Healthcare Newsletter

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Retire and return

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Having a salary coming in each month can give you real peace of mind. What if you could take your pension and top it up with a salary too? That could give you best of both worlds. There are a couple of options available to you.

Retire and re-join the NHS Pension Scheme (from 1 April 2023)

If you're not ready to stop work altogether, you can retire and take your full pension, then return to work after a short break and re-join the NHS Pension Scheme to keep building your future pension benefits.

This is called retire and re-join. It's already available to members in the 2008 Section and 2015 Scheme.

- If you decide to re-join the NHS, you can work as many hours as you choose, and your pension payments won't be reduced or stopped (known as 'abatement').
- You can re-join the NHS Pension Scheme even if you have 45 years of service in the 1995 or 2008 Section, as long as you're under the age of 75.

Partial retirement

With partial retirement you can claim your pension while continuing to work, but without having to take a break and leave your job.

It's already available to members of the 2008 Section and 2015 Scheme and from 1 October 2023, it is available to members of the 1995 Section too.

From 1 October 2023, you will be able to take between 20% and 100% of your pension benefits without having to leave your current job.

You can continue building your pension in the 2015 Scheme. You won't need to take a break or change jobs, but you will need to work with your employer to adjust your hours or reshape your contract, so your "pensionable pay" is reduced by 10% for the first year (or your pensionable commitment by 10% if you're a Practitioner).

Reminders

Following the Mcloud judgement, scheme administrators are to recalculate the pension input amounts (PIA) for all the remedy period tax years for unprotected and taper protected members.

- Pension savings statements (PSS) are to be provided to remedy members by 6 October 2024.
- The deadline for providing a 2022/23 PSS is extended from 6 October 2023 to 6 October 2024 for all remedy members.
- 6 October 2023 deadline for a 2022/23 PSS remains for non-remedy members.
- Business Services Authority aim to have the bulk of 2022/23 PSS to protected members by 6 October 2023.

Inheritance Tax - it can pay to plan early

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Inheritance Tax (IHT) is very much in the news these days as more and more families find that they face unexpected tax bills following a death. It is therefore advisable to review the potential for an IHT liability as soon as possible, so that steps can be taken either to mitigate it or to ensure that sufficient funds are available to pay it.

IHT is generally payable on death, although some lifetime transfers, for example into Trust, can also be taxable. When payable on death, IHT is charged on the total value of the deceased's estate, being the total of all their assets less any debts owning. It is paid out of the estate by the executors, and this can sometimes result in assets having to be sold in order to fund the tax due. One of the benefits of planning in advance is the ability to put adequate insurance in place to avoid this.

There is a £325,000 Nil Rate Band (NRB) before IHT starts to become due — this has been frozen since 2009 and is to remain at this level until 2028, bringing many more taxpayers into IHT. Above this level, IHT is payable at a flat rate of 40%.

There is no IHT payable on any assets left to a spouse, but the spouse's estate would then pay IHT on the combined assets, if they still own them on their own death.

They can set against this their own NRB and any unused NRB from their spouse, which would transfer to them.

Where a home is left to a direct descendant, there is an additional £175,000 Residence Nil Rate Band available per person, which can also transfer between spouses. It is therefore possible for one couple to have, between them, £1 million of assets before IHT becomes due. However the additional £175,000 starts to be lost where a total estate is valued at more than £2 million, and is withdrawn completely where the estate totals £2.35 million or more.

Gifting in lifetime can be one of the easiest ways to reduce the total value of assets held at the date of death. However, it is important that there is no continuing use of the asset after gifting.

The first £3,000 gifted during a year is immediately out of IHT, and if unused this rolls forward one year. Any number of gifts of £250 or less are also exempt, as are certain gifts in consideration of marriage.

All other gifts are likely to be Potentially Exempt Transfers, or "PETs". These gifts have to be survived by at least seven years for the gift to be fully effective for IHT purposes, which is also why it can pay to plan early.

There are various IHT Reliefs available, one of the main ones being Business Property Relief (BPR) which can mean that no IHT is charged on business assets and some company shares.

As with all areas of IHT, this can be a complex area and professional advice should be sought.

Personal tax accounts

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HMRC are moving as many services as possible online and trying to contact them by post or phone is becoming increasingly difficult. As a result of this, your online personal tax account will become a key method of accessing and updating information going forward.

Although the introduction of making tax digital (MTD) has been delayed until at least 6 April 2026, your personal tax account with HMRC (which is likely to be needed as part of MTD reporting), can provide access to HMRC related information and resources in the meantime.

What can you do in your online personal tax account?
The following information can be checked, updated or obtained from your personal tax account:

- Name and address
- Employment records — including details of benefits received from your employer
- Pay As Your Earn (PAYE) coding notices
- National Insurance records
- State pension forecasts
- SA302 tax calculation / tax year overviews (which may be required for mortgage and lending purposes)
- Child benefit position
- Unique taxpayer reference (UTR) and national insurance number
- Income tax payments for previous five years
- Estimate of income tax for current year
- Tracking of online forms submitted
- Marriage allowance

How to set-up your personal tax account
To be able to access your personal tax account you will need a Government Gateway user ID and password.
To set this up **(which can be done at https://www.gov.uk/personal-tax-account)** you will need your National Insurance number or postcode plus two of the following:

- a valid UK passport
- a UK photocard driving licence issued by the DVLA (or DVA in Northern Ireland)
- a payslip from the last three months or a P60 from your employer for the last tax year
- details of a tax credit claim
- details from a self-assessment tax return
- information held on your credit record if you have one (such as loans, credit cards or mortgages)

Once set up you will be able to access your personal tax account via the website above.

Employment records and tax codes
Your personal tax account allows you to view your current tax code. If this is incorrect it can be altered in respect of items such as employment expenses and benefits. This is particularly helpful if you do not complete a self-assessment tax return and you want to ensure that the tax being deducted from your employment via PAYE is correct.

If you are unable to obtain a copy of your P60 from your employer and require details of your employment income and tax paid, you can get this information from your account. If you do have a P60, you can check that the information held by HMRC agrees to this.

The personal tax account also provides an estimate of your current year income based on the latest information provided by your employer (this will be taken from the weekly or monthly payroll information provided). If this is incorrect you can update your estimated annual income within your personal tax account, again this helps to ensure that the correct amount of tax is being taken via PAYE.

> If you identify any discrepancies or unexpected gaps you should contact HMRC directly so that this can be investigated further.

National Insurance records and state pension
Within your personal tax account, you can review your complete National Insurance record which should cover your entire working history.

By reviewing this information, you can check that your record is accurate and identify any gaps. This is important as the information is used to assess your state pension entitlement.

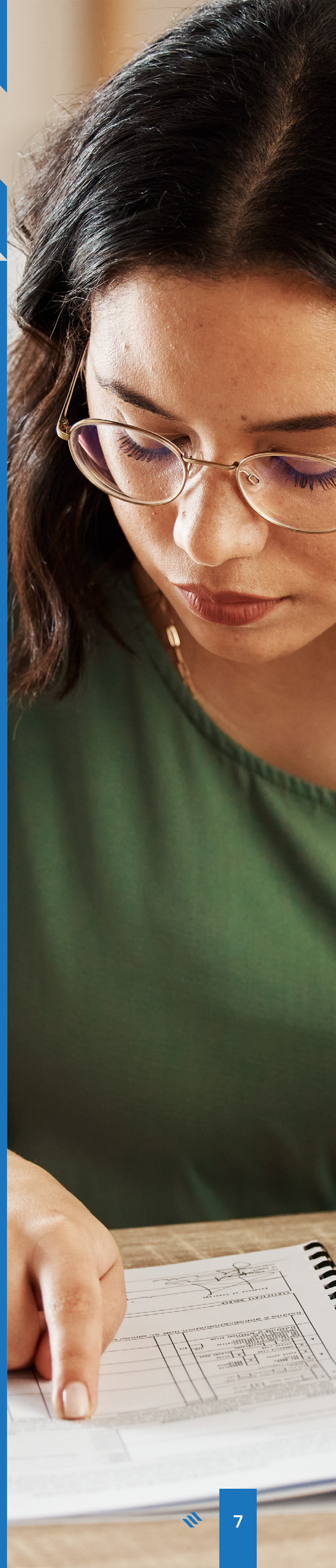
If you identify any discrepancies or unexpected gaps you should contact HMRC directly so that this can be investigated further.

Based on the information held in relation to your National Insurance contributions, your personal tax account will provide you with a state pension forecast and indicate how many years you have left to contribute or how many years you need to contribute to obtain a full state pension where relevant.

For those approaching state pension age, this information will be useful if considering making additional payments to cover a shortfall in National Insurance contributions.

Child benefit
If there has been a change in your circumstances affecting your eligibility for child benefit, this can also be notified via your personal tax account. Possible changes are as follows:

- Stopping or resuming child benefit payments
- Notifying that your child has left education or training
- Applying for additional child benefit if your child stays in education or registers with a local careers service or Connexions.



Type 2 medical practitioner self-assesment form

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Why should the form be completed?
The form calculates your pensionable pay for the year and checks that your employee pension contributions have been paid at the correct rate. It compares the contributions due, based on your final pensionable pay, to the deductions taken during the year and shows any under or overpayment of contributions arising.

There is a legal requirement for the form to be completed and, if this is not done, your pensionable pay could be set to zero for the year. Similarly, if the form is not completed correctly, NHS pensions may not have an accurate record of your earnings. This would result in you receiving incorrect pension benefits in the future.

Who completes the form?
- A salaried GP employed by a GP Practice, Alternative Provider of Medical Services (APMS) contractor or a Local Health Board (LHB).
- A self-employed GP who works for a GP practice, APMS contractor or LHB for a period of six months or more.
- A GP who works solely on an employed or self-employed basis for an Out of Hours (OOH) Provider that is not an NHS/ Foundation Trust.

Where can I access the form?
The form can be accessed **here**.

What do I include on the form?
- Pensionable practitioner pay from a type 2 employment, each post is listed separately.
- Freelance GP locum income which you chose to pension. Please be aware that you must also complete locum forms A and B separately to this.
- Out of hours work, appraisal work, ICB work on a GP solo form, each post is listed separately.
- If you are also a GP partner, you will need to include the pensionable pay from your type 1 pension certificate.

You will need to complete the relevant tab on the form depending on whether you are a member of the 1995/2008 scheme or the 2015 scheme (this will depend on the date you first joined the scheme and your age).

What employees tier rate should I use?
Your tier rate is based on your total practitioner pensionable income for the year and there is a box at the top of the form which shows the tier rates applicable to the bands of income.

If you are in the 1995/2008 pension schemes the rate is based on your actual pensionable income. If you are in the 2015 scheme the rate is based on your annualised pensionable income. If you have a break in pensionable service in the year, you will need to consider whether your income should be annualised. You can use the NHS annualisation calculator to help with this, which is available **here.**

If you worked for the full year and had no breaks in service during the year, your income will not need to be annualised.

Why have I under or overpaid contributions and what do I do?
If your rate of pay has changed, or you have worked a different number of sessions during the year, this may result in the incorrect tier rate being used.

> Your tier rate is based on your total practitioner pensionable income for the year and there is a box at the top of the form which shows the tier rates applicable to the bands of income.

If you have multiple sources of pensionable income your total income may put you into a different tier rate to that which you were originally anticipating.

Alternatively, if you have pensionable income outside of your practice role, your employer may have been unaware of this when setting your tier rate.

Underpaid contributions — you should arrange for the balance to be collected depending on the source of income this relates to, as follows:

- OOHs income — pay directly to your OOHs provider or to your local PCSE team/ LHB depending upon local arrangements.
- Freelance GP locum income — pay directly to your local PCSE team or LHB.
- Salaried GP post — arrange for collection via the practice (even if you have left the practice). You should agree with the practice whether you will pay these contributions or whether an adjustment will be made to your salary.
- Employed directly by a LHB - pay to the LHB.

Overpaid contributions — you should arrange to reclaim the balance depending on the source of income it relates to, as follows:

- OOHs income - recover directly from your OOHs provider or the PCSE team/LHB.
- Freelance GP locum income - PCSE/LHB will arrange to pay the excess contributions directly to you via cheque / BACs.
- Salaried GP — this will be adjusted via the practice. You should arrange with the practice for this to be repaid to you or adjusted via your salary.
- Employed directly by a LHB — reclaim directly from the LHB.

What are the deadlines for submission and how do I do this?

The form should be submitted to Primary Care Support England (PCSE) by 28 February following the end of each financial year. For example, for the NHS pension year 22/23 which ends on 31 March 2023, the form should be submitted by 28 February 2024. It can be completed via **PCSE online** or it can be downloaded to completed separately.

If you complete the form separately, this may be submitted via the **PCSE enquiries form** or sent by post to Primary Care Support England, PO Box 350, Darlington, DL1 9QN.

Other points to note

- You should include your pensionable pay on the form and not your taxable pay. If you are employed, your end of year form P60 will only show your taxable pay so you are likely to need your monthly payslips to find the relevant information to complete your type 2 form.
- Only include pensionable income on the form. If the fee received includes a non-pensionable element, for example reimbursement of expenses, this does not need to be included.
- If you on parental leave during the year, a separate tab on the form should also be completed.
- NHS pensionable salaried posts which are classed as officer posts should not be included on the form as these are subject to different pension rules. Only practitioner income should be included. Please be aware that if you are a salaried GP employed by a NHS/Foundation trust then this is classed as an officer role. GP trainee roles are also officer roles.
- If you were solely a freelance GP during a particular year, and therefore this is your only source of pensionable practitioner income, there is no requirement for you to complete a type 2 form for that year. However, it is your responsibility to make sure you have paid the correct employees tier rate. If you have paid at the incorrect rate, you may correct this on a later locum B form, adjusting the difference.
- If you make added years pension contributions there is a separate box to record these at the bottom of the type 2 form.

“ If you have multiple sources of pensionable income your total income may put you into a different tier rate to that which you were originally anticipating.

Meet the team - Conor Fields

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When did you join BHP?

I joined BHP in 2014 — the week before my 18th birthday!

What attracted you to BHP?

It may seem very clichéd but it is definitely the people at BHP which attracted me — it can be daunting going into your first job, but from my first interview I was made to feel welcome.

What is your role and what does a typical day look like for you?

I am a senior manager in the Healthcare department which means I have my own portfolio of various healthcare clients, but I also work with the other senior managers and partners to progress the department as a whole — this involves many meetings, both internal and external.

What are your highlights and key achievements?

Gaining my ACCA qualification in April 2019 at the age of 22 was a proud moment for me — it made all the hard work and sacrifices worth it!

What do you enjoy doing outside of working?

I am a Sheffield United season ticket holder so enjoy spending my weekends either at Bramall Lane or travelling the country watching football — I have my first child on the way so the away games may be less frequent!

What do you prefer? A TV series or a film?

Definitely a TV series over a film. I enjoy all types of series, I generally prefer series that are easy to watch, but do also find myself always enjoying a crime drama.

What is your favourite type of cuisine and why?

I have a reputation for being a picky eater (which isn't true!). My favourite food would definitely be some kind of takeaway — either a Chinese or Dominos.

What type of holiday do you prefer?

I always think that I prefer a sunshine beach holiday, but I am the sort of person who gets bored with sitting on a sunbed after 10 minutes. A sunshine holiday with plenty of activities is ideal for me!

Taxpayers given more time for voluntary National Insurance contributions

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First it was 5 April 2023, then it was 31 July 2023, now it is 5 April 2025.

The Government has again extended the voluntary National Insurance deadline to give taxpayers more time to fill gaps in their National Insurance contributions and help increase the amount they receive in State Pension.

HMRC have also confirmed that 2022/23 National Insurance rates will apply to voluntary contributions paid in respect of all tax years between 2006/07 and 2017/18.

Taxpayers can check their **National Insurance record**, via the HMRC app or their Personal Tax Account.

This will show the years in which you have paid sufficient National Insurance to make it a "qualifying year" and also years for which you have been given a credit, for example parents who are registered for child benefit and were caring for a child under 12 should have received National Insurance credits for those years, even if they did not pay sufficient contributions.

Currently, 35 qualifying years are required by retirement age to obtain the full state pension.

Filling in gaps in the National Insurance record will not necessarily always be beneficial, it depends on the individual's particular circumstances, so professional financial advice should always be sought before taking any action.

Capital Gains Tax - when does the 10% tax rate apply?

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> BADR is a valuable tax relief because it can, in certain circumstances, halve the CGT liability.

Within healthcare, we commonly see Capital Gains Tax (CGT) charged on the sale of a share of surgery premises or on the sale of an optician or dental practice as a whole. CGT is payable on the proceeds less allowable expenses to give an amount chargeable amount to tax. There can often be significant tax charges arising.

Annual exemption
Every taxpayer has an annual exemption to be used against any capital gains. Previously £12,300, this has reduced to £6,000 for the current tax year 2023/24, further reducing to £3,000 in the 2024/25.

Business asset disposal relief
Business Asset Disposal Relief (BADR) replaced Entrepreneur's Relief (ER) in April 2020. BADR is a valuable tax relief because it can, in certain circumstances, halve the CGT liability, from the usual 20% to 10%.

It has, however, retained many of the complexities of ER, which makes careful planning very important, especially around the timing of disposals. BADR can be claimed on the disposal of a whole or the part of the trading business, including qualifying assets such as surgery premises where both of the following apply:

- You are a sole trader or a partner in a partnership
- You have been an owner or partner in the business for at least two years

It is important to note that BADR does not apply where the business, either sole trade or partnership, just sells an asset, such as a property, in isolation without there being a disposal of the whole or part of the business itself. For example, if a partner sells their full share of surgery premises but continues to work in the practice and receive a profit share, BADR will not apply.

Lifetime maximum claim
Where BADR is available, the CGT rate that applies is 10%, up to a lifetime maximum claim of £1 million (this means that you can make capital gains of up to £1million on the sale of assets eligible for BADR across your lifetime before you have used up all your entitlement). This compares with a standard rate of CGT of 20% for higher rate taxpayers.

Get the timing right
Timing is key to the ability to claim BADR. Assets such as property used in the business must be disposed of within three years after a partner leaves the partnership or the business is sold or ceases. For example, if a partner retired from a practice on 31 March 2022, they would have up to 31 March 2025 to sell their share of the surgery premises to enable them to claim BADR against any capital gains.

For partners in GP practices it is, in most cases, highly important that any disposal of their property share does not happen before they retire from the partnership, otherwise CGT will be payable at the full rate of 20%. Of course, this should be considered in the context of the actual tax liability because double the tax on a small tax bill may still be a small tax bill and other, commercial and practical considerations may override a relatively small tax saving.

Increasingly, we are seeing GP partners leaving practices and holding onto their share of the surgery premises. Whilst the ongoing share of rent received should not jeopardise a future BADR claim, if the property sale subsequently happens more than three years after leaving the partnership, BADR will no longer be available.

There may be sound commercial reasons for retaining an interest in the property beyond the three-year deadline and any decision to do so should be considered along with the increased CGT on eventual sale and ongoing income tax due on rent.

In instances where the property is held personally outside of the partnership, a similar three-year period applies, but, in this instance, any rent received would jeopardise a BADR claim. This is less of an issue for sole traders who tend to sell the property at the same time as the business, but if this is not the case then the three-year time limit applies.

Sale of shares in a company
If selling shares in a limited company, for example, an incorporated dental practice or optician, for the disposal to qualify for BADR, the following would need to apply for up to two years prior to selling the shares:

- You were an employee or office holder (for example, director) in the company (or a company in the same group)
- The main activities of the company are in trading (rather than non-trading activities such as investments, for example, property ownership and rental).

BADR is a complex tax, and professional advice should always be sought.

Maximising the benefit of charitable donations

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Many individuals make donations to charitable good causes, and often don't realise that the monies that they donate can be Gift Aided. The Gift Aid scheme maximises the benefit to the charity, and allows tax relief to be claimed by higher and additional rate taxpayers.

Gift Aid declaration and benefit for the charity
A Gift Aid declaration must be completed to confirm to the charity that the individual will pay sufficient tax in the tax year to cover all of the Gift Aid that the charities the individual supports in the tax year will recover from HMRC. This allows the charity to claim an additional 25p per £1 of the donation amount from HMRC, which is effectively the basic rate tax that has been suffered by the individual.

Tax relief for the donor
Donors that pay tax at the additional rate of 40% or the higher rate of 45% can also claim tax relief on the gross donation (calculated before basic rate tax is deducted) based on the difference between the basic rate tax relief claimed by the charity and the individual's highest rate of tax.

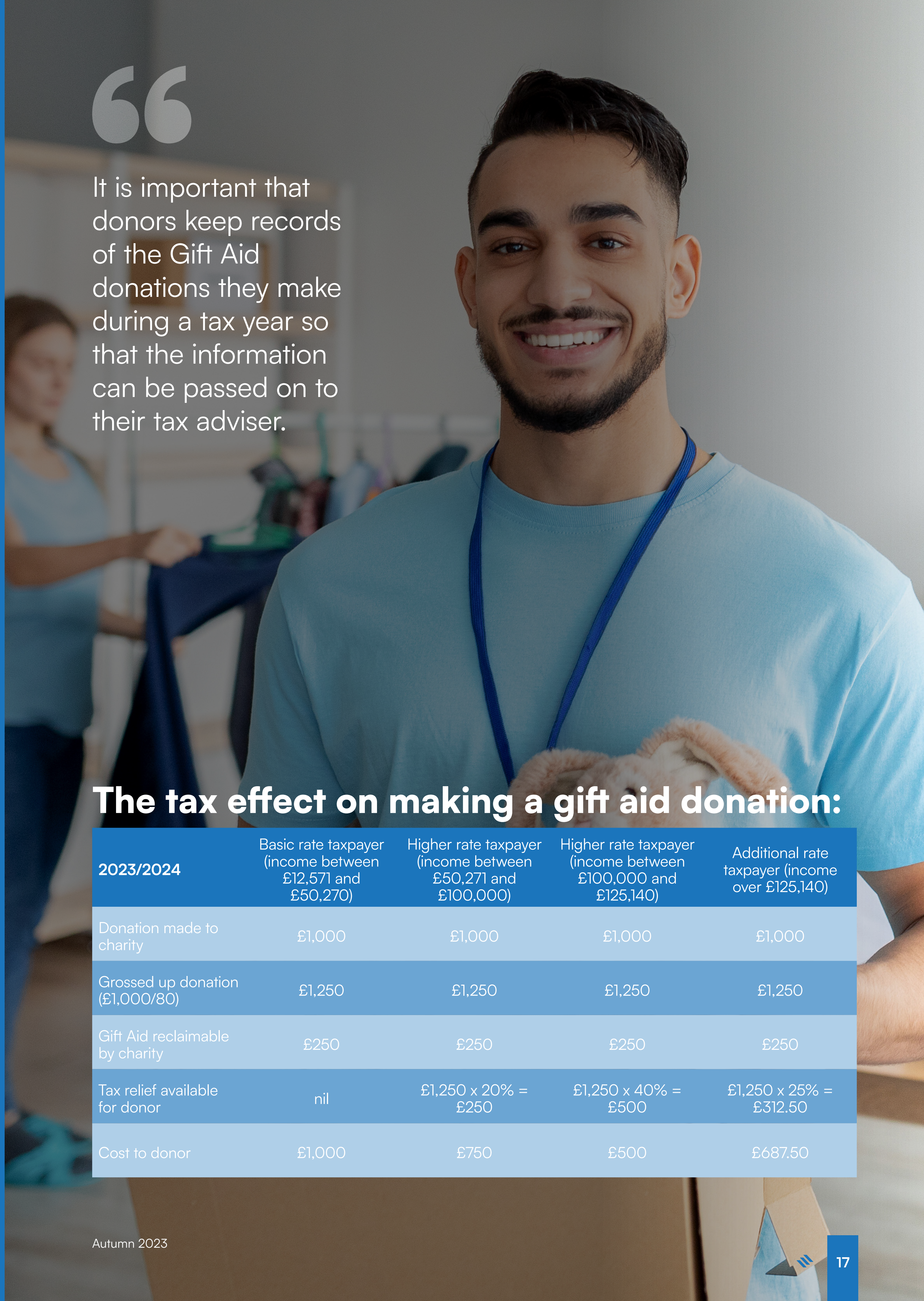
The tax relief is claimed on the individuals' self-assessment tax return, or by contacting HMRC.

Taxpayers that have income over £100,000 suffer a restriction to their personal allowance at a rate of £1 for every £2 of income above that level. This means that the personal allowance is completely withdrawn when income reaches £125,140. The effect of the restriction is that where income falls between £100,000 and £125,140, the effective tax rate is a massive 60% and therefore the tax relief available for making a Gift Aid donation is 40% of the gross donation.

The tax effect of making a Gift Aid donation at different income levels is summarised in the table opposite (right).

Records
It is important that donors keep records of the Gift Aid donations they make during a tax year so that the information can be passed on to their tax adviser. I would suggest taking a picture of Gift Aid envelopes that are completed, or retaining email confirmations from online giving platforms so that it is easy to collate the information for your tax return.

Carry back provisions
It is possible to treat Gift Aid donations as being made in the prior tax year provided that the tax return for that year has not been submitted to HMRC and the filing date has not passed. This allows an individual time to understand the level of their income for the prior year and the tax rate that will apply so that tax relief for the Gift Aid donations can be maximised.



It is important that donors keep records of the Gift Aid donations they make during a tax year so that the information can be passed on to their tax adviser.

The tax effect on making a gift aid donation:

2023/2024	Basic rate taxpayer (income between £12,571 and £50,270)	Higher rate taxpayer (income between £50,271 and £100,000)	Higher rate taxpayer (income between £100,000 and £125,140)	Additional rate taxpayer (income over £125,140)
Donation made to charity	£1,000	£1,000	£1,000	£1,000
Grossed up donation (£1,000/80)	£1,250	£1,250	£1,250	£1,250
Gift Aid reclaimable by charity	£250	£250	£250	£250
Tax relief available for donor	nil	£1,250 x 20% = £250	£1,250 x 40% = £500	£1,250 x 25% = £312.50
Cost to donor	£1,000	£750	£500	£687.50

Changes to VAT penalties and VAT interest charges

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HMRC have changed the way they charge penalties on the late submission of VAT returns and the late payment of liabilities. These changes apply for VAT return periods commencing on or after 1 January 2023. The new system replaces the default surcharge regime.

If VAT returns are submitted late

Under the new scheme, a VAT registered business will receive a penalty point for each occasion that it submits a VAT return late. Once the business reaches a set number of penalty points (determined by the frequency of VAT return submissions), penalties will be charged by HMRC.

Any nil or repayment returns submitted late will also be subject to late submission penalty points and financial penalties.

Once a penalty threshold is reached, the VAT registered business will receive a £200 penalty and a further £200 penalty for each subsequent late submission.

The late submission penalty points threshold will vary according to the VAT return submission frequency.

Submission frequency	Penalty points threshold	Period of compliance
Annually	2	24 months
Quarterly	4	12 months
Monthly	5	6 months

Points can be reset to zero if the business:

- Submits returns on or before the due date for the period of compliance — this will be based on the submission frequency (above).
- Makes sure all outstanding returns due for the previous 24 months have been received by HMRC.

If VAT is not paid on time:
For late payment penalties, the sooner you pay the lower the penalty rate will be.

Up to 15 days overdue:
You will not be charged a penalty if you pay the VAT you owe in full or agree a payment plan on or between days 1 and 15.

Between 16 and 30 days overdue:
You will receive a first penalty calculated at 2% on the VAT you owe at day 15 if you pay in full or agree a payment plan on or between days 16 and 30.

31 days or more overdue:
You will receive a penalty calculated at 2% on the VAT you owe at day 15 plus 2% on the VAT you owe at day 30.

You will receive a second penalty calculated at a daily rate of 4% per year for the duration of the outstanding balance. This is calculated when the outstanding balance is paid in full or a payment plan is agreed.

Period of familiarisation

To give businesses time to get used to the changes, HMRC have confirmed that they will not be charging a first late payment penalty for the first year from 1 January 2023 until 31 December 2023, if you pay in full within 30 days of your payment due date.

How late payment interest will be charged

From 1 January 2023, HMRC will charge late payment interest from the day your payment is overdue to the day your payment is made in full.

Late payment interest is calculated as the Bank of England base rate plus 2.5%.

> Repayment interest will be calculated as the Bank of England base rate minus 1%. The minimum rate of repayment interest will always be 0.5%.

Introduction of repayment interest

HMRC withdrew the repayment supplement from 1 January 2023.

For accounting periods starting on or after 1 January 2023, HMRC will now pay you repayment interest on any VAT that you are owed.

This will be calculated from the day after the due date or the date of submission (whichever is later) until the day HMRC pays you the repayment VAT amount due to you in full.

Repayment interest will be calculated as the Bank of England base rate minus 1%. The minimum rate of repayment interest will always be 0.5% even if the repayment interest calculation results in a lower percentage.

Key dates and deadlines summary

5 October 23
Deadline to notify HMRC of chargeability to income tax or capital gains tax for 2022/23

31 October 23
Deadline to submit 2022/23 self assessment tax returns by paper

October 23
Estimated date for 2021/22 NHS annual allowance pensions savings statements to be issued

30 December 23
Deadline for submitting tax returns for 2022/23 where tax due is to be collected via PAYE code for 2024/25 (depending on amount of tax due)

31 January 24
Deadline for submission of tax return for 2022/23 and payment of balance of tax and first payment on account for 2023/24

28 February 24
5% surcharge added for any unpaid tax balances for 2022/23 (NB this does not affect payments on account for 2023/24)

28 February 24
Deadline for submission of GP type 1 and type 2 NHS pension certificates for 2022/23

1 March 24
Expected deadline for submission of estimates of NHS pensionable profits for 2024/25

31 March 24
Updated GP earnings to be published on practice websites for 2022/23

30 April 24
Expected deadline for publication of individual GPs earning over £159,000 for 2022/23

30 June 2024
Deadline for dental providers to complete the Annual Reconciliation Report (ARR)

5 July 24
Final date to agree 2023/24 PAYE settlement agreements (PSA)

31 July 24
Second payment on account of tax due for 2023/24

31 July 24
Deadline for submission of NHS scheme pays forms for 2022/23

Payroll update

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As an employer operating NHS Pensions, it is vital that you know your responsibilities when it comes to administering the pension scheme. We have set out some essential information and key reminders to help you to ensure smooth pension administration for your employees.

1. Contributions and deductions
As an employer, you are responsible for ensuring accurate and timely deductions from your employees' salaries for their NHS Pensions contributions and therefore it is vital that you are well informed of the differences between pay and pensionable pay. You must review your payroll processes regularly to avoid any discrepancies or underpayments. In the last 12 months, there have been considerable changes to member contributions with changes to tier rates in October 2022 (phase 1) and a further change to rates due to take place (the date of which is to be confirmed - phase 2).

The basis for the tier rate used was also amended from whole time equivalent pensionable pay to actual pensionable pay in October 2022. This highlights the importance of regular reviews to ensure you are compliant with the rules. For detailed guidance on contributions **this link has more details.**

2. Employee enrolments and leavers
Promptly notify NHS Pensions about any new starter enrolments or leavers within your organisation. This will help to avoid any delays in processing pension contributions and benefits. You should use the employer portal, Pensions Online, to manage this process.

For joiners there are different forms to complete depending on the job role, here is a fact sheet with more information to help you with this process **NHS Pensions factsheet** template V1 (nhsbsa.nhs.uk)

When you have any employees who leave employment, you will be required to complete an **SD55 form.**

3. Retirement and exiting schemes
If any of your employees are approaching retirement age or are considering leaving the NHS Pension scheme, they will need

> “To receive timely updates and communications from NHS Pensions, ensure that your contact information is up to date.

to ensure they are well informed about their options. They can request a pension estimate from NHS Pensions to better plan for their future. Here is a link which can be shared with employees regarding retirement **NHS Pensions Retirement Guide 2023 (nhsbsa.nhs.uk)** and also for anyone who is considering **leaving the scheme .**

If you have an employee who wishes to claim their retirement benefits, you will be required to complete parts 1-6 of a form called AW8. The employee will then complete the remaining parts of the form prior to submission to NHS Pensions. This link is a detailed guide for completion of the **AW8 form.**

4. Keeping contact details
To receive timely updates and communications from NHS Pensions, ensure that your contact information is up to date. If there have been any changes to your organisation's details, promptly inform NHS Pensions to maintain effective communication channels.

The main pensions contacts for each organisation will receive the employer newsletter via email automatically.

If you're not the main pensions contact and would like to receive the newsletter, **email** with your name, organisation and email address.

PCN pensions access update

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All application forms can be found on the NHSBSA website at **Access to the NHS Pension Scheme | NHSBSA.**

In April 2023 the NHS Business Services Authority ("NHSBSA") amended the application process Primary Care Networks ("PCNs") needed to use to secure pensions for their team members. They replaced the 'time limited direction status' ("TLD") many PCNs had been using, with three options, depending on the situation and development plans for the PCN. All three options now also require the PCNs to submit a suitable, qualifying NHS contract with their applications.

Does the PCN need to apply to be an Employing Authority?

Where the PCN workforce is employed by a company incorporated by the PCN ("a PCN Company") these entities will need to obtain or update their Employing Authority status.
Other sub-contractors such as GP federations may also require access to the NHS pension and will require a qualifying contract to support their application.
Discussions with the PCN's providers will help them understand when this is relevant and suitable.

What are the options available to PCNs?

There are three routes to secure Employing Authority status:

1. Closed Direction / Determination ("Closed") access
2. Open PCN Determination ("Open") access
3. Independent Provider Employing Authority ("IPEA") access

Closed Access

This option is available in the specific circumstances where the PCN is transferring staff from one provider e.g. a practice to another e.g. a PCN Company, in accordance with the Transfer of Undertakings Protection of Employment Regulations 2006 ("TUPE").

This access option creates a protective bubble around the pension rights of the staff and it moves with them into the new company.
This route does not take effect until after the transfer has completed and only transferred staff have access to the pension using this route. New staff will need to have access through a different option.

Open Access

This is the latest access route which commenced in April 2023. It is designed for 'ARRS employees and employees working wholly or mainly on the PCN DES sub-contract'.

For a large proportion of PCNs this will be the preferred access route.
If the PCN has an existing EA Code from the TLD this is the method through which it will be secured beyond April 2023.
Some PCNs may find the restriction of only being open to PCN employees limiting for their plans, especially if they would like to employ staff to provide services beyond the remit of the 'PCN DES subcontract'. In these circumstances they may wish to consider the IPEA access route or an alternative non-NHS scheme to ensure compliance with auto-enrolment regulations.

IPEA Access

This is the traditional scheme for the non-traditional NHS providers. By demonstrating that they have a qualifying contract from the NHS they can secure access to the pension scheme.

The scheme is open to any eligible employees. It has greater scope to offer the pension to a wider workforce who may be working on NHS services other than PCN work. There are specific restrictions including a pensionable pay ceiling so advice should be sought when considering this option.

What is a 'Qualifying Contract'?

There is a defined list of qualifying contracts which include the NHS Standard Contract, NHS Standard Sub-Contract and certain public health contracts. For the purpose of PCNs the relevant qualifying contract is the NHS Sub-contract for the provision of services related to the Network Contract DES 2023/24.
All PCNs will need this sub-contract to confirm that they are contracted by the Core Network Practices to provide PCN services. The main terms and conditions have been set by NHS England but the parties can amend the schedules to reflect the relationship between them.
It is strongly recommended that advice is obtained to ensure that the schedules are suitable to meet the needs of the PCN and the practices.

Do the ICBs need to be notified?

ICBs must be informed of an intention to sub-contract any elements of the PCN services and NHSBSA will contact the ICB to authorise any application for pension access.

This is a relatively easy process with the commissioner being notified of the terms of the contract and having 28 days to object to them. If they do not object, the sub-contract can commence.

All application forms can be found on the NHSBSA website at **Access to the NHS Pension Scheme | NHSBSA.**

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Disclaimer: The contents of this article is for general information only and, while every care has been taken for its accuracy at the time of writing, no liability is accepted for anyone relying on it. The circumstances in each matter varies and legal advice should be sought with respect to those circumstances.

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