

2010/11 CERTIFICATE - FREQUENTLY ASKED QUESTIONS

GENERAL

Q. What is the deadline for completing the 2010/11 Certificate?

A. The deadline for completing the 2010/11 Certificate (and sending it to the HSC Pensions Service, Waterside House, 75 Duke St, Derry, BT47 6FP) is the 28th of February 2012.

Q. Is the deadline a strict deadline?

A. Yes, the statutory HSC Pension Scheme (HSCPS) Regulations state that the Certificate must be sent to the BSO within one calendar month of the tax return deadline.

Q. Why do I have to complete the Certificate on an annual basis?

A. A Provider's pensionable pay is based on their HSC income, less expenses. Therefore the only way to measure a Provider's pensionable pay is for them to complete a Certificate.

Q. I have just retired from my Provider post; do I still have to complete the Certificate?

A. Yes, although you may no longer be an active HSCPS member you must complete the Certificate in respect of the year(s) that you were a 'pensionable' Provider

You may also complete the Certificate solely for the purposes of establishing the seniority allowance even if you were not an active HSCPS member in 2010/11.

Q. What happens if I don't complete the Certificate?

A. It is a mandatory requirement under the HSCPS Regulations and the SFE (Statement of Financial Entitlement) that Providers must complete the Certificate. Not completing the Certificate may have a detrimental effect on your (and your dependents) HSC pension benefits and seniority allowance. The SFE also states that the monthly global sum payments may be withheld if a Provider fails to complete the Certificate.

Q. I am a fixed share partner; do I still complete the Certificate?

A. Yes. The HSCPS Regulations state that every Provider must complete the Certificate; there are no exceptions. Remember that any 'fixed share' is in effect a share of the Practice profits. Whatever figure is agreed must take into account that the Practice will have to pay the employer contributions which are an expense.

Fixed share partners should not be deemed just to be allocated either pensionable or non-pensionable income. They should calculate their percentage share of the overall Practice profit based upon their fixed share and, for the purposes of the Certificate, use this percentage to allocate themselves HSC income, non-HSC income, and expenses from the Practice.

Q. My accounting year- end is 5 April. This falls after the HSC pension year of 31 March in a fiscal year. Do I still include my tax return entries on the Certificate for a period that finishes 5 days earlier?

A. 31 March is the HSCPS year-end corresponding to the tax year-end. Whilst the tax year ends on 5 April each year, the HSCPS year-end finishes on 31 March each year. To all 'intents and purposes' the '5 day' difference between these dates can be ignored.

This prevents anomalous treatment whereby an accounting year ended 5 April 2011 falls into the tax year 2010/11, but not into the HSCPS year ended 31 March 2011. Because an accounts year ended 5 April falls into the tax year, this will also be deemed to fall into the HSCPS year. Golden rule is that the tax return entries form the basis of the pensionable pay.

Q. I am a non-GP Provider; do I still complete the Certificate?

A. Yes. Every non-GP Provider must complete the Certificate annually. As non-GP Providers are

classified by the HSCPS as 'whole time Officers' (regardless of the hours they work) they can only be 'pensionable' in one post and therefore may only be required to complete one Certificate. By virtue that non-GP Providers are classed as whole-time they must decide, after seeking expert advice, which of their HSC posts should be pensionable.

Q. I am a GP Provider (i.e. partner) in two or more separate Practices; do I need to complete two Certificates?

A. Yes, even if the Practices are located within the same BOARD/BSO boundary.

Q. I am a GP Provider in both APMS and GMS/PMS; do I need to complete two Certificates?

A. Yes, even if the organisations are located within the same BOARD/BSO boundary. Each contract will have its own 'ring fenced' budget, expenses ratio, and set of individuals acting as Providers. Also the contract may also be with various PCTs/LHBs.

Q. I am a GP Provider; do I have to complete more than one Certificate if I had more than one host PCT or LHB in the same year?

A. If you relocated during the year then you must complete a Certificate in respect of each Practice. However, if your host BOARD/BSO changed due to a BOARD/BSO merger (but you did not change Practices) only one Certificate is required. If you moved from England or Wales to Scotland or Northern Ireland you will need to complete one Certificate in respect of England/Wales and another in respect of Scotland or Northern Ireland.

Q. Our Practice incorporated mid-year; do I need to complete two Certificates?

A. Yes, you must complete the main Certificate whilst as a partnership and the limited company Certificate covering the period when you were the shareholder of the limited company.

Q. I am a GP Provider and also a salaried GP directly employed (i.e. schedule E) by a Practice, PCT, LHB, or SPMS/APMS Provider; do I have to complete any other forms as well as the Certificate?

A. Yes, you also have to complete the type 2 Practitioner's self-assessment form at the end of pensions year 2010/11.

Q. What does 'pensioned separately' on the main Certificate mean?

A. This will be income that has already been pensioned elsewhere in the HSC, i.e. contributions will have already been deducted. For example if a GP works for a hospital and is paid a salary, the GP will have already paid pension contributions on this income at source. GP SOLO income is not regarded as 'pensioned separately' income for the purposes of this Certificate and must be declared in the relevant boxes in the Certificate.

Q. Why is there the calculation of profits x 100/113.3?

A. It is important that in the calculation of HSC pensionable pay the employer's pension contributions that are included in the budget are excluded. Otherwise, the Provider would illegally be getting pension benefits based on HSCPSS employer contributions.

Q. What do I do if I am subject to 'pensions overlap'?

A. You should seek assistance from an accountant; please refer to separate 'overlap' guidance.

Q. I understand that the profits to be declared are based on the accounting year, and my Practice makes accounts up to 30 June each year. I have two objections to this, firstly, the profits will be lower than that for the following year ending 31 March, and it seems so much more complicated. Why can't I just prorate the profits by taking three months of the year ended 30 June 2010 and nine months of the next year to give me twelve months covering the 31 March?

A. The reasoning behind using the accounting year profits (adjusted for tax purposes) is to facilitate some objectivity and ratification by comparing the figures from the GPs tax return to the Certificate of pensionable profits. Yes, while profits are rising the profits declared for a year to 30 June will be less than 31 March, but if profits fall, the converse will be true. Over a long period, the effect on a GPs pension is unlikely to be significant.

Q. Why are seniority payments declared in the Certificate and what if seniority payments are pooled?

A. The SFE stipulates that the seniority allowance must be declared on the Certificate however it is accepted that the figure stated may be provisional.

Q. Should seniority payments be grossed up for the employer's pension contributions?

A. No. The purpose of including the figure is just to enable the BOARD/BSO to establish whether the appropriate level of seniority has been paid, after taking into account the earnings criteria.

Q. What is a HSC Pension Scheme (HSCPS) Employing Authority (EA)?

A. An Employing Authority, in GP terms, is a PCT, LHB, GP Practice, and APMS/sPMS contractor/Out of Hours Provider that is an EA.

Q. What legislative requirement is placed upon a BOARD/BSO in respect of validating the Certificate?

A. The HSCPS Regulations place no specific legal requirement to validate all the figures declared on the Certificate. Therefore the declaration that the BSO is required to sign is worded in such a way that recognises that some of the income declared on the Certificate will have come from other sources.

Q. Where should the Certificate be sent after it has been validated by the BOARD/BSO?

A. The BSO keeps the original. The GP (or their accountant) must retain a copy.

SCHEME CONTRIBUTIONS

Q. How are a Provider's tiered contributions assessed in 2010/11?

A. They are based upon their total aggregated (i.e. global) pensionable pay in 2010/11. The tiered rates are as follows.

5%	Up to £21,175.99
6.5%	£21,176.00 to £69,931.99
7.5%	£69,932.00 to £110,273.99
8.5%	£110,274.00 +

Q. Who is responsible for the payment of any arrears of HSCPS Practice based contributions?

A. In GMS the Practice rather than the individual GP (or non-GP) Provider is responsible for paying arrears of contributions immediately. The BSO 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. In PMS much depends on the PMS (and partnership) agreements.

Q. What happens if I have not paid the correct rate of tiered contributions in respect of my SOLO work (i.e. OOHs).

A. Your tiered contribution rate is based on your global GP pensionable income; not just your SOLO income. Therefore if you have paid contributions at the incorrect tiered rate in respect of SOLO income you must liaise with the relevant 'SOLO employer' in order to pay the correct rate. If this is not possible you may pay the arrears via the Certificate.

Q. What happens if contributions have been overpaid because a Provider's HSC pensionable pay was over estimated?

A. The BSO must repay the overpaid contributions to the Practice without delay.

HSC PENSIONABLE INCOME & ADDED YEARS

Q. What is classed as GP Provider HSC pensionable pay in 2010/11

A. Please see Annex A below.

Q. Does a GP have to 'pension' all of their HSC GP work?

A. Yes, they MUST 'pension' all their HSC GP (Practitioner) income and cannot opt out of 'pensioning' certain parts of it. They can opt out of pensioning salaried Officer posts such as hospital based clinical assistant or community posts however cannot opt out of pensioning bed fund posts.

Q. I am a GP Provider, can I pension income as a GP Provider in my own Practice earned from working for another Practice that I may (or may not) be involved in as a Partner or shareholder?

A. No. This is strictly forbidden under the HSCPS Regulations.

Q. I am a GP Provider; can I work as a GP Locum in my own Practice or Practices?

A. No. You cannot 'pension' income as a GP Locum in a Practice where you are a Provider, even if you are a part-time Provider. This is not allowed under the HSCPS Regulations.

Q. Is Clinical Commissioning Group income pensionable?

A. If the CCG income is paid directly to a GP (or their Practice) by a Employing Authority then, yes, it is pensionable net of expenses. However if the income is paid to a GP or GMS/PMS Practice directly by a CCG it is NOT pensionable.

Q. Is medical school income pensionable?

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

Q. Is prison work pensionable?

A. Yes, however only if the fees are being paid directly to the GP/Practice by the BOARD/BSO.

Q. Is 'blue badge work' pensionable?

A. Yes, however only if the fees are being paid directly to the GP/Practice by the BOARD/BSO. If they **are paid by a Local Authority they are not pensionable.**

Q. If VAT is included on the SOLO form is it pensionable?

A. No, there are no provisions to 'pension' VAT under the HSC Pension Scheme Regulations

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

A. No. If a Provider decides to pass on some of their QOF income to their Practice Staff or to Salaried GPs as a reward/bonus it cannot be regarded as pensionable income.

Q. What is deemed pensionable sick pay?

A. GPs who suffer a genuine loss of pensionable income as a result of illness may qualify for deemed pensionable sick pay to be credited to their pension records; they should contact HSC Pensions for advice. Evidence may be asked for to demonstrate a genuine loss

of pensionable income. Deemed pensionable sick pay is not recorded on the Certificate.

Q. How do I know if I am, or ever was, subject to the pensionable earnings cap?

A. You should seek expert advice. If you first joined the HSCPS after 01/06/89 or before 01/06/89 but had a break thereafter you are likely to be capped.

Q. I joined the HSCPS after 1 April 1989 and understand that my GP pensionable pay is no longer capped. Won't that mean that I'll have a large underpayment of contributions for 2010/11?

A. Not necessarily. You should have agreed with the BSO in 2008 to adjust the amount of contributions being deducted from your contract payments throughout the year to allow for a higher liability for contributions. If this was not done, there may be a significant shortfall of contributions payable.

Q. I was previously subject to the earnings cap; how does this affect me in 2010/11?

A. Since April 2008 the cap no longer applies in respect of mainstream HSC pensionable income. However, if you took out an Added Years contract prior to 1 April 2008, and your mainstream income was previously capped before that date, your Added Years contributions will be capped at £123,600 for 2010/11.

HSCPS RETIREMENT RULES

Q. What are the rules regarding claiming the HSC pension?

A. A GP Provider and non-GP Provider must resign from any involvement in the GMS, SPMS or APMS contract for at least 24 hours to access their pension benefits.

A single-handed (or a sole trader) GP Provider or non-GP Provider must completely terminate their contract with the BSO. If they are a partner or a shareholder they must cease to be a partner or a shareholder for at least 24 hours.

A Practitioner or non-GP Provider who retires on normal age (or voluntary early retirement) grounds and who exceeds 16 hours per week HSC work in the first calendar month following retirement will have their pension suspended. Those who retire due to ill health may have their pension abated if they return to work and earn a certain amount.

ANNEX A

GP Providers Pensionable Pay

GP Providers (Principal Practitioners) pensionable income is listed below and is subject to the payments being net of expenses. The fees must be in respect of HSC primary medical services and be paid directly to the GP (or Practice) by An employing authority, or Out of Hours Provider (that qualifies as a HSCPS Employing Authority). GP Providers must 'pension' income in respect of the following;

Additional services

Adoption and fostering work (Collaborative services)

APMS (Alternative Provider of Medical Services: Technical Newsletter 6/2007 refers).

Appraisal work

Blue (disabled) badge scheme (Collaborative services)

Board/BSO and advisory work (non-clinical work and includes Primary Care Trust Executive Committee (PEC) work.

Case conference and other meetings arranged by Social Services (Collaborative services)

Certificates to enable chronically disabled/blind persons to obtain telephones (Collaborative services)

Certification services

Clinical Commissioning Group (paid directly by a BOARD/BSO and not a CCG)

Collaborative services (in accordance with section 26(4) of the 1977 Health Act)

Commissioned services

Contact price (PMS)

Dispensing

Dispensing services (i.e. the provision of drugs, medicines, and appliances).

Educating medical students or GPs in a Practice (The fees must come directly from the BOARD/BSO and not a medical school or university)

Enhanced services (direct, local, or national)

Essential services

Family planning (Commissioned services)

Food poisoning notifications (Commissioned services)

General/Personal Dental Services

General Ophthalmic Services

Global sum (GMS)

GMS

GP Locum work (This work must always be recorded on GP Locum forms A, & B which can be downloaded from the HSC Pensions website. It must never be recorded on form SOLO or paid (as pooled pensionable income) into the Practice accounts. A GP Provider cannot record GP work as GP Locum work in their own Practice)

GPsWSI (GPs with special interests) work (Commissioned services)

IT

Lecture fees (Commissioned services)

Marriage difficulty sessions (Commissioned services)

Medical certificates (as listed in the GMS Contracts Regulations)

Out Of Hours work for an Employing Authority, Trust, or an OOHP that is an Employing Authority.

PCT sessions (Commissioned services)

PCO administered funds

PEC

PMS

Practice Based Commissioning (PBC) (Only if paid **direct** to a GP, or GMS/PMS Practice, by a Employing Authority/BSO)

Premises (i.e. notional rent)

Priority housing reports requested by local authorities, (Collaborative services)

Prisoners healthcare (Fees in respect of a prisoner's healthcare are pensionable subject to the BOARD/BSO paying the fees directly to the GP/Practice)

QOF (quality and outcome framework)

'Section 12' or mental health work (Collaborative services)

Seniority payments

Sessional work commissioned by family planning clinics (Collaborative services)

Social services reports (Collaborative services)

SPMS (Specialist Personal Medical Services: Technical Newsletter 6/2007 refers)

(NB: GPs must 'pension' all of their Practitioner (GP) HSC income)

GP Providers Income That Is Not Pensionable

Fees paid to a GP (or Practice) by a LMC, a medical school, a HSC Pension Scheme 'Direction Body' (i.e. a hospice), the police, the DWP, a Local Authority, the Ministry of Defence, or by the HSC Pensions Division (in respect of HSC ill health pension or Injury Benefit Scheme medical reports) are not pensionable.

Fees paid to a GP in respect of the national 'Drug Intervention Programme' and private fees (i.e. travel vaccination fees not funded by the HSC) are not pensionable.

Fees paid to a GP by a hospital under a 'honorary contract' or under a service level agreement are not generally pensionable however contact HSC Pensions for further guidance.

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 pensionable in the HSC Pension Scheme.

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

Non-GP Providers can only 'pension' income from one Practice/Centre