

The Chief Executive of:
Each Health and Social Services Board
Each HSS Trust
Central Services Agency
GP Practices
British Medical Association

Circular HSS(S) 08/05

Dear Colleague

10 August 2005

RE: New Contract for General Medical Practitioners

This circular contains important information about changes to HPSS Superannuation Scheme benefits and procedures for General Medical Practitioners in Northern Ireland. The changes will implement agreements reached by professional and HPSS employer representatives in the new practice-based General Medical Services (GMS) contract.

Improved Pension Flexibility

More flexible pension calculations now apply for doctors *and* dentists with a mixture of practitioner and non-practitioner scheme membership. Regulations introducing these arrangements have been made and are effective from the 1 April 2003. HPSS Superannuation Branch will be reviewing all GP Pensions awarded from 1 April 2003 and will write to members whose benefits are improved. HPSS Scheme members and Employers need take no action. More information is provided at Annexe A.

Pensions Dynamising Factor

Professional and NHS employer representatives have agreed a revised method of calculating the dynamising factor (DF) to be used for uprating the pensionable earnings used to calculate HPSS scheme benefits for all medical practitioners. For 2003- 2004, the DF has been based on assessments of expected GP HPSS earnings and expenses. For April 2004 – 2005 onwards however, the DF will be based on movements in actual GP HPSS earnings since the previous year. For both 2003-2004 and 2004-2005 an interim estimated DF would first be declared, followed by a final confirmed figure for the year, once complete data for that year is available. Pensions awarded on the interim DF will then be reassessed and any arrears paid. In the unlikely event that pensions (including dependants benefits) calculated using the interim DF are found to have been overpaid because the final DF is lower than the interim DF, the overpayment will be recovered. The DF calculated under the new arrangements will take account of all GP pensionable HPSS earnings and apply to all HPSS Superannuation Benefits.

The interim dynamising factor for 2003/2004 is 7.2%
The interim dynamising factor for 2004/2005 is 6.1%

More information on the interim dynamising factors can be found at Annexe B. The final dynamising factor for 2003/2004 will be notified as soon as possible in a future circular.

Any enquiries on the contents of this circular should be addressed to Marian McGonagle at HPSS Superannuation Branch, Waterside house, 75 Duke Street, Londonderry BT47 6FP or telephone 028 71 319123.

Yours sincerely

Phil McCusker
HPSS Superannuation Scheme Manager

Improved Pension Flexibilities

An explanation of the regulation amendments

Practitioner Members

As a result of the new GMS GP Contract the Regulations have been amended to improve the flexibility of retirement benefits for those in membership on or after 1 April 2003 who have both officer and practitioner (medical, dental and ophthalmic) membership at retirement.

- In addition to existing Scheme rights, pensionable pay derived from salaried officer membership before first becoming a principal practitioner or that is concurrent with practitioner membership will be regarded as practitioner pensionable pay if more beneficial at retirement or upon death in service.
- Should practitioner membership cease but the member continues to work in an officer post, the practitioner post will remain open for assessment of pension benefit purposes only. Any relevant posts will be kept 'open' administratively, by the Pensions Agency, to allow the practitioner benefits to be dynamised up to the date of retirement.

Appendix 1: New interim General Medical Practitioner Uprating (Dynamising) Factors for 2004-2005.

1. Interim increase for 2004-2005

The interim increase for the year ending 31 March 2005 has been agreed as follows:

General Medical Practitioners 01.04.04 to 31.03.05 6.1%

2. Uprating pay to dates between 01.04.2004 to 28.02.2005 inclusive

To uprate a General Medical Practitioners (GMP) pay to any date from 01.04.2004 to 28.02.2005, the following action should be taken:

- (a) The pay for each year up to and including 31.03.2004 should first be multiplied by the factor given in Annex B, Appendix 2.
- (b) The total of these uprated amounts should then be increased by the appropriate percentage shown in Annex B, Appendix 4.
- (c) Any pay that is paid on or after 01.04.2004 should then be added to the uprated pay figure from (b) above, to provide the GMP's full pensionable pay for benefit purposes.

3. Uprating pay to dates between 01.03.2005 to 31.03.2005 inclusive

To uprate a GMP's pay to any date between 01.03.2005 and 31.03.2005, the pay for each year should be increased by the relevant factor for that year shown in Annex B Appendix 3.

Appendix 2: Interim Annual Uprating (Dynamising) Factors 2003-2004

Year ending 31-Mar	Medical Practitioners
1949	39.686
1950	39.686
1951	36.713
1952	36.713
1953	36.713
1954	36.713
1955	36.713
1956	36.713
1957	36.531
1958	33.161
1959	32.702
1960	31.265
1961	29.895
1962	29.895
1963	29.895
1964	26.222
1965	26.222
1966	23.840
1967	22.156
1968	17.880
1969	17.525
1970	16.539
1971	13.783
1972	12.759
1973	11.867
1974	11.506
1975	10.524
1976	7.574
1977	7.381
1978	7.104
1979	5.447
1980	4.632
1981	3.902
1982	3.682
1983	3.484
1984	3.261
1985	3.061

Appendix 2: Interim Annual Uprating (Dynamising) Factors 2003-2004 (continued)

1986	2.850
1987	2.682
1988	2.465
1989	2.297
1990	2.127
1991	1.967
1992	1.764
1993	1.654
1994	1.629
1995	1.579
1996	1.533
1997	1.487
1998	1.437
1999	1.377
2000	1.258
2001	1.218
2002	1.168
2003	1.072
2004	1.000

Appendix 3: Interim Annual Uprating (Dynamising) Factors 2004 – 2005

Year ending 31 Mar	Medical Practitioners
1949	42.107
1950	42.107
1951	38.953
1952	38.953
1953	38.953
1954	38.953
1955	38.953
1956	38.953
1957	38.759
1958	35.184
1959	34.697
1960	33.172
1961	31.718
1962	31.718
1963	31.718
1964	27.821
1965	27.821
1966	25.295
1967	23.507
1968	18.971
1969	18.594
1970	17.548
1971	14.624
1972	13.538
1973	12.591
1974	12.207
1975	11.167
1976	8.036
1977	7.831
1978	7.537
1979	5.779
1980	4.914
1981	4.140
1982	3.906
1983	3.696
1984	3.460
1985	3.247
1986	3.024
1987	2.845
1988	2.615

Annex B

Appendix 3: Interim Annual Up-rating (Dynamising) Factors 2004-2005 (continued)

1989	2.437
1990	2.257
1991	2.087
1992	1.871
1993	1.754
1994	1.728
1995	1.676
1996	1.626
1997	1.578
1998	1.525
1999	1.461
2000	1.334
2001	1.292
2002	1.240
2003	1.137
2004	1.061
2005	1.000

Annex B

Appendix 4: – Interim Monthly Up-rating (Dynamising) Factors 2004 – 2005

Date pay to be up-rated to	Percentage increase to be applied after up-rating To 31.3.2004 level
	Medical Practitioners
01.04.04 – 30.04.04	0.508
01.05.04 – 31.05.04	1.017
01.06.04 – 30.06.04	1.525
01.07.04 – 31.07.04	2.033
01.08.04 – 31.08.04	2.542
01.09.04 – 30.09.04	3.050
01.10.04 – 31.10.04	3.558
01.11.04 – 30.11.04	4.067
01.12.04 – 31.12.04	4.575
01.01.05 – 31.01.05	5.083
01.02.05 – 28.02.05	5.592
01.03.05 – 31.03.05	See Appendix 1, paragraph 3 of this Annex