Practice that employs a Salaried/Retainee GP or Assistant Practitioner must complete form [SR1](#). Please ensure that you advise Patricia Craig (Patricia.Craig@hscni.net) if any GPs start or leave your practice. If a practice is employing a Salaried/Retainee GP or Assistant Practitioner in 2016/2017 then you need to submit the SR1. The deadline was Thursday 31st March 2016. Please submit any outstanding returns immediately. The purpose of this form is to estimate the earnings for each Salaried/Retainee GP or Assistant Practitioner in order to determine the level of contributions due monthly.

The [SR2](#) form which confirms the actual salary earned for each Salaried/Retainee GP or Assistant Practitioner in the year 2016/17 is available on our website and should be submitted throughout the year if a GP leaves, or at year end, so that we can finalise the pensionable earnings figures for the GP and update our pension records.

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. The deadline for submitting the SR2 form for 2015/2016 was Thursday 31st March 2016. Please submit any outstanding forms immediately.

Click to access the [SR2 for 2016/17](#) and [SR1 for 2016/17](#)



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 forwarded 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.



12. HMRC Changes - LTA Online Service

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

This is a reminder that the standard LTA has reduced from £1.25m to £1m from 6 April 2016. This means a standard LTA of £1m will apply to members who become entitled to receive (crystallise) their HSC benefits when they:

retire on or after 6 April 2016 – and the date their benefits are authorised is before this date.

retire before 6 April 2016 – and the date their benefits are authorised is on or after 6 April 2016.

For all scheme members the percentage of LTA used will be based on £1m unless they hold Fixed Protection. In addition, for higher earning scheme members any LTA charge that may apply to their HSC benefits will also be based on the reduced LTA unless they hold a valid protection certificate from HMRC. Any delay in claiming benefits may therefore result in:

- ⇒ a bigger percentage of the LTA being used up – LTA charges may then apply if there is a later benefit crystallisation because there is insufficient LTA remaining.
- ⇒ high earning scheme members – may become subject to LTA charges or see those charges increase.

It is important to note that HSC Pension Service has no discretion on the date HSC benefits crystallise and the calculation of the LTA used.

Any revision to benefits (substitute awards) that is authorised on or after 6 April 2016 will be a separate crystallisation of benefits and based on the lower standard LTA of £1m.

Individual Protection 2014

The Government introduced Individual Protection 2014, applicable from 6 April 2014, for those with pension savings on 5 April 2014 valued at over £1.25 million.

Individual Protection 2014 will give a protected Lifetime Allowance equal to the value of your pension rights on 5 April 2014 - up to an overall maximum of £1.5 million. You will not lose Individual Protection 2014 by making further savings in to your pension scheme but any pension savings in excess of your protected Lifetime Allowance will be subject to a Lifetime Allowance charge. You will be able to apply for this up to 5 April 2017.

Estimates for Individual Protection 2016 will not be available until April 17 or until we receive the 2015/16 Annual Certificate of Pensionable Profit .

HMRC has launched a new online service for pension scheme members who wish to apply for protection from the lifetime allowance tax charge.



12. HMRC Changes - LTA Online Service—continued

As outlined in HMRC's 'pension schemes newsletter 80', <https://www.gov.uk/government/publications/pension-schemes-newsletter-80-july-2016/pension-schemes-newsletter-80-july-2016>, the online service replaces the previous HMRC processes available to individuals who apply for fixed protection 2016, individual protection 2016, and individual protection 2014.

Further information and links to the HMRC portal where scheme members can use the LTA online services, are provided in HMRC guidance: 'pension schemes:protect your lifetime allowance': <https://www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance>

13. 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



14. Change of Address for submission of scheme forms

All the following forms should now be sent directly to HSC Pensions:

SS14 - Principle / Salaried / Locum only - **(OOH joining forms should be sent directly to the OOH provider)**

AW6 Pension Application

SD502

AP1 / 2

PN1

AW33 - HSC pension to complete employers section, Part C

Please continue to visit the HSC Pensions website to access the most up to date forms.

15. Encrypted HSC Emails

To enable us to email sensitive information outside the organisation you may receive an email requesting you to set up a password. This will allow you to view the information sent by HSC Pensions.

16. Schedule of Charges

Estimates can be requested free of charge by calling 02871 319111 (option 4) or emailing hscpensions@hscni.net. However, please note that from the 1st April 2016, 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 4.

9.00am to 5.00pm – Monday to Thursday;

9.00am to 12.00pm - Friday

If you have any suggestions for the newsletter or would like a particular topic covered in future publications please do not hesitate in contacting us by emailing: hscpensions@hscni.net

