

# GP Superannuation Newsletter

Winter 2014

## CONTENTS

- **Annual Certificate of Pensionable Profit**
- **2012/13 Non-Submission of Annual Certificate of pensionable profit**
- **Revised Payment on Account forms**
- **GP's Who Retire Mid-Year**
- **Contact Details/Client List**
- **Salaried/Retainees GP's & Assistant Practitioner's**
- **Payment of Arrears**
- **Locums**
- **New GP Payment System**
- **Practice Managers Workshops**
- **HMRC Changes**

## **Annual Certificate of Pensionable Profit**

The deadline for submission of 2013/14 Annual Certificates of Pensionable Profit is fast approaching. The completed certificates should be with HSC Pensions Branch no later than the 28<sup>th</sup> February 2015. The certificate has been posted to the scheme website and can be accessed using the following link:

<http://www.hscpensions.hscni.net/employers/practitioners/>

Please see the below the relevant Scheme Regulations governing the non-return of annual certificates.

*(2) 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 will have a major effect on a member's pension and/or survivors benefits.**

## **2012/13 Non — Submission of Annual Certificate of Pensionable Profit**

To date approximately 11 GP's have failed to return their signed statement of pensionable profit and 18 GP's have failed to submit their 2012/13 Annual Certificate of Pensionable Profit. The pensionable profit for these GP's has, in line with scheme regulations been recorded as zero on their HSC Superannuation Account. This will have an effect on any estimate of pension benefits requested and or will distort calculations in relation to annual allowance which could lead to financial penalties imposed at a later date. There will also be an effect on seniority payments due. HSC Pensions would like to thank all those who have had an input into the preparing and finalising these documents.

## **Revising Payment on Account forms**

The form; "Calculation of Estimated Monthly Practice Superannuation Payment on Account 2014-15" declaring the estimated pensionable income for year 2014-15, can be found by clicking on the link below or alternatively on the HSC Pension Scheme Website under the heading GP Forms. If a new GP joins or a current partner leaves the practice or you think you have under/overestimated the GP's potential earnings the Payment on Account can be revised during the year to take into account any changes.

<http://www.hscpensions.hscni.net/employers/practitioners/>

## **GP's Who Retire Mid-Year**

If a GP takes 24hr 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.**

## **Contact Details/Client List**

Can we ask that you check your HSC Pension contact details and inform us of any changes to ensure we are communicating with the correct end users?

We have found it much more productive to deal directly with Accountants in relation to GP Superannuation Issues and therefore request that all accountants ensure that we hold a comprehensive list of your GP Clients.

Any changes/update should be sent to [Geraldine.McCormick@hscni.net](mailto:Geraldine.McCormick@hscni.net) or [Adrian.McGrory@hscni.net](mailto:Adrian.McGrory@hscni.net) or [Stacey.curry2@hscni.net](mailto:Stacey.curry2@hscni.net)

## Salaried/Retainees GPs & Assistant Practitioners

Each Practice that employs a Salaried/Retainee GP or Assistant Practitioner must complete an SR1 form and return to HSC Pension Service or via email to [Adrian.mcgrory@hscni.net](mailto:Adrian.mcgrory@hscni.net) . on a yearly basis or when a salaried GP joins the practice.

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 requests the actual salary earned for each Salaried/Retainee GP or Assistant Practitioner in the year 2013/14 is available on our website and should be submitted immediately if you have not already done so.

The purpose of the SR2 is to ensure that the correct contributions have been made, any underpayment/overpayment will be adjusted for and the member's record will be updated accordingly with the remuneration listed on the form.

## Payment of Arrears

Any GP's who are considering paying arrears of contributions by cheque please 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 2013/14 to:

GP Payment Unit  
HSC Pensions  
Service Waterside  
House  
75 Duke  
St Derry  
BT47 6FP

## **LOCUMS**

Following a letter you will have received recently from the Board, there still appears to be confusion over Locum 6 month working.

GP Practices should know at the outset what capacity the vacancy is for, that is - if it is to cover a short term gap or ad hoc work or the vacancy is for less than 6 months then you should treat this as Locum work.

If you take on a GP to cover for example maternity leave, where you know the vacancy if for more than 6 months, treat this as a Salaried GP.

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 Salaried post. If Locum work does extend beyond the 6 months then the Practice should change the status from Locum to Salaried status.

## **New GP Payment System**

You will be aware that a new GP Payment system will be introduced next year to cover all areas of Practice Management and Administration. Development of the system is now complete and we have started to test all areas of our work together with our colleagues in GP Payments in Ballymena. This will mean that we will be moving from paper based administration to electronic input. We will update you again early in the New Year with progress and 'go live' dates.

## **Practice Managers Workshops**

HSC Pension Service has implemented a number of Pensions Workshops to help GP Practice Managers understand the relevant forms, paperwork etc. that needs to be completed for Pensions Administration with some very positive feedback from the participants.

We would encourage Practice Managers who have not yet attended to liaise with their Local Integrated Care Teams within HSCB as we will continue to deliver these workshops in the New Year.

## **HMRC Changes**

### **The standard Lifetime Allowance (LTA) has reduced to £1.25m from 6 April 2014**

This is a reminder that the standard LTA has reduced from £1.5m to £1.25m from 6 April 2014.

This means a standard LTA of £1.25m will apply to members who become entitled to receive (crystallise) their HSC benefits when they:

- retire on or after 6 April 2014 – and the date their benefits are authorized is before this date
- retire before 6 April 2014 – and the date their benefits are authorized is on or after 6 April 2014.

For all scheme members the percentage of LTA used will be based on £1.25m 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 crystallization 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 crystallize and the calculation of the LTA used.

Any revision to benefits (substitute awards) that is authorized on or after 6 April 2014 will be a separate crystallization of benefits and based on the lower standard LTA of £1.25m.

## **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'll 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'll be able to apply for this from August 2014. HMRC must receive your application by 5 April 2017.

You can hold both fixed protection 2014 and individual protection 2014 but you can't apply for them at the same time. You can also hold individual protection while holding either enhanced protection or fixed protection but you can't apply for individual protection if you already hold primary protection.

For more information on individual protection 2014 follow the link below.

<https://www.gov.uk/government/publications/pensions-individual-protection-2014>

And Finally.....



**Merry Christmas from all at HSC Pension Service**