

## NOTES

### Box A

Complete your full name. Do not use initials.

### Box B

Enter your national insurance number or individual superannuation scheme reference number. Your reference number, often known as your 'SB' number, begins with SB followed by two digits representing your year of birth (i.e. 1957 is 57) then four further digits.

### Box C

Your GP Practice reference number is the unique reference number allocated to you by CSA. If not known please state 'not known'.

### Box D

In respect of a GP Provider the host HSS Board/Trust is the Board/Trust on whose Performers List the GP Provider is (or has been during the year) registered. In respect of a non-GP Provider the host HSS Board/Trust is the Board/Trust that the non-GP Provider is (or has been) contracted with.

Where changes of Practice and/or HSS Board/Trust occur, there will be implications for your certificate and you may need to complete more than one certificate as described below.

Follow these instructions to determine how many certificates you are required to complete:

- a) Change of Practice, but remain within the same HSS Board/Trust.

In this situation, two certificates will be required and the reference in Box C will be different on each. Where personal expenses and capital allowances have been incurred, and separate statements of these have not been prepared for the respective periods, it is acceptable to pro-rata these and include them on the relevant certificate. Should there be private fee income assessed on self employment pages of the tax return that have not been split according to corresponding dates relating to the change in Practice, it is also acceptable to pro-rata these fees to include them in the relevant certificate.

- b) Change of Practice, also with a change of HSS Board/Trust.

In this situation, two certificates will be required and the references in Boxes C and D will be different on each. Where personal expenses and capital allowances have been incurred, and separate statements of these have not been prepared for the respective periods, it is acceptable to pro-rata these and include them on the relevant certificate for that period. Should there be private fee income assessed on self employed pages of the tax return that have not been split according to corresponding dates relating to the change in Practice, it is also acceptable to pro-rata these fees to include them in the relevant certificate.

The host HSS Board/Trust in this instance are the HSS Boards/Trusts on whose 'Performers List' you are registered (or contracted with) either before the change in Practice or at the 'year end', dependent upon which certificate is being completed.

- c) Change of HSS Board/Trust (i.e. due to a merger), but remain with the same Practice.

In this situation, one certificate only should be completed, with the entry at Box D relating to the host HSS Board/Trust upon whose 'Performers List' you appear at the end of the relevant year (i.e. 31 March 2006).

#### Boxes E and F

The appropriate 'year end' will be that which falls into the tax year 2005/06 (the year ended 5 April 2006), for instance 30 June 2005, 31 October 2005, 28 February 2006, 31 March 2006 etc and forms the basis for the entries to the 2005/06 tax returns.

The year ends for practice and other private fee work may differ. This should not affect the certificate. Each 'year end' relating to the tax year (see also note re Box G below) is taken to reflect income for the pension year.

#### Box G

This is the HPSS Superannuation Scheme 'year end' corresponding to the tax 'year end'.

Whilst the tax year finishes on 5 April each year, the HPSS Superannuation Scheme '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 2006 falls into the tax year 2005/06, but not into the HPSS Superannuation Scheme year ended 31 March 2006. Because an accounts year ended 5 April falls into the tax year, this will also be deemed to fall into the Superannuation Scheme year. The golden rule is that the tax return entries form the basis of the superannuable pay.

#### Box H

If a Scheme member first joined the Scheme on or after the 1 June 1989 they are subject to the superannuable earnings cap of £105,600.00 for 2005/06, i.e. the member can only pension in the HPSS Superannuation Scheme income, from whatever HPSS source, up to this limit.

If a member joined before 1 June 1989 but had a break in superannuable employment of more than a year after 1 June 1989 they are also subject to the cap.

If you are unsure as to whether the cap applies to you, please contact CSA.

Please refer to the completion notes for Box 41 when considering the application on the cap.

#### Box I

**NOTE YOUR 2005/06 PARTNERSHIP (WHERE APPLICABLE) AND PERSONAL TAX RETURNS WILL NEED TO HAVE BEEN COMPLETED TO ENABLE YOU TO MAKE THE ENTRIES ON YOUR 2005/06 CERTIFICATE OF GP SUPERANNUABLE PAY.**

**OCCASIONALLY, PARTICULARLY IN THE FIRST YEAR OF PRACTICE OR SELF EMPLOYMENT, PROVISIONAL FIGURES MAY BE USED IN YOUR TAX RETURN WHERE THE CORRECT DETAILS ARE NOT YET KNOWN. THE ENTRIES ON THE CERTIFICATE SHOULD STILL FOLLOW THOSE PROVISIONAL FIGURES.**

**IN THE SAME MANNER AS THE TAX RETURN, AN AMENDMENT WILL NEED TO BE MADE TO THE CERTIFICATE WHEN THE ACTUAL DATA IS AVAILABLE, EVEN THOUGH THIS IS AFTER THE SUBMISSION DEADLINE.**

## Box 1

The figure in Box 1 should be your share of total medical related income derived from the appropriate partnership accounts, allowing for any prior allocation of income that may occur, for instance in respect of property, seniority, medical examination fees, appraisals etc.

This includes GMS income, private income and reimbursements, together with private fee income and locum income paid into the Practice, but excludes bank interest received and any non-taxable income such as PAYE internet filing incentives and some legacies, bequests and donations. Single-handed Providers should enter 'nil'.

Where private fee income from a superannuable source earned under a contract for services (i.e. **NOT** income from a salaried position) has been paid into the Practice, the amount paid is deemed to include employer and employee contributions. The amount to include on Box 1 should be the gross amount payable, including all employer and employee superannuation contributions. It should be noted that this 'pooled' income is not GP SOLO income. GP SOLO income is income from a HPSS superannuable source (where contributions have already been deducted) that the GP does not wish to 'pool'. See HPSS Superannuation Branch's Employer Circulars 14/2005 and 06/2006.

### RECOMMENDED TREATMENT OF POOLED SALARIES FOR ACCOUNTING PURPOSES:

You should be aware that, where salaried appointments are pooled in the Practice and allocated to the partners in profit share, the amount to be included in the accounts should be the gross pay plus an uplift for the employers contributions. In this way each partner is allocated an appropriate proportion of the employer contribution. The whole of the deemed employer contribution paid should be allocated to the earning partner's drawings in the same way as any PAYE or employee superannuation deductions would be. This ensures **the superannuable pay levels for each partner are consistent**, equalises the capital accounts for the partners and prevents the earning partner from benefiting solely from a Scheme Employing Authority's responsibility to pay the employer contribution.

**Where such accounting treatment has not been used, you may need to adjust the figure in Box 1 to include an allowance for employer contributions.**

**Further, it is possible that the GP earning the salaried income (i.e. the one on the payslips) may pay too much tax should the statutory tax treatment of employment income not be used. There is a longstanding concession that certain employment income may be treated as partnership income and taxed under Schedule DII of Part IV of TA 1988 and pooled between the partners. Where this concession is utilised, the earning partner may be taxed on too much income compared to his partners. It is therefore strongly recommended that, for tax purposes, a deduction from the partnership income of the earning partner is made of the whole amount of employment income including the employers superannuation mentioned in the previous paragraph. The employment income should then be entered on an employed income page of your tax return. This employment income can then be included in Box 3 for the earning partner.**

## Box 2

Box 2 is for single-handers to declare their GMS income, private income and reimbursements (excluding bank interest received and any non-taxable items such as PAYE internet filing incentives and some legacies, bequests and donations) and income of those GPs who have private fees that are not fed into the partnership tax return but which is reported separately on the self employment pages of the personal return.

This box will include GP SOLO income on a fee paid basis (i.e. not as an employed position) and locum income.

If you are a partner in Practice with private fee income that is fed into the partnership tax return, and not reported on self employment pages of your personal return, there should be no entry in this box as the income will be included in Box 1 above.

## Box 3

Box 3 must include all salaried income where the GP would receive a P60. This includes salaried schedule E income (i.e. Clinical Assistant, Hospital Practitioner, CMO, Salaried GP, and Bed Fund posts) paid under PAYE, regardless of whether tax or national insurance has been deducted. Also include income that is recorded in Box C of the GP form SOLO where the HSS Board/Trust/OOHP has paid it under PAYE.

Where you receive a P60 in respect of a salaried position, but that income is pooled in the partnership for profit sharing, you should **NOT** include this income here **UNLESS you have followed the statutory method of taxing employed income described in the notes to Box 1 above. Where you are including such pooled salaried appointments here, it is the entry per the tax return box 1.8 that is required, i.e. not including the employer contribution deducted along with the income from Box 1 above.**

## Box 4

Box 4 must include any ad-hoc private work and any fee based HPSS work that was not salaried and is not included in Boxes 1,2 or 3 above. This may include income before a deduction for expenses reported at box 13.3 of your tax return.

Do not include other superannuable income that will be included in box 30 or any dividend income here. Dividend income, where a Practice is a limited company, is not superannuable for 2005/06 however this will be reviewed for 2006/07.

## Box 5

Box 5 is the income stated in Boxes 2, 3, or 4 which has already been 'pensioned'. This is likely to be HPSS income from GP Locum work and income from salaried HPSS work (i.e. Clinical Assistant, Hospital Practitioner, CMO, Salaried GP, and Bed Fund posts). This will also include income pensioned through the University Superannuation Scheme.

Fee based (self employed) income that has had superannuation paid upon it and recorded on the GP SOLO form should not be included in Box 5. Solely for the purpose of this certificate, this income is not regarded to have been pensioned separately.

Note that this box only includes income included in boxes 2, 3 and 4 that has been pensioned separately. No entry should be made in this box in respect of salaried appointments that have been pooled in the Practice and allocated in profit share. **Where, however, statutory tax treatment of the salaried position has been followed, you will be required to enter here the amount included in Box 3 that relates to pooled income.**

#### Box 6

Box 6 is the total HPSS and non-HPSS income, which has not already been 'pensioned' elsewhere, for the purposes of this certificate.

#### Box 7

The figure in Box 7 should be your share of income from whatever sources included in the Practice accounts that is non-HPSS income; e.g. clinical trials, insurance medicals, private patients, police work, medical school income paid direct from the school, medico legal reports, etc.

Box 7 will also include external locum income (i.e. not performed for other members of your own Practice) not previously pensioned.

#### Box 8

The figure in Box 8 should be the non-HPSS income reported through your self employment pages; clinical trials, insurance medicals, private patients, police work, medical school income paid direct from the school, medico legal reports, etc.

Box 8 will also include locum income not previously pensioned.

For income from an Out of Hours Provider to be superannuable, the OOHP needs to be an approved Scheme Employing Authority.

#### Box 9

The figure in Box 9 should be the non-HPSS income reported on the employment pages of your tax return.

#### Box 10

Box 10 must include any non-HPSS ad-hoc private fee work and fee based medical related work that was not salaried and is not included in Boxes 7, 8 or 9 above. This may include income reported at box 13.3 of your tax return.

#### Box 11

It will be rare to have an entry in this box as there are few types of non-HPSS income that will already be pensioned separately. One example, however, would be university income received direct and already pensioned through the University Superannuation Scheme.

#### Box 12

Box 12 is your total non-HPSS income that has not already been pensioned.

#### Box 13

Provides the ratio to determine the percentage of expenses attributable to non-HPSS income under the standard and used in the alternative methods of calculation. See notes to Boxes 63 to 69.

#### Box 14

Box 14 must state your share of the Practice partnership expenses derived from the Practice accounts, e.g. staff salaries, administrative expenses, drugs etc. Exclude expenses that are non allowable for tax purposes; e.g. depreciation, entertaining, etc. Capital allowances claimed on Practice assets such as computers equipment and furniture should be included.

Where any personal expenses and capital allowances have been incurred and these are fed through the partnership tax return for tax reporting purposes, they should be included in Box 14 after adjustment for private use.

#### Box 15

This will include a single-hander's total expenses, adjusted for tax purposes.

For GPs in partnership, Box 15 will also include the tax adjusted personal expenses and capital allowances that are not set against profits in the partnership tax return, but set against private fee income declared on the self employment pages of the personal return.

#### Box 16

Box 16 will include the tax relievable expenses entered on the employment pages in respect of employment income earned concurrently to earnings. Expenses set against employment income earned prior to commencing or after ceasing as a Provider should **NOT** be included.

#### Box 17

Includes tax relievable expenses included, or set against income declared, elsewhere on your tax return; e.g. deducted prior to making entries at box 13.3 of your return.

#### Box 18

Box 18 is interest payable on your share of a loan for professional purposes not already declared in boxes 14 to 17, and will usually reflect the entry made at box 15.1 of your tax return.

#### Box 19

It is likely that the entry in this box will be nil, but should include the relevant expenses of an associated company that typically would be found in the accounts of a HPSS GP and which have been transferred, allocated, or otherwise claimed against the profits of another business. An associated company is one where the GP (or non-GP) Provider exercises control to ensure that that Company's affairs are conducted according to the GP (or non-GP) Provider's wishes.

#### Box 20

This is your total expenses incurred in respect of **all** your income for the purposes of this certificate.

#### Box 21

Will reflect taxable practice partnership income (Box 1 less Box 14) and should correspond to box 4.7 of your partnership (short) page of your tax return.

#### Box 22

Will reflect taxable single-hander or private fee based self employed income (Box 2 less Box 15) and should correspond to box 3.73 of the self employed pages of your tax return.

### Box 23

Will be your taxable employment income according to your tax return and will reflect box(es) 1.8 less the total of boxes 1.32, 1.33, 1.34 and 1.35.

### Box 24

Will be your taxable medical related income declared elsewhere on your tax return.

### Box 25

Is the total of boxes 21 to 24.

### Box 26

See comments re box 18.

### Box 27

See comments re box 19.

### Box 28

Will include the total of income pensioned separately in box 25, including salaried appointments (net of expenses) from box 23 where superannuation has been deducted at source, and taxable locum income included in boxes 21 and 22 upon which superannuation has been paid.

Income where contributions have been deducted and reported on GP SOLO forms should **NOT** be included in box 28. For the purposes of calculating superannuable income, this is not considered to be income pensioned separately.

By contrast to the comments regarding the entry to box 5, where salaried appointments are pooled in a partnership and shared in profit share, and the concessionary treatment of pooled salaries has been used to tax this income under Schedule DII, the amount to be deducted here will be the gross amount of the P60 in your name (inclusive of the employee and added years contributions deducted at source) PLUS the total deemed employer contributions included in the accounts in respect of the position as described in the recommended accounting treatment at Box 1, and not just your share of this income.

Where the statutory method has been used and the salaried income is deducted from box 1 and reported at box 3, the amount to be included here will be that in box 23.

By virtue of the different nature of a salaried position, the recording of that superannuable income occurs outside the scope of the Certificate. Should an equivalent amount not be deducted here, the overall superannuable income would be overstated.

It can therefore be seen that box 28 will not always equate to box 5.

### Box 29

The figure to be stated in box 29 is the figure in box 12.

### Box 30

Box 30 is a 'mop up' box and should include any HPSS 'ad hoc' income (inclusive of employer contributions) not already declared on this Certificate and not already 'pensioned' elsewhere.

Box 30 may include your share of superannuable property income where the property is not held on the balance sheet of the Practice and superannuable cost or notional rent reimbursement is fed into a property partnership. The amount declared here should be the amount of superannuable property income net of expenses adjusted for tax purposes. Property expenses which will be set against the superannuable property income will need to be adjusted to allocate the relevant proportion (in the ratio of non-superannuable rents to total rents) against any purely commercial rents (pharmacy etc) received.

In these circumstances, such rental expenses should not be considered those of an associated company and should be included at box 19 or 27.

### Box 31

See the notes in respect of boxes 63 to 70.

### Box 32

See the notes regarding box 63

### Box 33

Box 33 is the superannuable pay prior to apportionment and to stripping out employer contributions counted as income according to HMRC guidance.

### Box 34

Box 34 is the total of all income, from whatever source, declared in box C of the GP SOLO forms for the year 2005/06. Again, it should be noted that HPSS superannuable private fee based income that is paid directly into the Practice (i.e. 'pooled') is not considered, for the purposes of this certificate, to be GP SOLO income. Where 'pooling' occurs, the amount paid to the Practice will be the gross fee plus the employer contributions. GP SOLO income relates to HPSS fee based income paid directly to the individual GP Provider (i.e. OOHs) or indirectly paid through the payroll where employee contributions have been deducted and reported on the GP SOLO form and the relevant Employing Authority has paid the employer contribution.

### Box 35

Is the total superannuable apportionable income.

### Box 36

Is your HPSS Practice profits after employer contributions have been 'stripped out'.

### Box 37

Re-enter your total GP SOLO income for 2005/06; i.e. the figure in Box 34.

### Box 38

This is your individual GMS Practice profits (excluding employer contributions) before adjustment for pension overlap.

### Boxes 39, 39a, 39b and 39c

The entry at Box 39 will reflect the pension overlap deductible due to changes in accounting dates, cessation or retirement. You should refer to the FAQ Annex for examples and more information regarding pension overlap.

### Box 40

This is your total HPSS superannuable profits prior to any potential 'capping.'

### Box 40a

The figure in this box is your provisional seniority allowance to the best of your knowledge. In the rare instance that seniority is pooled in the Practice and allocated in profit share, the figure in this box must still reflect your provisional entitlement and not your share of the pooled amount. No adjustment should be made for employer contributions – the seniority entered here will reflect the amount actually received by the Practice.

### Box 41

The figure in this box would normally be the earnings cap relevant to 2005/06 (£105,600).

Care should be taken, however, when entering a figure here and you also have income pensioned separately (for instance salaried appointments or GP locum income), as the correct amount may not be the full value of the cap. Where the amount entered in Box 41 is not £105,600, then you should explain why in Box 70.

Where the cap applies, your **total** HPSS superannuable income from all sources in the year ending 31 March 2006 cannot exceed £105,600.

The HPSS Superannuation Branch cannot advise on the application of the cap to any particular source of HPSS income. Professional assistance should be sought where is required.

### Boxes 42 to 45

These boxes state the percentages at which the varying classes of contribution are paid. For 2005/06 employee contributions are due at 6% and employer contributions at 7%. Added Years and Money Purchase AVC percentages will be dependent upon your own circumstances.

Where an Added Years contract begins part way through the year, an 'average' percentage will need to be entered here. For instance, if your Added Years cost is advised at 5%, but the contract to begin paying this only commences on 1<sup>st</sup> October 2005, the average percentage, calculated on a daily basis, is 2.49% ( $5\% \times 182/365$ ).

The figure in Box 44 is your provisional HPSS Money Purchase AVCs if you have a HPSS Money Purchase AVC contract with Equitable or Standard Life. This is generally based on a percentage of your superannuable pay however can be a fixed amount. Where it is a fixed amount, this amount should be entered in box 44a rather than box 44.

**Do not** enter details in respect of any Free Standing AVC's.

#### Boxes 46 to 49

Are the contributions due for the year, arrived at by multiplying the superannuable pay figure from box 40 (or 41 if the cap applies) to the relevant percentage figure from boxes 42 to 45.

Where you have a HPSS Money Purchase AVC paid as a fixed amount, the figure in box 48 will match that in box 44a.

#### Boxes 50 to 53

Contributions already paid that relate to 2005/06 (i.e. not including payments made in respect of a previous year).

These figures should include payments already made to your host HSS Board/Trust or deducted from your global sum or contract payment 'on account' throughout the year by the HSS Board/Trust.

There is no link of these boxes to any payments relevant for tax relief purposes. The entries in these boxes will relate to those contributions made in respect of 2005/06 that were paid or deducted by the HSS Board/Trust before this certificate is submitted.

#### Boxes 54 to 57

These figures should include payments made to or deducted on your behalf by HPSS Superannuation Scheme Employing Authorities in respect of GP SOLO income, and includes a credit for employer contributions deemed to have been paid by that Employing Authority.

The entries will reflect the totals from boxes D, E and F of all your GP SOLO forms relating to income for the year ended 31 March 2006, even where the income assessed as superannuable is for an accounting year other than the pension year.

#### Boxes 58 to 62

Are the final payable (or refundable) contributions for 2005/06 after taking account of contributions already paid.

#### Box 63

Non-HPSS expenses are calculated using the standard method where:

- Non-HPSS income (box 12) is less than 10% of total income (Box 6), **and**
- Non-HPSS income (box 12) is less than £25,000, **and**
- No Practice expenses have been recharged either wholly or partly to an Associated Company (an Associated Company is one in which the GP or non-GP exercises control to secure that the Company's affairs are conducted according to the GPs or non-GPs wishes. For this purpose control may be attributed to the shareholding of the GP or non-GPs spouse, siblings, business partners or lineal descendants of the GP or non-GP or their spouse. See notes in respect of box 19 for further information).

The standard method apportions the total expenses from box 20 in relation to the ratio of non-HPSS income to total income (box 12 over box 6).

### Boxes 64 to 69

Even though the conditions at note 63 above are met, it is not imperative that the standard method is used. The alternative method may be used, providing explanation and justification is given at box 70.

Where the standard method described is not used, then the alternative method should be used. If this is the case, tick box 32 and use your knowledge of your affairs to extract expenses wholly attributable to HPSS and non-HPSS work following the process in these boxes. After extracting such expenses, whatever remains may be apportioned according to the ratio at box 13.

### Box 70

You should include here any explanatory information or points that will assist CSA in processing your certificate.

This will include justifications for use of the alternative method of calculating non-HPSS expenses entered at box 31 even where the conditions for use of the standard method described above (points re box 63) are met.

This box will also include explanations and calculations when using your own method of calculating non-HPSS expenses, for instances in years of exceptionally large expenditure or capital allowances or where anomalous results are found when using the standard or alternative methods.