

## Costs and Contributions Factsheet 2014/15 Practitioners & Non GP Providers

All Practitioner & Non-GP providers HSC Pension Scheme members should use this factsheet

### Introduction

By way of general background information, the UK Government has given a commitment to review the long-term affordability and sustainability of public service pensions. In a recent review of Public Service Pension Schemes, The Independent Public Service Pensions Commission, chaired by Lord Hutton, concluded that reform is needed. The UK Government accepted Lord Hutton's recommendations as a basis for consultation in due course with public sector workers and trade unions on long-term reform of pension arrangements. The UK Government has signaled a clear intention to introduce changes to public sector pension arrangements based on Lord Hutton's recommendations. These changes are expected in 2015. Once further information becomes available about potential changes to the HSC Pension Scheme, a further communication will be issued.

Ahead of this longer-term reform, the Commission made clear that there is a rationale for increasing pension scheme member contributions to ensure a fairer distribution of costs between taxpayers and members. From 1 April 2012 seven tiers of contribution rates were introduced.

This factsheet therefore sets out details of the planned contribution rates for members of the HSC Pension Scheme for the Scheme year 1 April 2014 to 31 March 2015. The rates shown are in respect of the third year of a three year review period. **Please note that the 2014/2015 tiered contribution rates will be subject to normal legislative processes.**

Unlike other members of the HSC Pension Scheme, the tiered contribution rates for Practitioners and non-GP Providers are not based on previous years' earnings. All Practitioners (and non-GP Providers) will continue to have their 2014/15 employee tiered contribution rate based on their total certified HSC pensionable income in 2014/15.

The following table shows the new-tiered contribution rates that should be applied for 2014/15. This table must be used until further notice.

**Important** – The contribution rates shown in this factsheet are the latest rates provided by the DHSSPS and may be subject to change following further consultation. Should any of the details shown change, you will be informed and details will be shown on the HSC Pension Service website at:

[www.hscpensions@hscni.net](http://www.hscpensions@hscni.net).

**2014/2015 Contribution Rates before tax relief (gross)**

Tier	Pensionable Pay	Contribution Rate in 2014/15
1	Up to £15,431.99	5.0%
2	£15,432.00 to £21,387.99	5.6%
3	£21,388.00 to £26,823.99	7.1%
4	£26,824.00 to £49,472.99	9.3%
5	£49,473.00 to £70,630.99	12.5%
6	£70,631.00 to £111,376.99	13.5%
7	£111,377.00 and over	14.5%

(The contribution rate paid by employers remains at 13.3%).

**Key Points for Practitioners and Non-GP Providers**

- The tiered contribution rate for 2014/15 will be based upon your actual 2014/15 certified pensionable HSC earnings. As your actual earnings will not be known for some time your tiered contribution rate for 2014/15 will be estimated.
- For GPs and non-GP Providers, estimated tiered rates will be based on information contained in a new return that all Practices will be required to provide to the HSC Pension Service. This will include an estimate of pensionable HSC income in respect of all their GP Providers and non-GP Providers prior to the start of the 2014/15 Scheme year. You can access this form using the following link: [Calculation of Estimated Monthly Practice Superannuation Payment on Account 2014/15](#). Salaried GPs should complete an [SR1 Form](#).
- If you are a General Dental Practitioner (GDP), BSO Dental Services will arrange for the appropriate contribution tier to be applied.
- If you are a GP all your anticipated HSC GP income (i.e. Practice + GP Locum + OOHs + Bed Fund) must be added together. This total will then indicate the contribution rate that you must pay. When earnings for the year are finalised, the HSC Pension Service will adjust for any over or under payment during the year. If you have any doubt about the figures to be reported the HSC Pension Service will be able to help.
- For example, if your total GP pensionable income is £130k, comprising of Practice based income of £125k and OOHs income of also £5k, you will pay 13.3% on all of your Practice income and OOHs income.

- If you have any Officer income (i.e. salaried Clinical Assistant) this will be classed as a separate pensionable employment and be allocated its own contribution tier based on the 'Officer' rules.
- The earnings that are used to set contribution tiers for GP and non-GP Providers, who start after 1 April 2014, will not be annualised; (i.e. a half-year's earnings will not be scaled to a full-year amount). However, a GDP's earnings will be annualised.
- Part time GP and GDP earnings will not be converted to a whole-time equivalent value for the purposes of setting a tier.

