

2008/09 CERTIFICATE - FREQUENTLY ASKED QUESTIONS

GENERAL

Q. What is the deadline for completing the 2008/09 Certificate?

- A. The strict deadline for completing the 2008/09 Certificate and sending it to the Business Service Organisation (BSO) is the 28th of February 2010; i.e. within one calendar month of the tax return deadline.

Q. Where should the Certificate be sent?

- A. GP Payments Office
Business Services Organisation
County Hall
182 Galgorm Road
Ballymena
BT42 1QB

Q. What is a host Board/Trust?

- A. The host Board in respect of a GP Provider in N.I. will usually be the Regional Health and Social Care Board (RHSCB) on whose Performers List the GP Provider is registered with. However, if the GP Provider is contracted to provide GMS/APMS with a Trust, that Trust is the host. Therefore a GP Provider may have more than one host Board.

In respect of a non-GP Provider the host Board is always the one they hold a GMS/APMS contract with.

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

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

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

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

You may also wish to complete the Certificate solely for the purposes of establishing the seniority allowance even if you were not an active Scheme member in 2008/09.

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

- A. It is a mandatory requirement of HSC Pension Scheme membership that Providers must complete the Certificate. Those Providers who do not are in breach of the statutory HSC Pension Scheme Regulations. GMS Providers are also in breach of the statutory SFE (Statement of Financial Entitlement). Not completing the Certificate may have a detrimental effect on your (and your dependents) HSC pension benefits and seniority allowance by virtue that you may receive a nil pay credit even though you have paid contributions on account.

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

- A. Yes. The Scheme Regulations state that every Provider must complete the Certificate; there are no exceptions. Remember that any 'fixed salary' 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. 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 classed by the Scheme 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 WT they must decide, after seeking expert advice, which of their HSC posts should be pensionable.

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

A. Yes, even if the Practices are located within the same HSC Board boundary.

Q. I am a GP Provider in several APMS and GMS Practices, do I need to complete two Certificates?

A. Yes, even if the organisations are located within the same PCT/LHB 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 Board/Trust 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 changed due to a re-organisation (but you did not change Practices) only one Certificate is required. If you moved from Northern Ireland to England/Wales or Scotland you will need to complete one Certificate in respect of England/Wales and another in respect of Northern Ireland.

Q. I am a salaried GP (i.e. a Performer) directly employed (i.e. schedule E) by a Practice, RHSCB, or APMS Provider; do I have to complete the Certificate?

A. No, your HSC pensionable pay is based on your basic salary however you must also 'pension' any NHS/HSC fringe (i.e. OOHs and PEC) by completing form SOLO. **You will be required to complete a Certificate at the end of pensions year 2009/10.**

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

A. This will be income that has already been pensioned elsewhere in the NHS/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 100/115.7?

A. It is important that in the calculation of HSC pensionable pay the employer's pension contributions that are included in the GMS global sum are excluded. Otherwise, the Provider would illegally be getting pension benefits based on HSC Pension Scheme 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. What is a HSC Pension Scheme Employing Authority (EA)?

A. A Scheme Employing Authority, for the purposes of 'pensioning' GPs HSC income (as a Provider) is the RHSCB, an HSC Trust, OOHP and their own Practice.

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 2008 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; the guidance note (box 38a) provide more information.

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 BSO/RHSCB to establish whether the appropriate level of seniority has been paid, after taking into account the earnings criteria.

Q. What legal requirement is placed upon the BSO/RHSCB 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 BSO/RHSCB are required to sign is worded in such a way that accepts 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?

A. The BSO/RHSCB should keep the Certificate. The GP (or their accountant) must retain a copy.

TIERED EMPLOYEE CONTRIBUTIONS/EMPLOYER CONTRIBUTIONS

Q. How are a GP (or non-GP) Provider's tiered contributions assessed in 2008/09?

A. They are basically based on their 2006/07 total Provider pay, examples as follows.

2006/07 *Total Provider Pensionable Pay	2008/09 Tiered Rate
Up to £19,165.00	5%
£19,166.00 to £63,416.00	6.5%
£63,417.00 to £99,999.00	7.5%
£100,000.00 plus	8.5%

(*GMS + PMS + PEC + OOHs)

Q. The tiered employee contribution rate in 2008/09 is based upon the level of 2006/07 pensionable pay, but I only started part way through that year and my pensionable pay in 2008/09 is much higher. Do I still pay employee contributions in 2008/09 at the lower rate designated by the lower pensionable pay of 2006/07?

A. Yes, this rule was agreed between the BMA and the Dept. of Health and is unique to year 2008/09.

Q. I only started as a Provider on or after 01/08/2008; what rate should I use?

A. You should refer to Employer Newsletter HSS (S) 10/2008, and take note of the revised thresholds. A copy of the circular can be found in the Employer section of the HSC Pension Service website. www.hscpensions.hscni.net

Q. I thought, in pension terms, Bed Fund posts were considered as Practitioner post? Why are these not included in the aggregate of earnings for 2006/07 for determining the allocation to a tier for 2008/09?

A. Whilst strictly Bed Fund posts are classed as Principal Practitioner earnings, it is not practical to include such posts when calculating the 2008/09 tiered rate. There is a conflict between the requirement to ensure that the superannuation on the Bed Fund post is correct (in other words, to include it in the Certificate so adjustments can be sorted there), or to remove it from the Certificate as income pensioned separately to prevent it being pensioned twice. As it is recognised that there are winners and losers by fixing the tier by allocation to an earlier year's income, it has been decided that it would be more practical to prevent the latter of these conflicts than pursue the former. Bed Fund income from 2006/07 should therefore not be considered when setting the 2008/09 rate and should continue to be deducted from the Certificate at Box 26 as income pensioned separately.

Q. Who is responsible for the payment of any arrears of HSC Pension Scheme contributions?

A. In GMS the Practice, not the individual GP (or non-GP) Provider, is responsible for paying arrears of contributions immediately. If the Practice is not pro-active the host Board 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 still 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.

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

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

PENSIONABLE INCOME

Q. What is classed as HSC pensionable pay in 2008/09?

A. Please see Annex A below.

Q. I am a GP; do I have to 'pension' all of my NHS/HSC GP work?

A. Yes, you must 'pension' all of your NHS/HSC GP (Practitioner) income; you cannot opt out of 'pensioning' certain parts of Practitioner income.

You can opt out of pensioning salaried Officer posts such as hospital based clinical assistant or community posts however you cannot opt out of pensioning bed fund posts.

Q. I am a GP Provider, can I pension income as a GP Provider through 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 HSC Pension Scheme Regulations.

Q. I am a GP Provider, can I 'pension' work as a GP Locum in my own Practice(s)?

A. No. This is strictly forbidden under the HSC Pension Scheme Regulations.

Q. Is Practice Based Commissioning (PBC) income pensionable?

A. If the PBC income is paid directly to a GMS Practice by a Board/Trust then, yes, it is pensionable net of expenses. However if PBC income is paid to a GP or GMS Practice by a PBC consortium/collaborative it is NOT pensionable.

If a GP or GMS Practice receives PBC income from a Board/Trust and then passes it onto another GP that 'another GP' cannot pension their PBC income.

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'. Only salaried 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/Trust.

Q. How should PEC income be recorded?

- A. All GPs (except GP Locums) must 'pension' their PEC income. GP Partners/Shareholders and single-handers can elect to either SOLO or pool their PEC income. If they elect to SOLO their PEC income the relevant PEC employer (i.e. Board/Trust) will deduct contributions at source and forward these to the host Board. If the PEC employer has also deducted tax and national insurance at source the GP should ensure that they are not liable to pay these again. If the GP has elected to pool their PEC income (i.e. paid directly into the Practice account to be shared) they must ensure that the fee takes account of employer contributions as ultimately the GP/Practice will be responsible for forwarding these to the host Board.

Boards/Trusts must not set up a unique pensionable employment in respect of fee based PEC work; this is in accordance with previous guidance, 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 as a reward it is not pensionable income for the Practice Staff as it is not guaranteed regular 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 sick pensionable pay to be credited to their pension records; they should contact their Board/Trust or the HSC Pension Service for advice. Evidence may be asked to demonstrate a genuine loss in pensionable income.

OUT OF HOURS PROVIDERS

Q. Are all OOHPs Scheme Employing Authorities?

- A. No, they are not. Please check with HSC Pension Service if you are unsure

ADDED YEARS/ADDITIONAL PENSION

Q. I am a buying 'Added Years'; do I have to pay additional contributions on all of my HSC GP income?

- A. Yes, if you are buying added years you must also pay additional contributions in respect of all your pensionable HSC income. If you were subject to the earnings cap your Added Years contributions may be capped; please refer to employer circular HSS(S) 07/2008, see the employer section of the HSC Pension Service website - www.hscpensions.hscni.net.

Q. Where can I find more information about the new Additional Pension?

- A. On the HSC Pension Service website; www.hscpensions.hscni.net

THE PENSIONABLE EARNINGS CAP

Q. I joined the Scheme after 1 April 1989 and understand that my GMS/APMS pensionable pay is no longer capped. Won't that mean that I'll have a large underpayment of contributions for 2008/09?

A. Not necessarily. You should have agreed with the Board/BSO 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 2008/09?

A. Your HSC pensionable income in 2008/09 is no longer capped however if you took out an Added Years contract prior to 01/04/2008 your Added Years contributions are limited to £117,600.00.

SOLO INCOME

Q. What about the SOLO income as declared on the Certificate when the Practice year-end is not 31 March?

A. A Board/BSO should record the estimated pensionable profit and the contributions collected in the month they were collected and the contributions must be paid over to the HSC Pension Service by the 19th of the following month. SOLO income should be recorded in the month the payment relates. It is therefore very important that SOLO information including the relevant contributions is supplied quickly and regularly to whoever is responsible for the pension records.

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

LIMITED COMPANIES

Q. My GMS/APMS Practice converted from being a partnership to a limited company on the 1st of October 2008, how does this affect the Certificate?

A. Each GP (and non-GP) Provider must complete 2 Certificates, the main Certificate covering the period 01/04/2008 to 30/09/2008 and the Ltd Co Certificate covering the period 01/10/2008 to 31/03/2009.

Q. I have set up a limited company, separate to my Practice, for the purposes of my 'ad hoc' HSC work such as OOHs. Is this OOHs income HSC pensionable income?

A. No. Although this unique limited company is providing a HSC type of service to the Out of Hours Provider it is not recognised, under the HSCPS Regulations, as an Employing Authority or as an individual Scheme member.

GP LOCUM WORK

Q. I am a GP Provider; can I work as a GP Locum in other Practices?

A. Yes, under certain circumstances. Please refer to employer circular HSC(P) 04/09 on the HSC Pension service website www.hscpensions.hscni.net. This work must be recorded on GP Locum forms A and B and there is a strict window for declaring this work.

Q. I am a GP Provider; can I 'pension' my GP Locum income as a GP Provider through my Practice accounts?

A. No. A GP Locum pensionable post is afforded different pension rights to a GP Provider post and must be kept separate.

ANNEX A

GP Providers Pensionable Pay

GP Providers pensionable income is listed below and is subject to the payments being net of expenses. The fees must be in respect of HSC/NHS primary medical services and must be paid directly to the GP (or Practice) by a Board, Trust or OOHs Provider that qualifies as a Scheme EA.

- **A GMS contract.** This includes payments in respect of additional services, essential services, the global sum, quality and outcome framework, dispensing, 'PCO administered funds', premises, and IT.
- **A PMS agreement.** This includes the 'contract price' and payments similar to GMS.
- **An APMS agreement.** Subject to the APMS contractor being an Employing Authority;
- **NHS/HSC appraisal work** (GP Locums cannot 'pension' this work).
- **Certification services** (i.e. medical certificates as listed in the GMS Contracts Regulations).
- **Collaborative services** in accordance with section 26(4) of the 1977 Health Act. This includes fees paid directly by a Board/Trust in respect of adoption and fostering work, the blue (disabled) badge scheme, social services reports, 'section 12' work, priority housing reports requested by local authorities, attendance at case conferences and other meetings arranged by Social Services, certificates to enable chronically disabled or blind persons to obtain telephones, and sessional work commissioned by family planning clinics.
- **Commissioned services.** This includes fees paid directly by a Board/Trust to GPs with special interests (GPsWSI), and also in respect of family planning, food poisoning notifications, lecture fees, marital difficulty sessions.
- **Educating medical students or GPs in a Practice.** The fees must come directly from the Board/Trust and not a medical school or university.
- **Enhanced services** (direct, local, or national).
- **General Dental Services.**
- **General Ophthalmic Services.**
- **NHS/HSC board and advisory work.** This is non-clinical work and includes Primary Care Trust Executive Committee (PEC) work.
- **NHS/HSC dispensing services** (i.e. the provision of drugs, medicines, and appliances).
- **NHS/HSC GP Locum work.** GP Locum work must always be recorded on GP Locum forms A and B, which can be downloaded from the HSC Pension Service website. It must never be recorded on form SOLO or paid (as pooled pensionable income) into the Practice accounts.
- **NHS/HSC Out Of Hours** work for a Board, Trust or an OOHP that is an Employing Authority.
- **Practice Based Commissioning (PBC).** Only if paid **direct** to a GP or GMS Practice by a Board/Trust.

- **Prisoners' healthcare.** Fees in respect of a prisoner's healthcare are pensionable subject to the Board/Trust paying the fees directly to the GP/Practice. If the fees are paid directly by the prison they are not pensionable because the prison is not an Employing Authority
- **Seniority payments.**
- **Honorary Posts.** Fees paid to a GP by a hospital under a 'honorary contract' may be pensionable; contact HSC Pension Service for guidance.

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 Pension Service (in respect of 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 NHS/HSC) are not pensionable.

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/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 must 'pension' all of their HSC Practice profits provided that they are not subject to the pensionable earnings cap.

