

Practice Manager

Superannuation (Health Service) Circular No 4/2007

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Your ref:  
Our ref: SHE/1/2

Dear Sir/Madam

## **NATIONAL HEALTH SERVICE SUPERANNUATION SCHEME (SCOTLAND) ANNUAL RETURNS FOR 2006/2007**

### **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 2007. Annual Returns (NSR03) and Summaries of Annual Returns (Annex A) must be submitted and marked for the attention of NHS Team 2, 7 Tweedside Park, Tweedbank, Galashiels, Selkirkshire, TD1 3TE, no later than **31 May 2007**.

### **2. Completion of Annual Return Forms (NSR03)**

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

GP Practices - CP00012  
Direction Bodies - KD00013

The remaining 8 boxes must be entered as zeros.

**It is imperative that all boxes must be completed fully.**

**Failure to submit correct information will result in forms being returned for re-completion.**

Any enquiries about the provision of Annual Return information should be made by telephoning 01896 893120.

### 3. Summary of Annual Returns

**Annex A** is the ‘Summary of Annual Returns’ sheet and has been designed for use by Practice Managers. Please complete this form for employees of the Practice in scheme membership at 31 March 2007 and also for those who left between 1 April 2006 and 31 March 2007. The totals in each of the contributions columns should reconcile with the total contributions sent to the Agency during the year. If not, you should investigate why and amend as necessary before returning the Summary and the Annual Returns to the Agency at the above address. If you have any enquiries regarding the completion of this Summary, please contact the Finance Team on 01896 893257.

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

For Practices that use Ferguson Payroll, a new option has been created; details of this can be found in “A Guide to Payroll Year End 2006/2007” on pages 15, 16 & 17.

If the Practice is submitting data to the Agency by e-mail:

Subject: - “Identifier Number (AP00031)” Returns 2006/2007

E-mail Content: - Practice name and address  
Contact name and number  
Practice e-mail address

All forms being submitted by e-mail must be sent to [nhspen2@scotland.gsi.gov.uk](mailto:nhspen2@scotland.gsi.gov.uk)

If the Practice is submitting data to the Agency on floppy disk, it must be marked with your Practice Reference Number e.g. AP00031 and year 2006/2007

A covering letter should be sent detailing:

Practice Reference Number e.g. AP00031  
Practices name and address  
Contact name and number  
Practice e-mail address

### 5. Sending forms by E-mail (non Ferguson Payroll Users)

Please save each form in the following format before sending it to [nhspen2@scotland.gsi.gov.uk](mailto:nhspen2@scotland.gsi.gov.uk)

[Your GP ID] [Member’s name] [07] for Annual Return e.g. AP00031 FRASER 07

The e-mail subject line should be: - “Identifier Number” (e.g. AP00031) Returns 2006/2007

The e-mail content should include: - Practice name and address  
Contact name and number  
Practice e-mail address

An in-depth guide to completion of NSR forms can be accessed at:

[http://www.sppa.gov.uk/nhs/staff\\_gmdp.htm](http://www.sppa.gov.uk/nhs/staff_gmdp.htm)

## **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 earnings cap has been replaced by an NHS Scheme limit. In 2006/07, the limit is £108,600. There will be an annual review of the scheme limit. In 2007/08, the limit will be £112,800. 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 (the amount earned on which National Insurance Contributions were paid) should be reported for all scheme members (expressed in whole £s).

## **7. Reduced Rates of Pensionable Pay**

It must be ensured that the correct information is held on member's records and the correct pensionable pay is used in the calculation of benefits. Therefore, Payrolls and GP Practice Managers are asked to review their current procedures when recording reduced rates of pensionable pay, as well as 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) - e.g., 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 often have periods of Officer status 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 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 between the various types of employment.

The following group codes should be used :-

Medical Assistant Practitioner/GP Locums	Group Code	<b>16</b>
Practice Staff / Officer/ Admin	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 enquiries about Practitioners please contact [nhspen3@scotland.gsi.gov.uk](mailto:nhspen3@scotland.gsi.gov.uk)

Yours faithfully



Ian Clapperton  
Director of Operations