NHS Business Services Authority

Limited company annual certificate of pensionable income 2022/23

Guidance notes for the completion of the certificate incorporating frequently asked questions

CONTENTS

Introduction

This booklet is issued by NHS Pensions to give guidance on the completion of the 'Limited Company Annual Certificate of Pensionable Profits 2022/23' (the 'certificate'). The certificate is subject to changes each year, and these guidance notes are aimed specifically at the 2022/23 certificate only. Copies of guidance notes and frequently asked questions from earlier years are available on the NHS Pensions website at www.nhsbsa.nhs.uk/nhs-pensions.

In completion of the certificate you must be mindful of the overall requirements, rules, regulations and legislation surrounding the NHS Pension Scheme. The rules of the NHS Pension Scheme are laid down in regulations agreed by Parliament. They are the National Health Service Pension Scheme Regulations 1995 ("NHSPS Regulations") and subsequent amendments, the National Health Service Pension Scheme Regulations 2008 and subsequent amendments and the National Health Service Pension Scheme Regulations 2015 and subsequent amendments. You can view these on the NHS Pensions website at: www.nhsbsa.nhs.uk/nhs-pensions

You should also have regard to tax law and Companies Act legislation.

This booklet does not seek to offer definitive guidance in any of these areas of legislation and specialist professional advice must always be sought in the event of any uncertainties.

Similarly, NHS Pensions cannot offer any specific advice on the completion of the certificate.

The GP Pension Guide provides more detailed information about GPs and the NHS Pension Scheme. It is located in the Practitioner webpage (Member Hub section) on NHS Pensions' website. The Employer Hub section (Technical Guidance) also provides recent employer newsletters.

Purpose of the Certificate and levels of contributions

The purpose of the certificate is to calculate a provider's pensionable NHS earnings, the rate of contribution due and the balance of the contributions payable or repayable for the year in respect of that provider's income derived as a shareholder in a company holding a general medical services (GMS), personal medical services (PMS), or alternative provider of medical services (APMS) contract.

Levels of contributions payable can be found in the members' hub area of the website under the membership, pay and contributions heading www.nhsbsa.nhs.uk/nhs-pensions.

Important note – members of the 2015 Scheme may have their employee pension tier rate determined by their 'annualised' earnings. Please read the guidance on the NHS Pensions' website and the spreadsheet calculator to assist you with determining the correct percentage to use.

The certificate can only be completed **after** your 2022/23 personal (and, if applicable, partnership) income tax return has been completed.

Who should complete the Certificate?

From 1 April 2006 dividends received from a company (limited by shares) that qualified to hold a GMS, PMS, or APMS contract and satisfies the NHS Pension Scheme employing authority criteria may be pensioned subject to the dividends being wholly in respect of NHS work.

Where a GMS, PMS, or APMS practice/centre operates as a limited company the limited company version of the certificate must be completed. A shareholder will also have to complete the main 2022/23 GP provider (and non-GP provider) Certificate of Pensionable Profits if they are also a partner or single hander elsewhere.

A GP provider who is/was a salaried GP (or long-term fee-based GP) in 2022/23 will also have to complete the Type 2 medical practitioner Self Assessment form to ensure they have paid tiered contributions in 2022/23 at the correct rate.

Where a contract is held by a limited company and the provider receives a salary from the company, that salary must not be entered in box 3 or box 22 of the main 2022/23 certificate as such a salary will be included in this limited company certificate instead.

For guidance on multiple contracts please refer to the notes to box I.

What happens after I have completed the Certificate?

In England the employing authority/Commissioning Body is either Primary Care Support England (PCSE) (on behalf of NHS England) or, in Wales, the Local Health Board (LHB).

NHS England has delegated their primary care responsibilities to some clinical commissioning groups (CCGs). These are known as delegated CCGs (dCCGs), however responsibility for dealing with GP pensions remains with PCSE. References to PCSE and LHBs should be taken to include delegated CCGs.

PCSE’s website address is below. For the 2022/23 certificate, a new submission process may be available through the GP Pensions and Payments online system. This involves the GP individually keying in each box entry. The existing method of pdf submission via the enquiry form on PCSE’s website can also still be used. Links to further guidance on the new submission process are below.

Please note – when using the website enquiry form, although third parties (accountants) may submit the certificates on behalf of their clients using this system, only signed forms will be accepted by PCSE. Unsigned forms will be returned.

https://pcse.england.nhs.uk

https://pcse.england.nhs.uk/services/gp-pensions/gp-partners-non-gp-partners/annual-certificate/

In Wales, the LHBs remain as the pension administrators and certificates should continue to be submitted to them as previously.

The deadline for submission of the certificate is **28 February 2024.**

Completing the certificate: Boxes A - N

Box A: Your name

Enter the shareholder's (i.e. provider's) full name. Do not use initials. If your surname has changed in 2022/23 please also provide your previous surname.

Boxes B-D: National Insurance number (B), NHS Pension Scheme reference number (C) and GMC registration number (D)

Enter the shareholder's national insurance number, individual NHS Pension Scheme reference number and GMC registration number.

The NHS Pension Scheme reference is often known as your 'SD' number and sometimes begins with SD followed by two digits representing your year of birth (i.e. 1967 is 67) then six further digits.

Your GMC reference number is also required and can be obtained from the GMC's website.

It is important to complete all these details as their absence can cause delays in the processing of your certificate.

Box E: Company's full name

Specify the name of the company as it is registered with Companies House.

Box F: Company's employing authority code

The NHS Pension Scheme employing authority code is a letter followed by three digits. For example A123. Your practice/payroll manager should know this code, however if it is difficult to obtain enter the name of the practice.

Box G: Company's registered number

Specify the company's number as it is registered with Companies House.

Box H: Type Of contract

Specify the type of contract that this certificate relates to – GMS, PMS, SPMS or APMS.

Box I: Host PCSE Or LHB

GP providers should be aware that their 'commissioning' host may be different from their 'listing' PCSE/LHB.

In respect of a GP provider the host PCSE/LHB is the PCSE/LHB on whose performers list the GP provider is registered (or has been during the year) or the PCSE/LHB with whom the GP provider has a contract. In respect of a non GP provider the host PCSE/LHB is the PCSE/LHB that the non GP provider is (or has been) contracted with.

Where changes of practice and/or PCSE/LHB occur, there will be implications for your ltd certificate and you may need to complete more than one ltd certificate as described below.

More than one certificate will be required in the following circumstances:

a) You have changed practice during the year, but have remained within the same dCCG/LHB.

   In this situation, two ltd certificates will be required and the references in boxes F, and H may be different on each.

b) You have changed practice but have also moved to a different commissioning body/PCSE/dCCG/LHB.

   In this situation, two ltd certificates will be required and the references in boxes F, H, and I may be different on each.

   The host PCSE/LHB is in this instance are the PCSE/LHB on whose performers list you are registered (or contracted with) either before the change in practice or at the year end, depending upon which ltd certificate is being completed.

c) A change of commissioning body (for example, due to a merger), but you remain with the same practice.

   In this situation, only one ltd certificate should be completed, with the entry at box I relating to the host PCSE/LHB upon whose performers list you appear at the end of the relevant year (for example 31 March 2023).

d) One limited company holds two or more contracts, whether GMS, PMS, SPMS or APMS.

Strictly, to ensure compliance with the NHS Pensions Scheme Regulations, separate ltd certificates are required for limited company income (salary and dividends) from each contract. In practical terms, however, it is accepted that, where the number of contracts held by the limited company is exceptionally high, it would be difficult to extract the salary and dividends pertaining to each contract. In these circumstances, please contact NHS Pensions to agree a format for submission of the necessary ltd certificates.

Box J: Tax and NHS Pensions Scheme year end

This box is pre-filled.

Box K: Date you became a shareholder

Where you became a shareholder during the year ended 31 March 2023, enter that date here. If your shareholding merely changed during the year, or you were a shareholder before 1 April 2022, no entry needs to be made.

Box L: Date you ceased to be a shareholder

Where you ceased to be a shareholder of the company, please enter the date of cessation here. Where you left the NHS Pension Scheme, but retained ownership of your shares, such as when you become a deferred member or have disposed and reacquired shares for ‘24 hour retirement’ purposes, enter the date of leaving the scheme and describe what has happened at box 87.

Box M: Added years cap

Prior to 1 April 2008, members who first joined the Scheme on or after 1 June 1989 were subject to the pensionable earnings cap, meaning the member could only pension NHS earnings in the NHS Pension Scheme up to a prescribed limit. If a member joined before 1 June 1989 but had a break in pensionable employment of more than a year after 1 June 1989 they were also subject to the cap.

With effect from 1 April 2008, the earnings cap has been removed and mainline employer and tiered employee contributions are to be based upon full NHS pensionable earnings.

However, if an NHS Pension Scheme member, who was previously subject to the cap, is buying added years under an agreement that started before 1 April 2008, those added years remain subject to the cap. Contributions in respect of the earnings subject to the added years cap are still limited to £181,800 for 2022/23.

Any added years agreements starting on or after 1 April 2008, are **not** subject to the earnings cap and contributions will be payable on the full actual NHS pensionable earnings. Do **not** enter “Yes” in box M if this is the case.

Further information and guidance on the operation of the earnings cap can be found on the NHS Pensions’ website in the Earnings Cap factsheet, in the employer hub area under practitioner forms.

Box N: Provisional accounts

Your 2022/23 personal tax return will not necessarily need to have been completed to enable you to make the entries on your certificate. It will, however, be beneficial to have done so to cross reference the entries extracted from the company records.

There is no reason why the figures for salary and dividend from two sets of accounts should be provisional as they are taxed on a receipts/paid basis and definite figures will be known for the tax year. The entries on the ltd certificate should not, therefore, be from provisional personal tax return figures.

It is possible, however, that the accounts for the year end falling after 5 April 2023 may not have been prepared by the time you need to submit the certificate. In these circumstances, an estimated figure will be required in box 5a and box N should be ticked. An adjustment to pensionable pay will then be required on your 2023/24 ltd certificate to correct the position.

See also the guidance for box 5A below.

Calculating your pensionable pay: Boxes 1 - 103

Important notes regarding the following guidance:

Any comments made for boxes 1, 2, 3 etc apply equally to boxes 1A, 2A, 3A etc. Unless otherwise stated, all instructions are relevant to figures for each particular year end being considered. Separate guidance will be provided in specific instances where differences are required.

Pensionable limited company income for the year ended 31 March 2023 is based upon the employment income and dividends received from the company in the tax year 2022/23, i.e. the year ended 5 April 2023. Dividends and salary paid in the 5 days from 1 April 2023 to 5 April 2023 will therefore be included in the 2022/23 pensionable pay.

In looking at the payment of dividends, only legal dividends as per section 830 of the Companies Act 2006 will be considered to be pensionable. Section 830 says that a company may only make distributions out of profits available for the purpose. A final dividend will require full accounts to be prepared to determine whether such a dividend can be paid. A final dividend will be treated as paid when it is declared by ordinary resolution.

It is feasible that the limited company may pay a GP provider a commercial fee, which is an expense within the company, for services or work done over and above that required of him/her by the shareholder agreement. This may be allowable as a deduction in the company accounts in line with HMRC guidance at page BIM38110 of their business income manual. Such income is not income derived as a shareholder of the limited company and plays no part in the certificate to which these notes refer.

It is likely that a Type 2 medical practitioner's Self Assessment form will be required for such income, with the appropriate GP solo forms having been completed for payments to the GP.

Full accounts do not need to be prepared to pay an interim dividend. This may be authorised by the directors and will be treated as paid when the entry is made in the company records.

Documentation and records should not be backdated to retrospectively declare a dividend.

NHS Pensions confirms that there can be no carry forward of undistributed pensionable dividend income. Only dividends legally paid and declared for an accounting period can be pensionable. Pensionable NHS dividends will be treated as the first slice of dividends paid for the accounting period, to the limit of the maximum pensionable amount of dividend (see more in the notes to box 2 and annex D). Any dividends paid in excess of the maximum pensionable amount, no matter to what tax year they relate, will not be pensionable.

Box 1: Accounting year end

Salary and dividends paid in 2022/23 may be paid from two or more accounting year ends. Enter these accounting year ends in boxes 1 and 1A.

For 31 March year ends, enter 31 March 2023 in box 1 and 31 March 2024 in box 1A. The other procedures are exactly the same as for any other year ends.

Where the company only started in 2022/23 and therefore has no accounting period ending in 2022/23, enter the first accounting period end date in both boxes 1 and 1A, with the corresponding total income and non-NHS income figures for that period in both sides of page 1.

Box 2: Share of total income

The figure in box 2 should be your share of the company's total medical related (NHS and non-NHS) income as calculated for, say, shareholder 1 in annex D.

Annex E (June year-end) and annex F (March year-end) provide diagrammatic illustrations of how the dividends in respect of these different accounting years would be pensionable on the ltd certificate based upon dividend figures as per annex D.

The NHS Pension Scheme regulations allow for pooling of certain outside appointment income. Examples of this may include self-employed CCG positions, appraisal income or salaried hospital appointments.

The figure in box 2, (step 1 from annex D) for the company's total income and non-NHS income, must exclude GP solo or NHS GP locum income (recorded on locum forms A or B) paid to the limited company. Such income is generally deemed to be private income with superannuation contributions already deducted and should **not** be paid into the company.

Should such income be paid to the company and pooled with other income, it should be paid gross **plus** the employer contribution.

Where GP solo income (for example some CCG, appraisal, appointment income) has been paid into a company's bank account net, i.e. after the deduction of solo superannuation contributions. This income should **not** form part of the company's income.

Similarly, employment income is also private income and should be retained privately. The administrative practice (HMRC Employment Income Manual EIM03000 to EIM03004, also Business Income Manual BIM40350 to BIM40360 and Extra Statutory Concession A37) of including certain employment professional fees as professional fees within the trading income rules does not apply, other than in very restrictive circumstances, to receipts by a limited company. Any salaried appointments that have traditionally been paid into a partnership and pooled between partners should not be paid into a limited company. Where the shareholders' agreement stipulates that such salaried appointment income is pooled between shareholders, that income should not appear in the company accounts. Effect may be given to the 'pooling' by allocating additional salary or dividends to the non-salary-earning shareholders appropriately.

Box 3: Non-NHS income

State your share of the amount in box 2 that was in respect of non-NHS medical related work. This includes private income, insurance reports and medicals, etc.

Commission or incentive payments received in relation to business bank accounts which form part of the practice's taxable profits should also be included in box 3.

Box 4: NHS income

Box 4 will state the company's total NHS income and must not include solo, GP locum, or employed NHS income. Box 4 must not include any private income.

Box 5: NHS income ratio

The figure in box 5 is the NHS income/non-NHS income ratio for the purposes of calculating the element of company salary and dividends that are 'NHS pensionable'. It is recognised that the accounts for the year end falling after 5 April 2023 may not have been prepared by the deadline for submission of this certificate. Where this is the case, no entries are required at boxes 1A, 2A, 3A and 4A and an estimated figure only is required at box 5A. You should use your knowledge of your affairs to make a best estimate for the ratio that is entered in box 5A.

Alternatively, if the ratio of NHS to total income for the accounts to which box 5A relates is expected to be in line with those for box 5, then it is acceptable to utilise the same percentage in box 5A.

Where a different percentage is used, please describe in box 82 how this has been determined.

Where an estimated figure was used in box 5A of the 2021/22 Certificate, then an adjustment is required to the pensionable pay in 2022/23. Further entries will be required at box 70 onwards, and then boxes 10 and 19 as a result.

Where an estimated percentage figure has been utilised in box 5A for 2022/23, then correcting figures will be required on the 2023/24 Certificate.

Box 6: Accounting year end

These boxes must reflect the company year ends from boxes 1and 1A.

Box 7: Salary received

You must enter your gross limited company salary, before the deduction of tax and National Insurance, paid in the year 2022/23 that relates to the accounts referred to at box 6 above. Such a company salary should not have had superannuation deducted at source as it is the purpose of this certificate to collect this superannuation. Where, however, such a salary has incorrectly been pensioned through the payroll, the salary gross of tax, National Insurance Contributions and superannuation should be entered in box 7 and the contributions deducted entered in boxes 44 to 47 and 61 to 64.

Where personal expenses have been incurred and are claimed on the employment pages of your tax return at boxes 17 to 20, enter in box 7 the net figure after the deduction of these expenses. This is a different approach to the calculation of officer pensionable pay, but is required by the NHS Pension Scheme Regulations for GPs and non GP providers.

Box 8: NHS element of salary received

The purpose of box 8 is to calculate what element of your company salary is in respect of NHS income.

Box 9: Total pensionable salary for 2022/23

The purpose of box 9 is to total the two elements of pensionable salary paid by the company that falls into 2022/23.

Box 10: Adjustment for 2022/23 pensionable salary

The figure in box 10 is the result of the calculations on page 6 and is used to amend the pensionable salary figure for 2022/23 to compensate for over/under statement of the 2021/22 figure.

Box 11: Adjusted total pensionable salary for 2022/23

This provides the total pensionable salary figure for 2022/23.

Box 12: Share of profit after tax

The narrative alongside box 12 on the certificate states that pensionable dividends will be treated as the first slice of dividends paid for the accounting period. In order to determine the maximum pensionable dividend you must first determine the company's overall income, expenses and corporation tax and hypothetically allocate these to each shareholder to whom dividends have been paid during the company's accounting year.

The company income, expenses and corporation tax are allocated in the ratio of the scheme member's personal dividend income for the year to the total dividends paid in that year. In this way each shareholder is apportioned at box 12 a maximum theoretical share of profit after tax. On no account should brought forward undistributed profits from earlier years be included in this calculation. See annex D for an illustration.

Box 13: Maximum potential NHS pensionable dividend

This maximum theoretical dividend from box 12 is then apportioned between the maximum potential NHS dividend and the remaining non-NHS dividend. See annex E and F for an illustration.

Box 14: Net dividend received

This reflects the actual net dividend paid in respect of the respective accounting years at boxes 6 and 6A above. This is the full dividend paid as per the company accounts.

Box 15: Maximum actual pensionable dividend

Box 15 is the lower of:

a) the maximum potential NHS dividend from box 13, or
b) the actual dividend paid from box 14.

Box 16: Dividend paid before 6 April 2022

NHS dividends are deemed to be the first slice of dividend payments made. Box 16 is therefore the amount of total dividend relating to the accounting year in box 6 that was paid before 6 April 2022. This figure also represents how much of the box 15 maximum pensionable dividend was used up by the pre-6 April 2022 dividends.

Box 16A: Dividend paid before 6 April 2023

Box 16A is the total amount of dividends paid before 6 April 2023 but in the company accounting year end shown in box 6A. As pensionable dividends are deemed to be the first slice of dividends paid, all of these will be pensionable in 2022/23, provided they don't exceed the maximum level of pensionable dividends per box 15A.

Box 17: NHS pensionable dividend for 2022/23

Box 17 is the result of subtracting box 16 from box 15. This is the amount of dividend paid after 6 April 2022 and in respect of the accounting year shown in box 6 which are pensionable. If the company has made a loss in the accounting year the figure in box 15 could be nil, therefore by subtracting box 16 a negative result may arise. Where this is the case the figure in box 17 should be restricted to nil.

Box 17A: Lower of boxes 16A And 15A

Box 17A is the lower of boxes 16A and 15A. This reflects the actual pensionable dividend for 2022/23 that relates to the accounting year end shown in box 6A.

Box 18: Pensionable dividend for 2022/23

The purpose of box 18 is to total the two elements of pensionable dividend paid by the company that fall into the year ended 5 April 2023.

Box 19: Adjustment for 2022/23 pensionable dividend

The figure in box 19 is the result of the calculations on page 7 and is used to amend the pensionable dividend figure for 2022/23 to compensate for over/under statement of the 2021/22 figure.

Box 20: Total pensionable dividend for 2022/23

This provides the total pensionable dividend figure for 2022/23.

Box 21: Total pensionable pay for 2022/23

Box 21 totals the pensionable salary and pensionable dividend for 2022/23. This is your total limited company pensionable pay for 2022/23.

Box 22: Pensionable pay for added years purposes

Also see notes to box M.

Only enter a figure in this box if you are capped just for added years purposes. From 1 April 2008 a cap does not apply to mainstream pensionable pay.

The figure in this box would normally be the earnings cap relevant to 2022/23 (£181,800.00).

However, care should be taken when entering a figure here if you also have income pensioned separately (for example salaried appointments or GP locum income) or pensionable income derived from a GMS/PMS contract. Under these circumstances the correct amount may not be the full value of the cap as an amount of the cap may have been allocated against these other sources.

Where the cap applies to your added years contract, your total NHS pensionable income from all NHS sources in the year ending 31 March 2023 cannot exceed £181,800.00.

We cannot advise on the application of the cap to any particular source of NHS income. Professional assistance should always be sought on this issue from an appropriately qualified Independent Financial Adviser.

Boxes 23 – 33: Establishing tier rates for employee contributions

During 2022/23, the tier rates for Employee contributions changed from 1 October 2022, creating the requirement to apportion pensionable earnings between two separate periods (1 April 2022 to 30 September 2022, then 1 October 2022 to 31 March 2023). Page 9 provides full details of the tier rates applicable to both periods.

With all NHS Pension members contributing to the 2015 Scheme from 1 April 2022, there is also a requirement to calculate the annualised earnings to determine which tier rate(s) apply.

Annualised earnings should be calculated first on the total annual earnings. This annualised earnings figure will be used to determine which tier rate is used for the two different periods.

Following the determination of tier rates, the total income is then apportioned between the two periods. A pragmatic approach has been taken to apportion the Main contract earnings based upon the number of active days service in each period.

Solo income should be allocated to each period based upon the days worked.

Employee contributions in 2022/23 range from 5% to 14.5% pre 1 October and from 5.1% to 13.5% from 1 October. These tiered rates are absolute and should not be time apportioned for anyone who is a member of the scheme for less than 12 months.

The purpose of these boxes is to determine the employee tiered rate that is to apply to practitioner pensionable pay for 2022/23 and which appears in boxes 36, and 53 .

a) GP providers

Where a GP is a member of the 2015 Scheme during year 2022/23 and they have had no breaks in service their tiered rate is based upon their total NHS GP income.

Where a GP provider is a member of the 2015 Scheme during the year 2022/23 and there has been a break at some point, 'annualisation' of 2015 Scheme GP income may need to occur. NHS Pensions has produced new guidance and a spreadsheet calculator to assist members in determining their tiered rate for 2022/23. This utilises a method of "add and annualise" rather than the alternative "annualise and add" that may have been used in previous years.

b) Non-GP providers

Non GP providers can only pension income from one source and therefore tier allocation will be based on their pensionable earnings from that single source.

Boxes 36- 39 and 53 - 56: Contribution rates

These boxes state the percentages at which the varying classes of contribution are paid.

Tiered employee contributions

Please consult the guidance on the NHS Pensions' website and the new annualisation calculator available there.

Added years

No new added years contracts should have been commenced after 31 March 2009.

Money purchase AVCs

The figure in box 38 is your provisional NHS Pension Scheme money purchase AVCs if you have a NHS money purchase AVC contract with the Prudential, Standard Life, or Utmost Life and Pensions (formerly Equitable Life). This is generally based on a percentage of your pensionable pay however can be a fixed amount. Where it is a fixed amount, the annual amount should be entered in box 38a rather than box 38. The amount in box 38a should then be copied into box 42.

Do not enter details in respect of any free standing AVCs.

Additional pension purchase

Where an Additional Pension contract exists in 2022/23, it will be necessary to enter the contributions due in box 38b for the period from 1 April 2022, or commencement if later, to 31 March 2023.

Contributions for the additional pension can be made either by a single lump sum or regular monthly payments. For single lump sum payments made during 2022/23 enter this sum in box 38b. Where payments are made monthly, enter the monthly amount multiplied by the number of whole months paid during the year ended 31 March 2023.

Early retirement reduction buy out (ERRBO)

Where an ERRBO agreement exists in 2021/22 it will be necessary to enter the contributions due in box 38c for the period from 1 April 2022.

Where your agreement has been completed in 2022/23, an apportioned percentage for the days to the end of the contract should be calculated.

If you terminated or suspended your ERRBO agreement during 2022/23 any ERRBO contributions that you have paid during 2022/23 should have been returned for this year only. Please enter zero in boxes 38c.

Employer contributions

The underlying employer contribution rate for 2022/23 is 20.60% plus an administrative charge of 0.08%, making a total of £20.68%. Of this, 6.30% is being centrally funded and dealt with outside of the normal processes. 14.38% should therefore continue to be used in the 2022/23 Certificate.

Where a limited company is providing GMS, PMS, or APMS services, the NHS Pension Scheme employer contributions must be treated as an expense of the company.

Boxes 40 - 43 and 57 – 60: Contributions due

Multiply the pensionable pay figure from box 35 or 35a, (or, if the cap applies for your added years purchase, an apportioned amount of the figure from box 22) by the relevant percentage figure from boxes 36 to 39 (53-56).

Where you have an NHS money purchase AVC paid as a fixed amount, the figure in box 42 (59) will match that in box 38a (55a).

Where you have an additional pension contract, the figure in box 42 (59) will match that in box 38b (55b).

Where you have a combination of arrangements under money purchase percentages/fixed amounts and additional pension purchase, the amount at box 42 (59) will reflect the total amount due for all such arrangements.

Boxes 44 - 46 and 61 - 63: Contributions already paid

These boxes must state the company-based contributions already paid that relate to 2022/23 (i.e. not including payments made in respect of a previous year) for the particular scheme alone that the page relates to.

These figures should include payments already made to PCSE or the LHB or deducted from your global sum or contract price payment ‘on account’ throughout the year by PCSE or the LHB.

It should be emphasised that there is no link between the figures in these boxes and the level of contributions which are claimed for tax relief. The entry in these boxes will relate to those contributions made in respect of 2022/23 that were paid or deducted by PCSE or the LHB before this certificate is submitted.

Boxes 44 - 46 (61 - 63) should not include any deductions from outside salaried appointments, locum income, GP solo income, appraisal income or any other privately earned amounts. Where the shareholder agreement determines that such income, although performed by a shareholder personally, should be pooled among all shareholders, the earning shareholder should be considered to have retained those fees as private income and the remaining shareholders allocated additional salary or dividend to ensure they receive their entitlement.

The exception to the preceding paragraph is where a shareholder salary is paid by this limited company that has superannuation incorrectly deducted at source. Where this has occurred, the deductions (employee, employer and added years) should all be included in boxes 44 - 46 (61 - 63).

Boxes 48 - 52 and 65 – 69: Contributions due less contributions paid

These are the balance of contributions to be paid or refunded.

Boxes 70 – 81: Prior year adjustment

Where an estimated figure was included at box 5A of the 2021/22 certificate, an adjustment is required to ensure that the correct amount of income has been pensioned. These boxes calculate how much that adjustment needs to be.

It is possible that the adjustment may be negative and that the 2022/23 pensionable pay will be reduced as a result. Downwards adjustments of this nature may, in circumstances such as cessation and leaving the practice, mean that overall pensionable pay is negative. Where this occurs, it is necessary to go back and amend the previous year's certificate with the correct figures in the right hand side and submit to the PCSE or LHB. A nil return will then need submitting for 2022/23.

Boxes 70 and 70A: Accounting year end

Both of these boxes will be the accounting year end that falls in 2022/23 for which estimated figures were included on the 2021/22 certificate.

Boxes 71 and 71A: Comparison of NHS income ratio

These boxes compare the estimated NHS income ratio from the 2021/22 certificate to the actual NHS income ratio from this 2022/23 certificate.

Box 76 will be the estimated figure from box 5A of the 2021/22 certificate.

Box 76A is the actual figure from box 5A of the 2022/23 certificate.

Boxes 71 and 71A: Salary received in 2021/22

These figures will be the same as they reflect the actual salary paid prior to 6 April 2022 that relate to the accounts ending after that date.

Both boxes 71 and 71A will be the salary from box 7A of the 2021/22 Certificate.

Boxes 73 and 73A: NHS salary

The results at boxes 73 and 73A respectively will reflect the estimated pensionable salary from the 2021/22 certificate for the accounts ending in 2022/23 and the actual figure for this period from finalised accounts.

Box 74: Adjustment required for 2021/22 pensionable salary

Box 74 is the result of subtracting box 73 from 73A and reflects the adjustment necessary to the 2022/23 pensionable salary at box 10 of this certificate to correct the estimate used in 2021/22.

Boxes 75 and 75A: Comparison of profit after tax

Box 75 and 75A will show the theoretical entitlement to profit after tax.

Box 75 will be the estimated entitlement as per box 12A of the 2021/22 certificate.

Box 75A will be the actual entitlement as per box 12A of the 2022/23 certificate.

Boxes 76 and 76A: Maximum potential pensionable dividend

Multiplying the potential after tax entitlement by the NHS income ratio produces the estimated maximum potential pensionable dividend and the actual maximum potential pensionable dividend.

Boxes 77 and 77A: Net dividend received

Clearly the pensioned dividend may not exceed the actual dividend paid. The actual dividend paid for the accounting year is therefore entered here for the purposes of comparison and box 83 below.

Box 77 should match box 14A of the 2021/22 certificate, which may have been provisional.

Box 77A will match box 14 of the 2022/23 Certificate.

It is probable that box 77 will also match boxes 14 and 77A.

Boxes 78 and 78A: Maximum actual pensionable dividend

Box 78 and 78A are the maximum actual pensionable dividends for the above accounting year end.

Boxes 79 and 79A: Dividend paid before 5 April 2022

The purposes of boxes 72 to 81 are to amend an incorrect position in 2021/22 on the 2022/23 Certificate.

Boxes 79 and 79A therefore identify the element of dividends paid in respect of the accounting year that were paid in 2021/22.

Box 79 will reflect the entry at box 16A of the 2021/22 certificate, which may have been provisional.

Box 79A will be the entry from box 16 on page 3 of the 2021/22 certificate.

It is probable also that box 84 will be the same figure as boxes 16 and 84A.

Boxes 80 and 80A: NHS pensionable dividend for 2020/21 for the accounting year ending 2022/23

Boxes 80 and 80A produce the estimated and actual NHS pensioned dividend for the above accounting year.

Box 81 Adjustment to pensionable dividend for 2021/22

By subtracting box 80 from box 80A, the necessary adjustment to the 2022/23 pensioned dividend is arrived at and should be copied to box 19. The number may be negative and will therefore reduce the 2022/23 pensionable dividend.

Box 82: Notes to the certificate

White space to add any additional information deemed helpful to understanding the figures in the certificate and in particular re boxes 35 and 35A

Boxes 83 - 86: Agent details

As noted earlier in these notes and with regards to GP providers in England, there is a new method available for submitting certificates of pensionable profits for 2022/23 via PCSE's online GP Pensions and Payments system. Where the member includes details in these boxes, the declarations have been amended to include authorisation for PCSE to contact the agent regarding any queries.

Declaration Pages

The GP or non GP Provider should sign and date the declaration on page 8 of the certificate and submit to PCSE or the LHB for processing, providing the summarised information at the bottom of the form as specified.

Annex A: GP providers pensionable pay 2022/23

A GP providers (for example GP shareholders) pensionable income is listed below and is subject to the payments being net of expenses.

The fees must be in respect of NHS primary medical services and be paid directly to the GP (or practice) by a NHS body that qualifies as a NHS Pension Scheme employing authority with the exception of an independent provider or direction body.

GP providers <u>must</u> pension income in respect of the following:

Additional services

Adoption and fostering work (collaborative services)

APMS (where they are the contract holder)

Appraisal work

Blue (disabled) badge scheme (collaborative services)

Board and advisory work; i.e. non clinical NHS work including appraisals and CCG board 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 groups (CCGs) payments directly from CCGs are pensionable from April 2013. See FAQs for further details.

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

Commissioned services

Contract 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 Commissioning Body/EA 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 (where they are the contract holder)

GP locum work (This work must always be recorded on GP Locum forms A, & B which can be downloaded from the NHS 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 locum work in their own practice i.e internal locum work, on Locum forms A & B)

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

Health Education England payments directly to individual GPs or practices

IT

Lecture fees (Commissioned services)

Local authority work in England in respect of collaborative services, section 75 work and local enhanced services

Marriage difficulty sessions (Commissioned services)

Medical certificates (as listed in the GMS Contracts Regulations)

NHS standard contract income (where the GP is the contract holder)

NHS standard sub-contract income (where the contract holder is an employing authority)

Out Of Hours work for an LHB, Trust, or an OOHs provider that is an employing authority

PCO administered funds

PMS (where the GP is the contract/agreement holder)

Practice based commissioning (PBC) (Only if paid direct to a GP, or GMS/PMS practice, by PCSE/LHB)

Premises (e.g. cost or notional rent)

Prime Minister's Challenge Fund (where the GP holds an existing APMS/PMS/GMS contract)

Primary care networks (refer to Annex C)

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

Prisoners' healthcare (fees in respect of prisoners' healthcare are pensionable subject to PCSE/LHB paying the fees directly to the GP/practice)

QOF (quality and outcomes framework)

Regional/AT sessions (commissioned services)

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

Sessional work commissioned by family planning clinics (collaborative services)

Social services reports (collaborative services)

SPMS (specialist personal medical services)

Trainers grant

GP providers must not pension fees paid to them or their practice by the following:

A direction Body (for example a hospice)

Department of Work and Pensions (DWP)

A GP federation *

An independent provider *

A local authority

A local medical committee

A medical school

The Ministry of Defence

NHS England or the CCG in respect of ‘The New To Partnership Scheme’

NHS Pensions (in respect of NHS ill health pension or Injury Benefit Scheme medical reports)

Police

Prisoners’ healthcare - fees paid to a GP or their practice by an organisation that is not a NHS Pension Scheme employing authority in respect of the national ‘Drug Intervention Programme’, private fees (for example travel vaccination fees not funded by the NHS), and cremation fees.

Fees paid to a GP by a hospital under an ‘honorary contract’ or under a service level agreement are not generally pensionable, however contact NHS Pensions for further guidance. An exception to this is where a GP is paid a fee by a hospital trust for a commissioned service (e.g. lecture fees), this remains 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 NHS Pension Scheme.

GP Providers cannot pension income they receive from another GMS/PMS/APMS surgery under a sub-contracting arrangement.

*The rules in respect of Independent Providers and Federations changed from 1 April 2016.

Non-GP providers pensionable pay 2022/23

Non-GP providers can only pension income in respect of one GMS/PMS/APMS contract even though they may be party to several contracts.

Where a practice has a mixture of GP and non-GP partners, the non-GP partner pensionable income cannot exceed the GP partner pensionable income if they are all equal share partners.

A practice may be subject to a ‘one off’ final pay control charge where one of the shareholders is a non-GP.

Annex B: Out of Hours providers with NHS Pension Scheme employing authority (EA) status during 2022/23

BARDOC (W107)
BEDOC (Bedford On Call) (W206)
Birmingham & District GP Emergency Room Ltd (W215)
BRISDOC Healthcare Services Ltd (W316)
COMMUNITY BASED HEALTHCARE LIMITED (W116)
Core Care Links ltd (W118)
Cumbria Health On Call Ltd (W101)
Devon Doctors Ltd (W303)
DHU Health Care CIC (W225)
East Berkshire Primary Care OOHs Services (W306)
East Lancs Medical Services (ELMS) Ltd (W117)
Fylde Coast Medical Services (NW) Ltd (W103)
GOTODOC Ltd (W106)
Herts Urgent Care Ltd (W227)
Integrated Care 24 LTD (W313)
Local Care Direct Limited (OOHP) (W112)
London Central West Unscheduled Care Collaborative (W213)
Mastercall OOHs Services (EA Code W108)
NEMS Community Benefits Service Ltd (W202)
North Hampshire Urgent Care (W304)
Partnership Of East London Co-Operatives (PELC) Ltd (W216)
Primary Care 24 (Merseyside) Ltd (W113)
Shropshire Doctors’ Co-operative Ltd (W201)
SOUTH DOC Services Ltd (W223)
St Helens Rota (W115)
Wolverhampton Doctors on Call (W224)

Annex C: General completion notes

General information

Completing the certificate on an annual basis

It is a legal requirement under the NHS Pension Scheme Regulations and the Statement of Financial Entitlement (SFE) that providers must complete an annual certificate. Non-completion may have a detrimental effect on NHS pension benefits at retirement and dependant's pension benefits. The SFE also states that monthly contractual payments may be withheld if a provider fails to complete the certificate.

Since 2004 a provider's pensionable pay is based on their NHS income, less expenses. Therefore the only way to measure pensionable pay is for them to complete a certificate.

The name of a GP provider's or non-GP provider's NHS Pension Scheme EA

In Wales it is the Local Health Board (LHB). In England it is NHS England who devolve local responsibility to PCSE and ICBs.

Out Of Hours provders that are EAs

Refer to Annex B that lists OOHPs with NHS Pension Scheme EA status.

A GP provider's 'host board' in NHS Pension Scheme terms.

It is the body that commissions the GMS/PMS/APMS contract.

The legislative requirements placed upon a LHB or NHS England's agents in respect of validating the certificate.

The NHS Pension Scheme regulations place no specific legal requirement for them to validate all the figures declared on the certificate. The declaration signed by PCSE or the LHB recognises that some of the income declared will have come from other sources.

Sending the certificate after it has been validated.

PCSE or the LHB keeps the original. The provider (or their accountant) must retain a copy. From 2016/17 PCSE use their online contact form to submit certificates. Please refer to PCSE's website for more information.

The reasons why a GP provider in two or more separate practices, for example involved in several contracts, needs to complete more than one certificate.

A GP provider must, in law, complete a separate certificate in respect of every GMS, PMS, and APMS contract they are a party to. Remember that each contract will have its own budget, contractual obligtions, and possibly different expenses ratio.

Non-GP provders cannonly pension income in respect of one GMS, PMS, APMS contract.

Completing more than one certificate when there are several commissioners.

If a provider relocated during the year they must complete a certificate in respect of each practice. However, if the host commissioning body changed due to a commissioning body merger (but the provider did not change practices) only one certificate is required. Moving from England or Wales to Scotland or Northern Ireland will need completion of one certificate in respect of England/Wales and another in respect of Scotland or Northern Ireland.

Mid-year incorporation.

Two certificates are required. One as a partner and one as shareholder.

Other GP pension forms to complete as well as the certificate.

A GP provider who is also a salaried GP directly employed (i.e. PAYE earnings) by another practice must also complete the Type 2 medical practitioner self-assessment form for 2022/23.

Declaring income from other practices.

This is strictly forbidden under the NHS Pension Scheme regulations.

Pensioning income when a GP provider sets up a separate limited company for the purposes of NHS fringe/ad hoc work such as OOHs, prison work etc.

This income is not pensionable.

Working as a freelance GP locum and a GP provider in the same practice.

Where a GP provider provides locum cover in their own practice they cannot use locum A and B forms to pension this income. They must pension this income on the certificate of pensionable income.

Working as a freelance GP locum in other practices.

Pensioning freelance GP locum work is not compulsory but if so must be recorded on GP locum forms A and B within 10 weeks. The tiered employee contribution rate is based on all GP pensionable income.

Opting out of the NHS Pension Scheme and becoming a deferred member.

Where a GP is considering opting out they must seek independent expert advice and consider the life assurance implcations. A provider is required to complete a Certificate of Pensionable Profit to the date of opting out of the NHS Pension Scheme. This may involve relieving overlap profits..

Opting out of the NHS Pension Scheme and then back in again during the same pension/financial year.

Strictly speaking, one certificate will be completed for the period from 1 April 2022 to the date of opting out and one from the date of opting back in to 31 March 2023. The reason for this is that the process may involve relieving and generating overlap profits. Care must be taken, however, to recall that a member may at some point in 2022/23 pass a date at which continued NHS Pension Scheme membership would be in the 2015 Scheme and different rules may apply for tier assessment.

A pragmatic approach may therefore be taken in these cases. If the membership is purely 1995/2008, or there is a gap between leaving the 1995/2008 scheme and joining the 2015 scheme that is dealt with fairly using the current certificate, it may be that completion of one certificate will suffice.

Accountancy and tax related information

Monies in respect of interest rate hedging products treated on the certificate.

The basic redress (which represents the refund of excess payments for the hedging product), the 8% compensatory interest and any consequential loss claim should be excluded from all income, corporation tax and profit figures used for the limited company certificate (there is no need to exclude dividends paid from redress monies).This treatment may result in GP shareholders not being compensated for past restrictions to NHS pensionable dividend and salary as a result of product costs. You may therefore need to consider if a consequential loss claim is appropriate.

Pensionable treatment of income including dividends and salary

Pensioning all GP income.

A GP provider must pension all their eligible NHS GP (practitioner) income and cannot opt out of pensioning certain parts of it. As far as the limited company practice is concerned a provider must pension all the income they draw down. Any income (profits) retained in the business are not pensionable even if they are taken as reserved income in the future. A GP provider 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.

GP shareholders and OOHs income.

A GP shareholder may find it helpful for their solo income to be paid into their personal account rather than the practice/centre account. This should make it easier if the OOHP has to collect arrears of employee tiered contributions because it did not apply the correct tiered rate in the first instance.

GP provider/shareholder who own several practices.

It is not allowed under the NHS Pension Scheme regulations to pension income via one practice that is earned from another practice. A separate certificate must be completed in respect of every GMS, PMS, and APMS contract.

Pensionable status of PCN income.

Please see the separate heading below.

Pensionable status of medical school income.

Some medical schools are granted special NHS Pension Scheme Direction status, any fees paid to a GP (or practice) by a medical school are not pensionable.

Pensionable status of the trainers grant.

The trainers grant received by training GPs/GP practices is pensionable. The income received is deemed to include the 14.38% employer contributions.

Pensionable status of prison work or blue badge income.

Only if the fees are being paid directly to the GP/practice by an employing authority or it's agent.

Pensionable status of income in respect of the 'New To Partnership Scheme'.

This income is not pensionable in respect of a GP provider or non-GP provider.

Integrated Care Boards

Integrated Care Boards (ICBs) were created following the NHS Long Term plan (2018) with the legislation included in the Health and Social Care Act in 2022 and replaced Clinical Commissioning Groups on 1 July 2022. They are clinically led statutory NHS bodies responsible for the planning and commissioning of health care services for their local area.

ICBs will continue with functions previously performed by CCGs. Each CCG's staff, assets and liabilities transferred to the relevant ICB, on 1 July 2022, and some NHS England direct commissioning functions will be delegated.

The way CCG/ICB income should be pensioned, and (HMRC) 'office holder' posts.

This depends on whether the post is a formal employment (contract of service) or a fee based arrangement (contract for services/service level agreement).

Where anyone (including a GP) is formally employed by a CCG/ICB (for example a contract of service) they are an officer in the NHS Pensions Scheme. An officer post must be set up with NHS Pension Scheme contributions deducted at source and paid directly to NHS Pensions via the direct debit method.

Where a GP works for a CCG/ICB as an individual under a fee based (contract for services) arrangement the income is pensionable, but the CCG must not create an officer post. Where the CCG/ICB pays fees directly to an individual GP the CCG/ICB and GP must jointly complete a solo form and forward it and all contributions to PCSE or the LHB. Where the CCG/ICB deducts PAYE and National Insurance contributions at source in accordance with HMRC's 'office holder' rules the solo form must still be used. An officer post must not be created.

Where a GP (or group of GPs) work for a CCG/ICB as individuals under a fee based (contract for services) arrangement however they elect for the fees to be paid directly to their practice the CCG/ICB must include the 14.38% employer contributions within the fee. A solo form is not required. However, the CCG/ICB must make it clear that the employer contributions are within the 'cash envelope'. This income will be pensioned on the GP provider certificate. No solo entries should be made on the certificate with reference to this income.

A GP who works for a CCG/ICB under a limited company arrangement cannot pension their CCG/ICB income.

Pensionable status of local authority income.

With effect from 1 April 2013 payments made by a local authority (under The Health and Social Care Act 2012) to a GP provider (or their practice) in England in respect of collaborative services, section 75 work, and local enhanced services are pensionable income.

Where the fee based payment has been made to an individual GP in England the local authority must complete a solo form and send this to the PCSE with all contributions due; for example the GP will have received a fee net of superannuation.

Where the fee has been paid to a practice the local authority should have made it clear that the fee includes the employer contribution element. These fees should be treated as pensionable income on the GP provider certificate.

Pensioning income as a GP provider as NHS primary care is changing, with new funds of money available for primary care, such as the Prime Minister's Challenge

Fund, GP Access, Vulnerable Practice Fund and the General Practice Resilience Programme.

Where these are sourced and paid to a practice by NHS England or the LHB they must be pensioned.

New monies received from a federation, Vanguard Site, or a Multispeciality Community Provider (MCP).

Where a practice receives monies from a federation (for example under a sub-contracting arrangement) those monies are not pensionable in 2022/23. MCPs and Vanguard Sites are not currently NHS Pension Scheme employing authorities.

Pensioning self-employed income from a federation.

If the federation is a 'classic' APMS employing authority a GP provider must pension this income either as a freelance GP locum if they are deputising or as a Type 2 medical practitioner if they are employed.

If the Federation is an independent provider employing authority it can only be pensionable as an officer member if the GP is employed; not self-employed.

Performing OOHs work for an NHS trust/foundation trust which is the local Out of Hours provider.

Where a GP provider works under a contract for services (self-employed) arrangement the trust must superannuate the income by completing form solo. As an alternative to the solo form the GP provider may agree to have the fees paid directly into the practice account. The 14.38% employer contributions must be included in the 'cash envelope'.

If a GP is formally employed (for example a contract of service) by a NHS trust/foundation trust to perform OOHs they must be put into the NHS Pension Scheme as an officer member.

Where a third party uses some of the practice premises or equipment.

If a GP provider or practice receives income from a third party for use of its premises or equipment, for example a 'service charge', and a profit is made this is not pensionable even if the income is from an NHS body.

Dividends held in reserve and taken in a future year.

There are no provisions in the NHS Pension Scheme regulations to pension reserves. It is only the NHS net dividends that are actually taken in the relevant year that are pensionable.

Capital distribution of 2022/23 funds.

Only income in the form of dividends and salary taken are pensionable and they must only relate to year 2022/23 profits.

Sources of non-NHS income in the company accounts.

That element of non-NHS income must be stripped out of the dividend and salary so that it is not pensioned.

Stripping out non-NHS income from the salary.

Simply by applying the percentage of NHS income to total income from the company accounts year end falling into the tax year 2022/23 to the salary taken in that tax year.

Where the accounting year-end is not March, the percentage applied to the salary will not have been calculated upon the income for the period the salary was earned.

That is correct. However, for the ease of application, a straightforward method has been implemented.

An existing company that has undistributed reserves brought forward from a time before an NHS contract was entered into.

Undistributed reserves are not pensionable.

Disposing of or acquire shares.

The working of the certificate will not be affected as the pensionable pay follows entitlement regardless of the level. Entitlement to dividends decreases or increases appropriately.

Receiving a 2021/22 dividend payment and deciding to reinvest some of that money back into the company.

So long as the provider has actually been paid a net NHS dividend that relates solely to year 2022/23 it is pensionable. What happens thereafter is up to the provider.

Tax implications regarding the pensioning of dividends.

NHS Pensions cannot provide financial or tax advice.

Primary Care Networks (PCN)

Working directly for a PCN

This is not possible because a PCN as it is not a legal entity

PCN income that is distributed to the practices.

Where a network of practices receive PCN income each practice's share of this income is pensionable net of expenses in the same way as any other direct enhanced service. This income will include PCN participation payment, core funding, development funding, extended hours access funding, support payments and reimbursements for additional roles and clinical directors.

Nominated practices holding PCN fund

Where a nominated practice is holding the PCN funds it does not 'own' the whole amount. Therefore it has no entitlement to pension anything other than its own share. It cannot pension PCN income that it distributes to the other practices.

A GP provider/shareholder in a practice who is also the appointed PCN Clinical Director and the practice receives additional funding to cover the Clinical Director costs.

The income will be pensionable. The practice must ensure that it receives the appropriate funding to cover the extra NHS Pension Scheme employer contributions. The practice would be wholly liable to comply with pension legislation and would therefore be responsible for paying any arrears of NHS Pension Scheme contributions.

If a GP, as an individual, has a contract for services (for example self-employed arrangement) for the Clinical Director role with the PCN, i.e. with each individual practice within the PCN, they cannot pension their income because this does not fall under the definition of GP pensionable income under the NHS Pension Scheme regulations.

A GP provider/shareholder who is also the PCN Clinical Director on an employed (contract of service) basis.

If a GP has a contract of service (e.g., contract of employment) with a specific practice other than their own to be the PCN Clinical Director they are eligible to join the NHS Pension Scheme as a practice staff member. This is because this type of work falls under the definition of being a practice staff member under the NHS Pension Scheme regulations. As this is not a GP post 'per se' the GP could opt out of pensioning it by completing form SD502.

If the GP has a contract of service (e.g., contract of employment) to be a Clinical Director with a limited company (that is a NHS Pension Scheme Direction employing authority) created to oversee the PCN, they may join the NHS Pension Scheme as an officer member. If, however they are engaged by the limited company under a contract for services (self-employed) arrangement the GP cannot join the NHS Pension Scheme.

Organisations that qualify as a temporary (PCN) drection body and generate a profit.

Any profits distributed to the shareholders of that organisation are not pensionable. It is only the employees (who are eligible to join the NHS Pension Scheme) salaries that are pensionable.

A (classic) APMS employing authority that also performs PCN work and generates profits from that work.

The shareholders must pension these profits in addition to their core APMS profits.

NHS Pension Scheme contributions and annualisation

Payment of any arrears of NHS Pensions Scheme practice based contributions

The practice rather than the individual GP (or non-GP) provider is responsible for paying arrears of contributions immediately. The PCSE or the LHB 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 effect on tax relief/National Insurance.

Incorrect contributions in respect of solo (for example, OOHs) work

A GP's tiered contribution rate is based on their global GP pensionable income; not just solo income. Where contributions are at the incorrect tiered rate in respect of solo income the GP must liaise with the relevant solo 'employer' in order to pay the correct rate. If this is not possible they may exceptionally pay the arrears via the certificate.

Overpaid contributions because a provider's NHS pensionable pay was over estimated.

The host PCSE or the LHB must repay the overpaid contributions to the practice.

'Annualisation' in the 2015 Scheme

NHS Pensions has produced a new guide, with worked examples, together with a spreadsheet calculator, to assist with the determination of the pension tier on our website. The GP pension guide also provides information.

Other Information

Deemed pensionable sick pay

GP providers 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. Deemed pensionable sick pay is not recorded on the certificate. NHS Pensions should be contacted for advice on this matter.

Final pay controls

Final pay controls are applicable from 1 April 2014 to officer and practice staff members with 1995 Section membership. This includes non-GP providers.

If a surgery employee (excluding salaried GPs) or a non-GP provider receives an increase in pensionable pay that exceeds the allowable amount in any of the three years prior to their last day of service, the surgery **may** be liable for a final pay control charge depending on individual circumstances. The allowable amount for a relevant year is determined by increasing a member's pensionable pay in the year immediately preceding the relevant year by CPI + 7% (formerly 4.5%).

From July 2021, the rules regarding final pay controls were updated and are applied retrospectively to all charges issued from 1 April 2018. Further information is contained in the Employer Hub section on our website

The rules regarding claiming the NHS pension

All providers must resign from any involvement with a GMS, PMS, or APMS contract for at least 24 hours to access their NHS pension benefits. Single-handers/ sole trader providers must completely terminate their GMS, PMS, sPMS or APMS contract.

If they are a partner or shareholder they must cease to be a partner or shareholder for at least 24 hours and must resign from pensionable employment in any external clinical posts (for example hospital posts) for at least 24 hours.

A GP provider or non-GP provider who retires from the 1995 scheme on normal age (or voluntary early retirement) grounds and who exceeds 16 hours per week NHS work in the first calendar month following retirement will not have their pension suspended in year 2022/23. However, this may change in future years. Those who retire due to ill health may have their pension abated if they return to work and earn over a certain amount.

Futher guidance can be found in the GP Pensions Guide on NHS Pensions's website.

GP partners who also own a share in an APMS practice/centre that operates as a company limited by shares however the share is held in trust on behalf of the practice/partnership

If the company is a classic APMS Contractor in NHS pension terms (for example and APMS employing authority) the GP can superannuate APMS income by completing the limited company version of the certificate. If, under the partnership agreement, the GP distributes the income to practice colleagues they cannot pension it.

Pension overlap when dealing with pensionable pay from a limited company

Pension overlap only arises in a self-employed or partnership situation where the accounts are not drawn up to a 31 March or 5 April year end. In a limited company the pensionable income derived is from salary and/or dividends paid in the tax year. As the income is based upon the tax year, no overlap period is created.