



HSC Pension Service

Provided by

Business Services Organisation

Welcome to HSC Pension Service GP Newsletter

This newsletter is for all General Practitioners (GPs) who are members of the HSC Pension Scheme. Please read carefully as it contains important information about your HSC Pension benefits

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2016/17 Quarter 3

1. HSC Website

Our new website is up and running and provides all the information you will need to help you complete all the processes that are involved with practitioner administration. It has areas for each section of the pension schemes and includes calculators, factsheets, quick links and latest news. A dedicated practitioner section covers principals, salaried, locums, out of hours, and dental practitioners.

We would ask that you do visit the site to familiarise yourself with the layout and in order for you to access forms, which are needed to complete the administration. The following forms are updated regularly so it is important that you are using the current version.

SS14 - Principle / Salaried / Locum only - **(OOH joining forms should be sent directly to the OOH provider)**

AW6 Pension Application

SD502

AP1 / 2

PN1

AW33 - HSC pension to complete employers section, Part C

HSC website address is www.hscpensions.hscni.net

The GP section team email address is gpcertificates@hscni.net

2. Choice 2

Choice 2 letters were all sent in September 2016, the deadline for receipt of your decision should you wish to move to our 2008 scheme is 20th January 12 noon.



3. Contribution Tier for 2015 CARE Membership

The pay that is used to set the contribution tiered rate for GP (and non-GP) Providers who start after the 1st of April 2015 and join the CARE Scheme is **annualised**.

For example, a GP who starts in a Practice on 01/06/2016, joining the scheme for the first time, and earns £70,000.00 up to 31/03/2017 will be subject to the 13.5% rate. (£70,000.00 divided by 304 days x 365 days = notional pay of £84,046.05).

If for example, a GP has service in either 1995/2008 during the year in which they move to CARE, then it is the aggregate of these earnings that is used to set the tier.

Please click [here](#) for information on the 2015/16 to 2018/19 Tiered Contributions.

4. Annual Certificate of Pensionable Profit

The Annual Certificate of Pensionable Profit for 2015/16 has now been issued. The deadline for submission is Tuesday 28th February 2017. The FPPS has meant that where all the information has been received in order to produce the Annual Statements we can set adjustments and reconcile the year more efficiently.

The certificate can be found at <http://www.hscpensions.hscni.net/practitioners/principal-2/>

GP SOLO / OOH

We are continually trying to improve our OOH process, therefore, if a doctor works for an OOH provider, we require OOH documentation for these employments to be sent with the annual certificate at the time of submission. For any salaried GP Out of Hours employments, the P60s unfortunately do not show any superannuation contributions, therefore a March payslip would be beneficial. From 2016/17 any GP with an Assistant Practitioner post should complete Self Assessment of Tiered Contributions—see Section 5 for more information.

Please send all submissions to GPcertificates@hscni.net rather than individual mail boxes so that we can track returns.

Please see below an extract from the Scheme Regulations governing the non-return of Annual Certificates.

This can be found in the The Health and Personal Social Services (Superannuation) Regulations (Northern Ireland) 1995 Schedule 2, Regulation 23(2) Page 181 by clicking on this [link](#). Unfortunately, there are 15 practices that we have not been able to complete because of missing certificates. In some of these cases there is more than 1 accountant working for the GPs and in other cases we simply have not received the returns. The team spends a lot of valuable time contacting these accountants by email and phone which could be avoided if the certificates were received on time.



4. Annual Certificate of Pensionable Profit..continued

“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 may have an adverse impact on a member’s pension and/or survivors benefits.

5. Seniority

Further to recent notification that you would have received from HSCB the team have recently started to reconcile seniority payments to GPs from year 2013/14 onwards.

We will shortly be sending the outcome of this exercise to accountants who work on your behalf.

Going forward we would advise as a general figure to use £80,000 as the average (based on 2014/15 figure) Therefore anything above £53,333 (2/3) will attract 100% seniority payments. To arrive at your figure, remember to deduct IPS, Solo and the seniority already paid. When the POA is submitted with an estimated figure, this would be the correct time to make adjustments to seniority payments. Practices should contact BSO on gms.claims@hscni.net and insert 'Seniority Adjustment' in the subject line. We would expect that GPs who perhaps reduce work and earnings in the run up to retirement would contact colleagues at BSO to make the necessary reduction to payments.

In each year only those certificates received by the submission date of 28.02.yy will be used to calculate the NI average. The average is obviously subject to change each year. The seniority entry on the annual certificate should only be relevant to that years' certificate. Do not enter previous years' seniority adjustments in a current years' certificate. We will re- issue annual statements for 13/14 or/and 14/15 if necessary as part of the reconciliation.



6. GP's Who Retire Mid-Year

If a GP takes a 24 hour 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.**

When a member retires we require an AW6 completed and received in branch 3 months prior to retirement. The AW6 must be completed with a copy of birth certificate and IP protection certificate (if applicable). Please ensure revised Payment on Account is also submitted to reflect these changes.

7. Payment of Arrears

Any GP's who are considering paying arrears of contributions by cheque, should 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 2014/15 to:

GP Payment Section
HSC Pension Service
Waterside House
75 Duke Street
Londonderry
BT47 6FP



8. Assistant Medical Practitioners—Self Assessment of Tiered Contributions 2016/17

Every Assistant Medical Practitioner who had pensionable employment between 01/04/2016 to 31/03/2017 (inclusive) in Northern Ireland should complete an Assistant Medical Practitioner—Self Assessment of Tiered contributions form. This form is available at:

<http://www.hscpensions.hscni.net/practitioners/salaried-3/>

The tiered employee contribution rate in year 2016/17 is the **total** of all HSC GP (Practitioner) income for 2016/17. It includes Practice, Trust, Board, Solo OOHs, Bed Fund and GP locum income.

Refer to Section 3 for tier setting in CARE 2015 scheme.

An Assistant Medical Practitioner is:

A salaried GP formally employed by a GP Practice, Trust or Board.

A long-term fee based GP who works for a GP Practice, Trust or Board.

A GP who solely works on an employed or self-employed basis, for an Out of hours Provider and that OOHP is registered as a Scheme Employing Authority.

If an Assistant Medical Practitioner has worked for more than one GMS Practice as an Assistant in 2016/17 they must complete a form in respect of every Practice.

If an Assistant Medical Practitioner also worked as a Principal Practitioner (ie GP Partner or Single-Hander) in 2016/17 they must also complete the Annual Certificate of Pensionable Profit.

If an Assistant Practitioner also worked as a freelance GP Locum they must continue to declare their GP Locum income on forms A & B, and complete a Self-Assessment form.

If incorrect contributions have been paid across the year, the Self-Assessment form will highlight any under/over payments.



9. Family Practitioner Payment System (FPPS)/POA

We will no longer be sending emails confirming the new monthly amount being deducted from the practice after a POA or SR1 has been submitted. This information can be found on FPPS under claims history once forms are received and approved.

Any changes to the POA should be sent to gpcertificates@hscni.net

See Part 3 of this Newsletter regarding contribution tier for GPs joining CARE Scheme.

10. Salaried/Retainee GP's & Assistant Practitioner's

Each Practice that employs a Salaried/Retainee GP or Assistant Practitioner must complete form [SR1](#). Please ensure that you advise Patricia Craig (Patricia.Craig@hscni.net) if any GPs start or leave your 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 confirms the actual salary earned for each Salaried/Retainee GP or Assistant Practitioner in the year 2016/17 is available on our website and should be submitted throughout the year if a GP leaves, or at year end, so that we can finalise the pensionable earnings figures for the GP and update our pension records.

The purpose of the SR2 is to ensure that the correct contributions have been made, any underpayment/overpayment will be adjusted and the member's record will be updated accordingly with the remuneration listed on the form. Click to access the SR2 [for 2016/17](#)



11. GP Locums

GP Locum administration has now fully transferred to HSC Pension Service at Waterside House.

All forms relating to Locum employments should now be emailed to gplocums@hscni.net

An automatic email receipt will confirm that we have received your email and submissions. No further emails will be sent unless we have a query.

Alternatively you can send your submissions via post to:

GP Locum Administration

HSC Pension Service

Waterside House

75 Duke Street

Londonderry

BT47 6FP

As a reminder to GP Practices, you should know at the outset when you are filling a vacancy, what capacity that vacancy is for. For example, if it is to cover a short term gap or ad hoc work or if the vacancy is for less than 6 months, it should be treated as Locum work.

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 Assistant Practitioner. If Locum work does extend beyond the 6 months then the Practice should change the status from Locum and send through a revised SR1 to cover any period beyond the 6 months. We will continue to work with our colleagues at HSCB to identify any Locums working in a Locum capacity beyond the 6 months.

The team are currently working on a reconciliation of contributions and pensionable pay figures for years to 31.03.2016 inclusive. We will contact you if there are any adjustments to be made as a result of this exercise.

Please see Locum factsheet and FAQ at : <http://www.hscpensions.hscni.net/download/Practitioners/GP-Locum-Factsheet.pdf>



12. Annual Allowance

The Annual Allowance is the maximum amount of tax-free growth an individual's pension savings can grow by in one year. The Annual Allowance limit covers all your pensions except your State Pension and includes contributions made to money purchase schemes, defined contribution schemes, personal pensions and the growth in benefit for defined benefit schemes.

The Annual Allowance limit was reduced from £255,000 to £50,000 with effect from 6 April 2011 and has reduced further to £40,000 from 6th April 2015. The vast majority of GP Practitioners will be affected by the changes as this will primarily affect high earners, but this can vary depending on the length of pensionable service and pensionable pay earned in any particular year.

Any of the following could impact on the growth of your pension savings:

- Being a high earner with long pensionable membership
- Significant increase in membership (eg change to full-time, doubled membership for Mental Health Officers)
- Purchasing added years and/or additional pension
- A significant pay rise, possibly due to promotion
- Application of late retirement factors in the 2008 section
- Receipt of a Clinical Excellence Award
- Tier 2 ill health retirement with an enhancement to your membership
- Contributions paid to other pension saving arrangements, including the HSC AVC Scheme

You may be at risk of exceeding the Annual Allowance if you meet some or all of these conditions.

The Annual Allowance is worked out by measuring the growth in benefits from one year to the next taking into account inflation, which is measured using the Consumer Price Index (CPI).

In respect of HSC AVC benefits, the Annual Allowance is based on the amount of contributions paid into the AVC Scheme.

Further information on Annual Allowance is available on the Scheme website at [scheme factsheets](#) or on the HMRC website.



13. HMRC Changes - LTA Online Service

The standard Lifetime Allowance (LTA) has reduced to £1m from 6 April 2016

This is a reminder that the standard LTA has reduced from £1.25m to £1m from 6 April 2016. This means a standard LTA of £1m will apply to members who become entitled to receive (crystallise) their HSC benefits when they:

retire on or after 6 April 2016 – and the date their benefits are authorised is before this date.

retire before 6 April 2016 – and the date their benefits are authorised is on or after 6 April 2016.

For all scheme members the percentage of LTA used will be based on £1m 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 crystallisation 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 crystallise and the calculation of the LTA used.

Any revision to benefits (substitute awards) that is authorised on or after 6 April 2016 will be a separate crystallisation of benefits and based on the lower standard LTA of £1m.

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 will 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 will be able to apply for this up to 5 April 2017.**

Estimates for Individual Protection 2016 will not be available until April 17 or until we receive the 2015/16 Annual Certificate of Pensionable Profit.

HMRC has launched a new online service for pension scheme members who wish to apply for protection from the lifetime allowance tax charge.



13. HMRC Changes - LTA Online Service—continued

As outlined in HMRC's 'pension schemes newsletter 80', <https://www.gov.uk/government/publications/pension-schemes-newsletter-80-july-2016/pension-schemes-newsletter-80-july-2016>, the online service replaces the previous HMRC processes available to individuals who apply for fixed protection 2016, individual protection 2016, and individual protection 2014.

Further information and links to the HMRC portal where scheme members can use the LTA online services, are provided in HMRC guidance: 'pension schemes protect your lifetime allowance': <https://www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance>
Please continue to send evidence of your protection status with your AW6 as we do not yet have administrator access to the online facility.

14. Correspondence Details

We advise all Practitioners to complete the correspondence details form which is available on our website. We require this form to keep all personal information up to date. It will also help us if we need to contact your accountant about your record.

Please be aware that any letter of authority is only valid for 3 years after which it must be renewed, please ensure all letters of authority are signed and dated by the member.

15. Encrypted HSC Emails

To enable us to email sensitive information outside the organisation you may receive an email requesting you to set up a password. This will allow you to view the information sent by HSC Pensions.



16. Schedule of Charges

Estimates can be requested free of charge by calling 02871 319111 (option 3) or emailing hscpensions@hscni.net. However, please note that currently, if an estimate is required within 365 days of a previous estimate, or requested by a third party there will be a £30 charge made payable to BSO. For more information click [here](#) to see our Schedule of Charges.

How to Contact Us

GP Payment Section

HSC Pension Service

Waterside House

75 Duke Street

Londonderry

BT47 6FP

Via e- mail at:- GPCertificates@hscni.net

By Telephone: 028 7131 9111 option 3.

9.00am to 5.00pm – Monday to Thursday;

9.00am to 12.00pm - Friday

The entire GP team thank you for your co-operation throughout 2016 and we look forward to working with you again in 2017.

