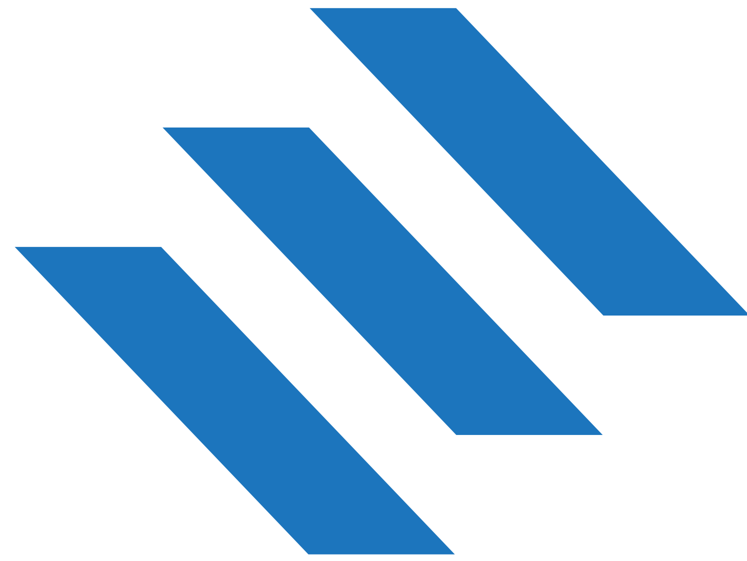
Healthcare Newsletter

Summer 2023



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Jenny Hurst
Editor
Healthcare Partner
jenny.hurst@bhp.co.uk

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Parental leave for GPs

Ruth Toyn
Senior Manager
ruth.toyn@bhp.co.uk

When a GP takes parental leave how does this impact them and the practice financially?

GP Partners

How much profit the partner is entitled to while on parental leave (maternity, paternity and adoption) and how the costs of any locums are allocated will depend on what is set out in the partnership agreement. Generally, the partner will continue to receive their usual profit share and be allocated with the locum costs incurred to cover their sessions less reimbursements received against these locum costs (see reimbursement for locum cover below).

Partners taking leave usually have a reduction in profits and therefore drawings. As a result, pension contributions and tax liabilities for that period are lower. Pension and tax estimates can be prepared to provide more certainty over the partner's financial position.

Salaried GPs

Provided the GP meets the eligibility criteria they are entitled to receive 39 weeks of Statutory Maternity Pay (SMP) at 90% of earnings for six weeks and £172.48 (from April 2023) or 90% of their average weekly earnings (whichever is lower) for the next 33 weeks. This is the minimum that must be provided to a qualified salaried GP.

Some employers will provide enhanced provisions and there are also additional benefits where the salaried GP is employed under the BMA model salaried GP contract.

The model contract entitles the GP to 12 months of maternity pay provided they have 12 months of continuous NHS service at the beginning of the 11th week before the expected week of childbirth. Their pay will be:

- Full pay less any SMP or maternity allowance (MA) receivable for eight weeks
- 14 weeks at half pay plus SMP or MA provided the total amount does not exceed full pay
- 17 weeks at SMP or MA (£172.48 per week for both). See our separate article covering maternity allowance.

If a salaried GP has two jobs then, provided they meet the eligibility criteria, SMP can be claimed on both roles. Maternity pay works independently on each role.

There are also specific rules regarding shared parental leave and shared parental pay — guidance can be found on the BMA website.

Trainee GPs also have different criteria for maternity pay. Again, guidance can be found on the BMA website.

Reimbursement for locum cover

Practices are entitled to reimbursement of the cost of a GP Locum to cover the parental leave of a GP partner or salaried GP. The maximum amount of locum reimbursement available is £1,143.06 for the first two weeks and £1,751.52 per week thereafter, or the actual costs, whichever is lower. The commissioning body can however use its discretion to reimburse more.

The reimbursement can cover external locums and cover provided by existing GPs within the practice (both salaried GPs and partners) so long as the people providing the cover are not already working full time (37.5 hours per week per BMA standard contract).

All GMS practices are entitled to reimbursement of the cost of a GP Locum to cover the maternity period of a GP performer.

For a PMS practice similar benefits should be available in their contract.

Maternity allowance

Aimee Mullins
Senior Accountant
aimee.mullins@bhp.co.uk

Maternity allowance is a benefit specifically for those who don't meet the eligibility requirements for Statutory Maternity Pay, including the self-employed. This may include locum GPs and dental associates.

There are two main rates of Maternity Allowance: full rate and reduced rate. To qualify for either rate of Maternity Allowance, you must first meet the following criteria during the 66 weeks before the baby's due date:

- You must have been self-employed for a minimum of 26 weeks.
- Your earnings must be £30 a week or more, for at least 13 weeks (the weeks don't have to be consecutive).

Full rate Maternity Allowance

To be eligible for the full Maternity Allowance as a self-employed person, you need to have paid Class 2 National Insurance for a minimum of 13 of the 66 weeks before your due date. You can check how much you've paid by logging into your HMRC account.

The full Maternity Allowance payment is £172.48 per week for 2023/24, or 90% of your average weekly earnings (whichever is less). You'll receive these payments for a maximum of 39 weeks. You can file your claim for Maternity Allowance once you've been pregnant for 26 weeks, and the payments should start 11 weeks before your baby is due.

Reduced rate Maternity Allowance

If you haven't paid enough Class 2 National Insurance for the full allowance, you might still be eligible for the reduced rate Maternity Allowance of £27 a week for up to 39 weeks. As with the full rate, these payments should start 11 weeks before your baby is due. The application process for both rates is the same, and you'll find out if you're eligible once your application has been processed.

It's worth bearing in mind that you might still be able to claim the full rate of Maternity Allowance by making early National Insurance payments. HMRC will tell you how to do this when you make your claim or you can call the HMRC self-employed National Insurance helpline on 0300 200 3500.

How to apply for Maternity Allowance

You can apply for Maternity Allowance through HMRC. You'll need to download and print the MA1 form from their website and then return it via post, along with evidence of your baby's due date.

If you are registered as self-employed and have made sufficient National Insurance contributions, you will be classed as having enough weekly earnings to receive full rate Maternity Allowance and you shouldn't have to submit proof of income.

What if you're employed and self-employed?

You cannot claim maternity allowance from your self-employment as well as Statutory Maternity Pay (SMP) for an employed job. You can only claim maternity allowance if you are not entitled to any SMP.

If you are employed in one role and qualify for SMP, you can carry out self-employed work before and after the birth without it affecting your claim to SMP.

Maternity pay - NHS dentists

Vicky Cutts
Manager
vicky.cutts@bhp.co.uk

Dentists can claim maternity leave payments if they meet the qualifying conditions. Dentists can claim for a period of 26 weeks starting:

- no earlier than the 11th week before the week they are due to give birth
- no later than the week they are due to give birth

An NHS provider can claim maternity leave payments for a performer it employs if the performer has:

- been named on an NHS dental performer list for two years with 26 weeks' continuous employment before the week they are due to give birth, this period must precede the 15th week before they are due to give birth
- become pregnant and reached the 11th week before the week they are due to give birth
- stopped performing dental services on the contract and
- not registered as a Limited Company

Providers are paid a weekly amount based on the performers Net Pensionable Earnings (NPE) or Net Pensionable Earnings Equivalent (NPEE) on Compass at the date the payment is due. NPE / NPEE are a performer's earnings for each financial year, taken from a contract's Total Contract Value (TCV). Additional payments such as trainer's grants, maternity payments and sickness payments are not included. The maximum net pensionable income that can be declared for one GDS / PDS contract is 43.9% of the TCV. NPE / NPEE information and guidance is available on the **NHS Dental Services website**

Weekly payments cannot exceed £1,660 for dental performers and £3,630 for orthodontic performers. An orthodontic performer is a performer who earns 50% or more of their weekly NPE or NPEE from orthodontic services.

If the performer can claim Maternity Allowance (MA), an amount equal to this is deducted from their payment. If the performer cannot claim MA, or claims a reduced amount, evidence of this from the Department of Work and Pensions (DWP) must be sent.

Meet the team - Ruth Toyn

Ruth Toyn
Senior Manager
ruth.toyn@bhp.co.uk

When did you join BHP?
I first started working at BHP on a placement year from Sheffield Hallam University in September 1997 where I was studying for a degree in Accounting and Management Control. I completed my degree and was offered a graduate training contract based in the audit team based at the Chesterfield office.

What is your role and what does a typical day look like for you?
I now work as a senior manager in the healthcare team. Days are pretty varied and my work covers managing a portfolio of clients, including healthcare limited companies and helping to manage the healthcare team. Client work includes annual accounts, partner changes, day to day queries, drawings and cash flow projections, tax returns and estimates and NHS pension work.

What do you like best about working at BHP?
I enjoy working with the healthcare team and also the variety of the work I do.

How has BHP helped you in your career so far?
BHP has always been very supportive of my career and encouraged me to develop and move forward. I know there are opportunities there for me if I want to take them.

What are your highlights and key achievements?
My key achievements would be qualifying with the firm and moving through the levels to my current senior manager position.

What do you enjoy doing when you are not at work?
I have two children so family stuff keeps us busy with their interests and activities. I enjoy walks in the Peaks, holidays and eating out. I also enjoy running and training for endurance events. I have completed six marathons and an ultra marathon in the last few years. I am currently training for my second London marathon.

What is your favourite type of cuisine and why?
I enjoy Italian food — pizza or pasta. It's something we all enjoy as a family which makes things easier— my daughter is a very fussy eater! We bought a pizza oven last year and it's the best gadget we have ever bought.

What is the best place you have travelled to and why?
Dubai — the mix of old traditions and the super modern there is so striking and the activities on offer make for a great holiday. Dune bashing, camel riding, sand boarding (I am useless at that though) and the water parks are amazing! The warm weather is a bonus too!

If you weren't an accountant, what would your dream job be?
I've always fancied being a van driver — no idea why though!

Overpayment of seniority to GP partners

Claire Heathershaw
Senior Manager
claire.heathershaw@bhp.co.uk

It has been reported that NHS England have overpaid GPs £28.4m in seniority and that they are seeking legal advice as to whether these amounts can be clawed back. The consultation process regarding this is currently ongoing.

Seniority payments were introduced as part of the GP contract changes in 2004 as a way of rewarding a GP partner for their experience. Amounts were paid quarterly to eligible GPs based on their years of reckonable service and pensionable earnings. To qualify, GPs had to have served in the NHS for eight years and the average seniority payment received in 2015/16 was £5,033. The amount of seniority received increased based on the number of years of service.

New applications for seniority ceased from 1 April 2014 and the scheme ended completely on 31 March 2020 with funds being transferred into the global sum.

Payments made were based on the information from the estimate of pensionable profits form and an interim seniority figure determined by the NHS each year. The interim figure was used to determine whether estimated earnings would entitle a GP to receive full, 60% or nil seniority. If a GP's earnings were expected to be less than 1/3 of the interim figure no seniority would be due, between 1/3 and 2/3 60% was paid and over 2/3 full seniority was paid.

On calculation by NHS England of average superannuable income and seniority payments, final seniority figures for each year were released. These final figures were used by NHS England to calculate the final seniority entitlement for each GP partner. These amounts were compared to amounts already paid and any under/over payments were adjusted in the monthly contract.

The final figures for 2019/20 were released on 13 April 2023.

However, we understand that NHS England are yet to make adjustments for figures up to and including this date.

GP practices may see balances being carried forward in their accounts where accountants have made provision for amounts expected to be paid or repaid. There may be instances where some of these amounts relate to partners who are no longer at the practice.

If NHS England adjust for these prior years, we anticipate that these additional payments or receipts would come through the monthly practice contract. We strongly advise that, if any such adjustments are made, you contact your accountant to review the figures. If an adjustment relates to a former partner and has not been provided for in the accounts, you may need to refer to your partnership agreement or take appropriate advice to determine who should receive or pay the amount due.

Associate dentist contracts

Kirsty Swinburn
Senior Manager
kirsty.swinburn@bhp.co.uk

A change in HMRC guidance from April 2023

A reminder, it is now more important than ever to make sure that the correct Associate contract is in place, and that the reality reflects the contract.

HMRC had for many years accepted that Associate dentists were almost always self-employed but, as of April 2023, this paragraph in their guidance was withdrawn and each Associate's tax status will now be considered on a case by case basis.

The BDA has a standard Associate contract which, if adhered to in reality, should mean self-employed status is preserved. HMRC have a Check of Employment Status for Tax, which can provide reassurance, as well as evidence that the correct procedures have been followed.

Please contact your usual BHP Healthcare contact if you would like to discuss.

Spring Budget 2023

Kirsty Swinburn
Senior Manager
kirsty.swinburn@bhp.co.uk

Was it all about pensions?

The headline news which came out of the March 2023 Budget was of course the pension changes, with a relaxation of the tax rules regarding both the annual allowance and the lifetime allowance.

In his Budget speech, the Chancellor made it clear that the main motivation for the changes was to address the number of senior NHS clinicians leaving the profession, due to what he called "unpredictable pension tax charges". He went further than many had predicted, which included a complete removal of the Lifetime Allowance (LTA).

Lifetime Allowance

There will be no Lifetime Allowance charge for withdrawals after 6 April 2023. For 2023/24, the LTA rate will be set to 0%, and then legislation introduced to abolish the charge completely.

The LTA is the maximum amount of pension savings an individual could build up over their lifetime without having to pay an additional charge. The charge was previously 55% if the money was taken as a lump sum or at 25%, in addition to the income tax rate, if taken out gradually.

At the time of the Budget, the LTA was £1,073,100, unless there was a protection in place.

These protections were offered when the Lifetime Allowance was introduced in 2006, and each time it was subsequently reduced, in order to safeguard taxpayers whose pensions already exceeded the allowances. It often meant that no further pension contributions could be made.

When the Budget changes to the LTA were originally announced, it was unclear whether recommencing pension contributions for those with protections in place may reduce the tax-free lump sum to 25% of the £1,073,100, as opposed to 25% of their "protected" amount.

New HMRC guidance however has now confirmed that individuals who hold valid LTA protection, where the protection application was successfully made prior to 15 March 2023, can now recommence contributions and still be able to access a tax-free lump sum of more than £268,275. The exact amount will depend on which protection they hold.

It is very important however to take financial advice before making any changes.

Annual Allowance

The annual allowance had been frozen at a maximum of £40,000 for a number of years but from 6 April 2023 that increased to £60,000.

The point at which the allowance starts to be reduced because of income levels has also been increased.

Currently, where adjusted income exceeds £240,000 the £40,000 would be tapered down, to a minimum of £4,000. From 6 April 2023, the £60,000 allowance will not be subject to any taper until the adjusted income exceeds £260,000, and the minimum it can be reduced to will be £10,000.

Not affecting the NHS pension, but for those already in receipt of a private pension and so limited to contributing £4,000 back into pension, from 6 April 2023 this too will increase to £10,000.

Aside from pensions ...

The other big Budget headline related to free childcare. The current scheme is being expanded in stages between April 2024 and September 2025, after which working parents of children under the age of five will be entitled to 30 hours' free childcare per week.

"Full Expensing" for capital costs also made the headlines, however this only applies to companies, and will have no real effect for the majority of businesses where their capital expenditure is already covered by the £1 million Annual Investment Allowance, as this similarly gives a full write off against tax in the year of expenditure.

A reminder of previous announcements taking effect for the 2023/24 tax year

- From 6 April 2023, the rate at which the 45% highest rate of income tax is charged reduced from £150,000 to £125,140.
- Corporation Tax rose from 19% to 25% from 1 April 2023 for profits above £250,000. Where profits exceed £50,000 but are below £250,000, the effective marginal rate is 26.5%.
- The tax-free dividend allowance reduced from £2,000 to £1,000 on 6 April 2023, and will fall further to £500 in April 2024.
- Tax free allowance for capital gains reduced on 6 April 2023 from £12,300 to £6,000. It will further reduce to £3,000 in 2024.

Benefits of using digital accounting software

Conor Fields
Senior Manager
conor.fields@bhp.co.uk

HMRC have recently announced that Making Tax Digital (MTD) for income tax has been delayed until April 2026, extended from April 2024. It was originally planned that MTD would apply to partnerships from April 2025, which has also been delayed, however no date has yet been set for this. This will be welcome news for lots of smaller business that may find the move to MTD challenging.

Despite HMRC announcing a delay to MTD, digitising your accounting records now will bring these five key benefits to your business.

Time saving

Over the past 10 years we have seen a significant change in the way our clients deal with their bookkeeping with over 80% of our healthcare clients now using cloud-based software such as Xero.

Xero has a range of excellent features, which can help improve efficiencies and reduce practice managers' time commitment to daily bookkeeping. Some of our clients' favourite features are the bank feeds and bank rules.

Xero can link to the practice bank account so that transactions can be automatically imported without any need for manual input. Bank rules can then be set up so that Xero recognises where certain transactions will always need to be posted.

Accuracy

The use of automated features, such as bank feeds and rules, are not only great time-savers, but they also reduce the risk of human error. When dealing with a large volume of transactions, mistakes are not unusual, so the automation of this can help ensure that the data entered is accurate. This can be vital if the data is being used to make business decisions.

Real time information

Digital accounting software is cloud-based meaning that the information is 'live' and can be accessed by whoever you choose to give access to. This may be the partners within a practice (access can be restricted to 'read only' to avoid any unintended changes!) who may want to see certain financial information or, more commonly, your accountants — this will allow your accountants to have discussions with you based on up-to-date information, rather than using historic accounts. This again can be a huge help when making important decisions within the practice.

Reporting

There are a wide range of standard reports available from Xero, which will be able to give you important financial information. Aged receivables and aged payables report are useful reports for many of our clients to ensure that they are receiving the income that they expect on a timely basis and ensuring that invoices are paid by the due date. Xero doesn't just limit you to the standard reports, it allows you to create your own reports to give you exactly what you (or the partners) want to see — our team is on hand to help you with this.

Paper reduction

Many of our clients who have already transitioned to using digital accounting software are seeing a significant reduction in the amount of paper used — both being received and sent out. Xero allows you to create invoices within the software and send out directly from Xero. You can also embed invoices received straight into Xero, meaning that you do not need to keep folders full of paper copies!

For more advice on your accounting software contact Conor Fields or your usual BHP healthcare contact.

> ***"I have been using Xero for four separate organisations including the Practice, Federation & PCN for several years and am happy to say it is far superior to anything else I have used. Bookkeeping, accounting and reporting are user friendly and the option to customise the set up makes life much easier."***
>
> **David Emmas, Business Manager Partner, Forge Health Group**

Residency and domicile

Peter Dobson
Senior Tax Manager
peter.dobson@bhp.co.uk

Whether you're moving abroad or returning to the UK from overseas, it's important to correctly assess your UK tax residence position and report it to HMRC. But what factors do you need to consider when it comes to paying taxes?

To ensure that you pay tax in the correct country, it's important to consider where you are taxed and on what income. Tax treaties and legislation are in place, but they can be very difficult to follow and so making any claims can be administratively heavy.

It is worth noting that paying tax in one country does not automatically mean you do not have to pay tax elsewhere on that income, although typically there are reliefs for double taxation or treaty rules that will apply to limit the tax. If you pay tax in the UK when you don't need to, HMRC will only allow a taxpayer to go back four years to reclaim any overpaid tax before it is lost. The four-year rule is strict and so if you don't make a reclaim in time you will effectively pay tax twice on your income unnecessarily, which over time can amount to significant sums.

It's also essential to remember that you will still be liable to pay UK Inheritance Tax unless you lose your UK domicile. Domicile is broadly regarded as your permanent home and is usually obtained at birth although this can be changed by choice in certain scenarios. It is incredibly difficult to lose your UK domicile, and impossible if you still retain links to the UK.

Moving to the UK
For those coming into the UK, the same principles apply. However, for those that have a domicile outside of the UK, the rules can be more complex.

The remittance basis rules can be advantageous where an individual has income sources or assets overseas and they have no intention of bringing them to the UK. It isn't always beneficial, but it can be worth considering under the right circumstances.

Once an individual has been a UK tax resident for seven of the nine previous tax years, there are tax charges that arise, meaning only those with significant overseas wealth may wish to make a claim.

As part of this, there are planning opportunities to consider maximising the efficiency of a claim under the remittance basis and to ensure that you don't make mistakes which can have costly implications down the line.

Non-UK domicile
Even if you are a non-UK domiciled individual, the deemed domicile rules can apply to effectively treat you as a UK domicile for Income Tax, Capital Gains Tax and Inheritance Tax purposes.

Any non-UK domiciled individuals who have spent more than 15 consecutive years in the UK or any UK nationals who have changed their domicile but still spend time in the UK need to be aware of these rules and consider their impact on their personal circumstances.
If you have any questions or wish to discuss your position in more detail, please do not hesitate to contact us.

Tax free childcare and other childcare schemes

Alice Wood
Senior Accountant
alice.wood@bhp.co.uk

There are several government backed schemes to support parents in paying for childcare including the tax-free childcare scheme, free childcare and child benefit.

There is a government website which shows the options you might be eligible for and links with how to apply. **See here.**

Tax-free childcare

The tax-free childcare (TFC) scheme was created in 2018 to replace childcare vouchers. It works like a prepayment account which is topped up by the government, and the money can be used to cover the cost of childcare with registered providers across England, Scotland, Wales and Northern Ireland.

What do I get?

For every 80p you pay into the account, the government will pay in 20p. The government contribution is capped at £500 per three-month period meaning that, with your payments and the government top up, you have up to £2,500 to spend on childcare per quarter.

If you have variable childcare costs, for example only during the holidays, it may be worth paying in during the course of the year as the government top up is capped each quarter.

Where a child is disabled the government top up is doubled to £1,000 per child per quarter (£4,000 per year).

Child and childcare eligibility

The TFC scheme is meant to encourage parents back to work, so payments can only be made out of the TFC account where one of the main reasons for the childcare is so that you can work.

To be eligible for TFC, a child must be 11 or under and usually live with the parent who is making the claim.

The funds can be used to pay for approved childcare which includes childminders, nurseries, nannies, afterschool clubs and play schemes. You can check if a childcare option is eligible **here.**

Parent eligibility

To be eligible for TFC, you (and your partner if you have one) must earn at least £2,167 over a three month period. This doesn't have to be a regular amount each week or month as long as the total earnings over the three months is over £2,167. The earnings can be from employment or self employment, but earnings do not include dividends, interest, rental income or pension income.

However, if either you or your partner have an adjusted net income of over £100,000 a year then neither of you will qualify for TFC. Adjusted net income is your total taxable income before the personal allowance but after deducting any trading losses, gift aid donations or private pension

contributions. Please get in touch with your usual BHP contact if you are not sure of your adjusted net income.

If you are married or in a civil partnership and live together, or you are living together as though you are married, you must apply jointly and you both must qualify. If you are separated, you need to decide who should apply.

As the scheme was brought in to replace childcare vouchers, you cannot claim TFC if you are already part of a legacy scheme. If you wanted to swap to TFC you can, however once you leave one of the legacy schemes you cannot re-join them. There is a calculator on the government website which may help you decide which scheme is best for you, **click here**.

How to claim

Claims are generally made online **here**.

Free childcare

All 3 to 4-year-olds in England can get 570 free hours of childcare per year. It is usually taken as 15 hours a week for 38 weeks of the year, but you can choose to take fewer hours over more weeks. It has to be with an approved childcare provider. This free childcare is extended from 15 hours per week to 30 hours, generally where the same eligibility criteria as for TFC are met. To claim the additional free childcare it is the same process as the TFC claim.

In the 2023 Spring Budget, it was announced that the free childcare hours would be extended meaning that, by September 2025, it is intended that working parents of all children over the age of nine months and under five will be entitled to 30 free hours of childcare.

Unlike the TFC scheme, the free childcare scheme applies only in England. Scotland, Wales and Northern Ireland having different schemes.

Child Benefit

If you are a parent of a child aged under 16 (or under 20 if in approved education or training) you can claim Child Benefit. The current rates are £24 per week for the eldest child and £15.90 per week for any additional children.

Where you, your partner, or someone who lives with you as your partner, has adjusted net income over £50,000 the child benefit is clawed-back through the high-income child benefit charge (HICBC). The charge is tapered and once the adjusted net income is over £60,000 the HICBC claws back all of the child benefit. The HICBC is paid through the self assessment tax return system.

It is important to note that you can have a liability for the HICBC even where you personally have not received any Child Benefit, and irrespective of whether the child is your own.

If you think you, or your partner, may be subject to the HICBC and this is not currently being declared on a tax return please get in touch with your usual BHP contact.

You or your partner can opt out of receiving the child benefit if your income is consistently above £60,000 to avoid the HICBC. However, if your income is above £60,000 when your child is born, it could still be beneficial to register for child benefit but state on the form that you do not wish to receive payments. Registering means that any non-working parent can get a national insurance credit towards state pension until the child is 12, as well as the child receiving a national insurance number automatically around their 16th birthday.

Claims can be made **here**

NHS Pension spring update

Andy Hall
Senior Financial Planner
andrew.hall@bhp.co.uk

There have been several changes to the NHS Pension Scheme over the course of the pension's existence, but more importantly, over the last 24 months.

Active members of any of the three NHS Pension Schemes should have received a letter confirming details of the next round of changes and coupled with the recent Budget changes covered earlier in this newsletter, they provide a welcome respite for senior doctors and consultants worrying about their pension affairs.

To explore some of the changes in more detail, please see below.

Revaluation date

Firstly, it is important to note the change in the revaluation date.

There was a disparity between the CPI used for the in-service revaluation of the 2015 scheme pension and the CPI used to increase the opening value as part of the calculation to determine the Pension Input Amount (PIA). Recent higher inflation means that this mismatch has become more acute, leading to more members being potentially at risk of breaching their annual allowance.

A change is to be made in respect of 2022/23 onwards to align the CPI used in pension benefit revaluation with the CPI used for working out the pension growth for annual allowance tax calculations. This means that the pension growth calculation will only consider growth in pension benefits above inflation, which should reduce the number of annual allowance breaches.

To achieve this, the yearly in-service revaluation date will move from 1st April to 6th April.

Retire and rejoin pension

Further flexibilities have been announced where a member can now retire and take their full pension, then return to work after a break of at least 24 hours and re-join the 2015 NHS Pension Scheme to earn further benefits. This is already available to members of the 2008 Section or 2015 Scheme and once the changes take effect on 1st April 2023, it will also be an option for members who have retired with 1995 Section benefits.

A member can also return to the NHS, or increase their working commitments, without having their pension payments reduced or stopped (known as 'abatement').

If a member holds Special Class or Mental Health Officer status and has taken their pension but decide to return to work before they reach age 60, the requirement for the post-retirement pay, plus pension, to be less than the pre-retirement earnings will be suspended until 31st March 2025.

Removing the 16-hour rule

If a member decides to re-join the NHS, they can work as many hours as they choose straightaway.

Previously, members of the 1995 Section were limited to working 16 hours a week in the first month after retirement, to avoid their pension payments being affected. As long as the member has a break of 24 hours from their previous job, the member can move to a new employment contract and start building 2015 benefits immediately.

McCloud Remedy - second stage

The all-important McCloud Remedy is moving into its second stage which will enable the NHS Pension to:

- Rollback pensionable service between 1st April 2015 to 31st March 2022 into the legacy scheme for members affected by the discrimination. This will mean members who were 'unprotected' and who had 'tapered protection' are effectively treated as if they didn't move Schemes before 1st April 2022.
- Offer around 1.1 million affected members a retrospective choice of either legacy scheme or 2015 Scheme benefits for their pensionable service between 1st April 2015 and 31st March 2022.
- Offer an immediate choice to members who have already received benefits and the relatives of those members who died during the remedy period.
- Provide a choice on retirement, also known as a deferred choice election, of either legacy scheme or 2015 Scheme benefits for their pensionable service between 1st April 2015 and 31st March 2022.
- Correct any overpayment or underpayment of pension benefits or member contributions already paid because of either rollback or a member's choice.
- Manage the consequences of the rollback of pensionable service.
- Facilitate the payment of appropriate compensation to address financial losses arising from the discrimination or implementation of the remedy.

Reminders

- The 'Super' Annual Allowance Statement is due to be issued in October 2023.
- The 'Super' statement will show members Pension Input Amounts (PIAs) revert from the 2015 Scheme back to either the 1995 or the 2008 Scheme, removing all PIAs from the 2015 Scheme between 2015 and 2022.
- The change will only happen to those who were a member of either the 1995 or 2008 Scheme prior to 2015 and a member of the 2015 Scheme between 2015 and 2022.

Get in touch

0333 123 7171
info@bhp.co.uk

bhp.co.uk