

Superannuation (Health Service) Circular No 3/2006

**Practice Managers  
Direction Bodies**

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Tweedbank  
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Selkirkshire  
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Your ref:  
Our ref: SHE/1/2

March 2006

Dear Sir/Madam

## **NATIONAL HEALTH SERVICE SUPERANNUATION SCHEME (SCOTLAND) ANNUAL RETURN FOR 2005/2006**

### **1. Background**

In order that the superannuation records of individual members of the scheme can be updated, GP Practices and Direction Bodies are asked to provide information about all staff in pensionable employment for the year ending 31 March 2006. Annual Returns (NSR03) and summary annual return (Annex A) must be submitted and marked for the attention of NHS Team 2, at 7 Tweedside Park Tweedbank, Galashiels, Selkirkshire TD1 3TE no later than **31 May 2006**

### **2. Completion of Annual Returns Form (NSR03)**

When submitting information to the Agency, Practices must ensure that they use their Practice identifier number. Direction bodies should use their individual identifier number which is prefixed by the letters KD. It is important that the Employer's Pay Reference Number field on NSR forms must be completed by the identifier number followed by a 5 digit reference. For example:

GP Practices - CP00012.  
Direction bodies - KD00013

The remaining boxes must be entered as zeros.

### **3. Summary of Annual Returns**

Attached to this letter as **Annex A** is a 'Summary of Annual Returns' sheet. This has been designed for use by Practice Managers. Please complete this form for employees of the Practice in scheme membership at

31<sup>st</sup> March 2006 and also for those who left between 1 April 2005 and 31 March 2006. The totals in each of the contributions columns should reconcile with the total of contributions sent to the Agency during the year. If it does not, you should investigate the reason(s) and make adjustments as necessary before returning the summary and the annual returns to the Agency at the above address. If you have any further enquiries regarding the completion of this summary sheet please contact the Finance team on 01896 893257

#### **4. NSR 03 and Summary of Annual Returns for Ferguson Payroll Users**

GP practices using Ferguson Payroll can download an update from ( [www.gppayroll.co.uk](http://www.gppayroll.co.uk) ) which will allow the payroll software to produce a ‘Summary of Annual Returns’. Click on “downloads” then “Latest GP Payroll Update”.

The payroll software will also issue an end of year statement to facilitate the completion of Annual Returns. This should only be used for reference as the format of form NSR03 has not been changed, the field numbers from item 15 on the statement are incorrect. Care should be taken to ensure that the correct information is transcribed.

#### **5. Sending Forms by E-mail**

If sending the returns by e-mail, please save each form before sending it to the Agency using the following format:

[Your GP ID] [member’s SB number, or name] [06] for annual return  
i.e. JP00069 FRASER 06

Any forms being submitted by e-mail should be sent to [sppa-nhs-gp@scotland.gov.uk](mailto:sppa-nhs-gp@scotland.gov.uk)

Full Instructions for completing the range of NSR forms can be accessed via the SPPA website at [www.sppa.gov.uk](http://www.sppa.gov.uk) at that part relating to NHS scheme, Forms.

#### **6. General Points relating to Annual Returns**

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 (NSR03).

The service reported must not exceed the calendar period between the start and stop dates of the employment.

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.

The HMRC (formerly Inland Revenue) limit on pensionable pay for entrants to the scheme since 1 June 1989 (the “Earnings Cap” for the year 2005/06) is £105,600. However, from A- Day on 6 April 2006, the HMRC earnings cap will be replaced by an NHS Scheme limit. In 2006/07, the limit will be £108,600. There will be an annual review of the scheme limit. Employers should ensure that superannuation contributions are not deducted from the salary in excess of that amount. Particular attention should be paid to members with more than one contract.

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

## 7. Reduced Rates of Pensionable Pay

In order to ensure that the correct information is held on the members records, and the correct pensionable pay is used in the calculation of benefits, Payrolls and GP Practice Managers are asked to review their current procedures when recording reduced rates of pensionable pay 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 pensionable pay (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 pensionable pay during sick leave, the employer's contributions should be paid as if there was no reduction. (It is the unreduced pensionable pay on which the employer's contributions are paid that requires to be taken into consideration when assessing the best pensionable pay during the past three years).

## 8. Practitioner Status

As practitioners quite often have periods of Officer status within the scheme it may be useful to provide additional information within this circular regarding Practitioner status

Membership of the NHS 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 17C (PMS) GPs, Principal Dental Practitioners, Ophthalmic NHS Practitioners.

**Assistant Practitioners** – GMS salaried GPs, Section 17C (PMS) salaried GPs, GP retainers, GPs on Flexible Career Scheme, Associate GPs, GP's 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 NHS Superannuation Scheme (Scotland).

**It is important to note that the responsibility for reporting details of the employment of Assistant Practitioners rests with Practitioner Services Division and not the General Practice in which the Assistant is employed.**

## **9. Group codes**

Group Codes on related Agency NSR forms and Annual Returns information require to be recorded correctly to differentiate the various types of employment

The following group codes should be used –

Medical Principal Practitioner	Group Code	<b>09</b>
Dental Principal Practitioner	Group Code	<b>10</b>
Medical Assistant Practitioner/GP Locums	Group Code	<b>16</b>
Dental Assistant Practitioner	Group Code	<b>17</b>
Practice Staff / Officer	Group Code	<b>01</b>
Practice Staff/ Manual	Group Code	<b>02</b>
Practice Staff / Nurse	Group Code	<b>06</b>

As all Practitioners are considered as ‘whole time’, Service Type **03** should be used.

For any further enquiries about Practitioner Status please contact [NHSPEN3@scotland.gsi.gov.uk](mailto:NHSPEN3@scotland.gsi.gov.uk)

## **10. Enquiries**

Any enquiries about the provision of Annual Return information should be made by telephoning 01896 893100 or alternatively by emailing the appropriate team as detailed in Annex **B** attached.

Yours faithfully



Ian Clapperton  
Director of Operations



**TEAM AREA**

[NHSPEN1@scotland.gsi.gov.uk](mailto:NHSPEN1@scotland.gsi.gov.uk) Borders / Ayrshire & Arran

[NHSPEN2@scotland.gsi.gov.uk](mailto:NHSPEN2@scotland.gsi.gov.uk) GP Practices / Direction Bodies

[NHSPEN3@scotland.gsi.gov.uk](mailto:NHSPEN3@scotland.gsi.gov.uk) Practitioners

[NHSPEN4@scotland.gsi.gov.uk](mailto:NHSPEN4@scotland.gsi.gov.uk) Tayside / NHS 24

[NHSPEN5@scotland.gsi.gov.uk](mailto:NHSPEN5@scotland.gsi.gov.uk) Grampian

[NHSPEN6@scotland.gsi.gov.uk](mailto:NHSPEN6@scotland.gsi.gov.uk) Lothian NES

[NHSPEN7@scotland.gsi.gov.uk](mailto:NHSPEN7@scotland.gsi.gov.uk) Fife Forth Valley / Scottish Ambulance Service

[NHSPEN8@scotland.gsi.gov.uk](mailto:NHSPEN8@scotland.gsi.gov.uk) Lanarkshire State Hospital / NHS National Services Scotland

[NHSPEN9@scotland.gsi.gov.uk](mailto:NHSPEN9@scotland.gsi.gov.uk) Greater Glasgow / Argyll & Clyde (part) / Golden Jubilee National Hospital

[NHSPEN10@scotland.gsi.gov.uk](mailto:NHSPEN10@scotland.gsi.gov.uk) Highland / Argyll & Clyde (Part) / Dumfries & Galloway Orkney / Shetland & Western Isles