

Superannuation (Health Service) Circular No. 2/2005
General Managers/Chief Executives
- Health Boards
- NHS Quality Improvement Scotland
- NHS National Services Scotland
- State Hospital
- NHS Health Scotland
NHS Education for Scotland
Scottish Ambulance Service
Golden Jubilee National Hospital
Melanie Stewart – Director SSPS
Matthew Little - ATOS

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Your ref:
Our ref: SHE/1/2

6 April 2005

Dear Sir/Madam

NATIONAL HEALTH SERVICE SUPERANNUATION SCHEME (SCOTLAND) ANNUAL RETURN FOR 2004/2005.

1. In order that the superannuation records of individual members of the scheme can be updated, employing authorities are asked to supply information about all staff in pensionable employment for the year ending 31 March 2005. Annual Returns should be submitted to the ISU, 7 Tweedside Park, Tweedbank, Galashiels, Selkirkshire, TD1 3TE on 4 millimetre DAT tape or in previously agreed formats **no later than 31 May 2005**.

Although the situation has greatly improved, SPPA is still experiencing some delay in providing some employers with superannuation and contract numbers. If no superannuation number is available, information should be provided in the form of “invalid returns”.

2. Employing authorities must also submit their hard copy Annual Returns **no later than 31 May 2005** and ensure that entries are in superannuation number order. Hard copy “invalid records” should be provided in alphabetical order.

3. Data for employees holding multiple contracts should be reported according to the instructions given in Superannuation (Health Service) Circular 1996/1.

4. The employee’s pensionable pay reported on the Annual Return is used in the production of annual benefit statements and estimates of benefit entitlement. The benefits quoted will be overstated if the pensionable pay reported includes arrears for an earlier financial year. To prevent this, written confirmation of the amount of arrears of pay for the appropriate financial year should be made at the time the arrears are paid. If this has not been done for an employee during the year, the information must be provided with the Annual Return. (Please see note 6. for information about arrears of maximum part-time specialist contracts).

5. The service reported must not exceed the calendar period between the start and stop dates of the employment.
6. Employing authorities should note that the employer contributions due on the arrears of earnings for the year 2004/05 which will be paid after 1 April 2005 under the recently agreed new Consultant contract should be collected at the rate of 14%. In order that appropriate action can be taken by SPPA to ensure that the correct earnings and service for each Consultant for the years since the implementation of the contract are recorded, the procedure detailed in **Annex A** attached should be followed.
7. The Annual Return for employees who have not received any pensionable pay during the year should have “zeros” inserted for both pay and service. Service cannot accrue if nil pay is reported.
8. The Inland Revenue limit on pensionable pay for entrants to the scheme since 1 June 1989 (the “Earnings Cap” for the year 2004/05) is £102,000.
9. The upper limit of Dental Practitioners’ pensionable pay for the year 2004/05 is not yet available. Separate notification of this will be given once the figure is known.
10. As Practitioners quite often have periods of service of Officer status, it may be useful to provide common information within this Circular as is made available to Practice Managers and Direction Bodies regarding Practitioner status.

Membership of the National Health Service Superannuation Scheme (NHSSS) Scotland is open to NHS (Medical, Dental and Ophthalmic) Practitioners who are registered with their relevant Local Health Board. ‘Practitioner’ for this purpose means the following groups of people:

Principal Practitioners – GMS Principal GPs, Section 17 C (PMS) GPs, Principal Dental Practitioners, Ophthalmic NHS Practitioners

Assistant Practitioners – GMS salaried GPs, Section 17 C (PMS) salaried GPs, GP retainers, GPs on Flexible Career Scheme, Associate GPs, GPs who are Out of Hours Providers (OOHP) and NHS Dental Trainees

GP Locums – Freelance GP Locums and existing GP scheme members who undertake GP locum work

GP Registrars (Previously Trainee Assistant Practitioners) are afforded Officer status in the NHSSS (Scotland).

Group Codes on related Agency NSR forms and Annual Returns information require to be recorded correctly to differentiate the various types of Practitioner. The following Group Codes are to be used:

Medical Principal Practitioner	Group Code	09
Dental Principal Practitioner	Group Code	10
Medical Assistant Practitioner/GP Locums	Group Code	16
Dental Assistant Practitioner	Group Code	17

As all Practitioners are considered ‘whole time’, Service Type 03 is used.

For any further inquiries about Practitioner status, please contact NHSPEN3@scotland.gsi.gov.uk

11. State Scheme earnings should be reported for all scheme members (expressed in whole £s).

12. In order to ensure that the correct information is held on the members records, and the correct remuneration is used in the calculation of benefits, Payrolls and GP Practice Managers are asked to review their current procedures when recording reduced rates of remuneration and members ceasing to pay contributions after a period of Reduced Rate of Pay as follows:

In most cases of maternity or sick leave, full pay is followed by a period of reduced pay, then possibly nil pay, before the member returns to work.

If the members Reduced Sick Rate of pay ends, and they continue to be employed on nil pay, then NSR 02 (leaver) should be sent to the Agency with Code 20 as reason for leaving and Item 23 showing the last day of superannuable employment.

An NSR 01 (starter) form should be completed and sent to the Agency for any period after the last day of employment for which the person receives superannuable remuneration (as should be recorded in the leaver form) - for example, if annual leave takes place after the actual last day of working but before the actual date of termination of the contract, this is treated for superannuation purposes as part of reckonable service and contributions should be collected.

Where an employee contributes on reduced remuneration during sick leave, the employer's contributions should be paid as if there was no reduction. (It is the unreduced remuneration on which the employer's contributions are paid that requires to be taken into consideration when assessing the best remuneration during the past three years).

13. **Employing Authority Resource Accounts - (Disclosure of Salary & Pension Information at 31 March 2005)**

To assist employers meet their requirements in relation to salary and pension disclosure for senior staff in their accounts, SPPA will, on request, provide details of an individual's service in the scheme. That information will however normally be restricted to the service at 31 March 2004. That is the latest date to which our records are updated as the Annual Returns for the year 2004/05 have not yet been provided by employers.

When requesting such information, it is essential that employers provide written confirmation that they have received the specific consent from each individual in respect of whom they are seeking these service details. In the absence of such written confirmation, the Agency will not release such details to employers.

Please note that if any member of senior staff to whom these provisions apply has Medical or Dental Practitioner service, then the request for information regarding service will require to be made directly to NHS Team 3 at NHSPEN3@scotland.gsi.gov.uk

To minimise the number of requests for information, employers are asked not to request service data for full-time employees if comparable information was provided last year. If an individual has continued to work on a full-time basis since then, the individual's service will have increased by 1 year. If service information was provided last year and the individual's working pattern has changed, or the individual joined the scheme between 1 April 2004 and 31 March 2005, SPPA will only be in a position to provide the relevant pensionable service information on request after the work relating to the submission of Annual Returns has been completed and this will be some months ahead. Up-to-date salary information is, of course, held by employers.

Last year, SPPA used a Ready Reckoner which was developed by the Cabinet Office to calculate and produce the information required by employers for inclusion in their accounts. This year, SPPA will not carry out these calculations but it has been decided to provide a copy of the Ready Reckoner, with instructions for its use, to employers to enable them to make their own calculations. When this is available, it will be issued to each employing authority.

Please see **Annex B** for instructions on completion of Annual Return information.

Any enquiries about these instructions should be referred to the Agency on 01896 893100 or alternatively by emailing the appropriate team detailed in **Annex C** attached.

Yours faithfully

A handwritten signature in black ink that reads "G. Stenhouse." The signature is written in a cursive style with a period at the end.

George Stenhouse
Acting Director of Operations