

**NATIONAL HEALTH SERVICE SUPERANNUATION SCHEME (Scotland)
2011/02**

WHO SHOULD READ: NHS HR AND PAYROLL MANAGERS
GP PRACTICE MANAGERS
DIRECTION BODIES
PRACTITIONER SERVICES DIVISION (PSD)
DENTAL PAYMENTS

ACTION: TO UPDATE EMPLOYEE PENSION CONTRIBUTION TIERS
FOR THE PERIOD 2011/2012

SUBJECT: EMPLOYEE PENSION CONTRIBUTION TIERS 2011/2012

The purpose of this circular:

This circular sets out the employee pension contribution tiers for the scheme year 2011/2012. Part A is applicable to Officer members, Part B to Practitioner members and Part C gives further general information.

Please note that these tiers are provisional and if there are any changes SPPA will issue a further circular as soon as we are notified.

Part A

Officer members (including GP practice staff who are not practitioners)

For **existing officer scheme members** i.e. those who were in service at 31 March 2011 and continuing, their contribution tier is based on their 2010/2011 full year, whole time equivalent (WTE) pensionable pay. The following table should be used:

Table 1

Tier	Pensionable Pay (whole-time equivalent) paid in 2010/2011	Contribution rate in 2011/2012
1	Up to £21,175.99	5%
2	£21,176 to £69,931.99	6.5%
3	£69,932 to £110,273.99	7.5%
4	£110,274 plus	8.5%

For **new starters** (including staff that have changed jobs, returned to NHS employment after a break or have “stepped down”) on or after 1st April 2011 their contribution tier will be based on their estimated full year WTE pensionable pay in 2011/12. The following table (Table 2) should be used initially but this is likely to be updated. SPPA will advise of any changes as soon as we are notified.

Table 2

Tier	Pensionable Pay (whole-time equivalent) estimated in 2011/2012	Contribution rate in 2011/2012
1	Up to £21,175.99	5%
2	£21,176 to £69,931.99	6.5%
3	£69,932 to £110,273.99	7.5%
4	£110,274 plus	8.5%

To note that anyone stepping down into a lower paid job should be treated as a new starter for contribution tier purposes but this does not affect those whose hours may reduce within the same job.

Members who are classed as bank workers are likely to have several stop and start pensionable posts and therefore Table 2 above should apply.

Health Boards should note that ancillary employments such as OOH, Bed Fund and sessional payments (not officer) for Principal GPs should be pensioned at 6.5% and will be corrected to the actual rate by PSD when the GP’s Annual Certificate is processed.

Tiers at the start of a scheme year are based on the previous year’s pensionable pay for the part of the employment current as at 31st March / 1st April that falls after any change of contribution tier that occurred in the previous scheme year. That is, if a tier is changed part way through the previous year, then the pensionable pay after the change is uprated to full year WTE and the previous pay ignored (i.e. the earlier pre rate change pensionable pay is not used in the calculation).

Once a tier has been set it is applied to all of the pensionable pay. For example, a consultant earning £130k will pay 8.5% on the full £130k.

Any arrears of pay paid in 2011/2012 (i.e. in respect of earlier years) must be allocated to the year in which it was due and not regarded as 2011/2012 pay when establishing the relevant tiered rate for 2011/2012.

Part B

Practitioners and Non GP Partners

All medical practitioner and non GP partners will have their 2011/2012 contribution tier based on their total certified NHS pensionable income in 2011/2012. The following table (Table 3) should be applied until further notice. If there are any changes once the tiers



have been finalised SPPA will inform employers and PSD by an updated circular as soon as possible after we have been notified. Dental Practitioners will also have their tier set by Dental Payments based on current year earnings. Assistant Practitioners with more than one employment should use the form at Annex 1 to estimate their correct tier.

Table 3

Tier	Aggregated pensionable earnings in 2011/2012	Contribution rate in 2011/2012
1	Up to £21,175.99	5%
2	£21,176 to £69,931.99	6.5%
3	£69,932 to £110,273.99	7.5%
4	£110,274 plus	8.5%

GP Providers are required to provide estimated total practice income to PSD at the beginning of the scheme year and to complete the annual certificate of pensionable income at the end of the year. Further information is available on the [PSD Website](#).

Part C

Further general information

Arrears of Pay

Where arrears of pay (including Agenda for Change arrears) are received in the current year but covering earlier years, then for pension purposes employers must advise SPPA which years the arrears cover and the amount to be allocated to each of those years. The employer must also ensure that the correct employee contribution is deducted for that year as failure to do this could mean that the employee is overcharged.

Annual Pay Awards

In year pay rises for officer members will not affect their tier as this is based on the previous year. If a Practitioner or non-GP Partner changes jobs in 2011/12 it will not mean two different tiered rates because their 2011/12 tiered contribution rate is based on their total 2011/12 income as a Practitioner or non-GP Partner.

Assistant Practitioners

Tiers for Assistant Practitioners are set on the estimated current year aggregated pensionable earnings from all employments and finalised at the end of the scheme year. Assistant Practitioners with more than one employer therefore should use the form at Annex 1. Annex 2 gives further information.

Changing employments

A reminder that officer tiers are not portable between employments and a new tier must be allocated for the new post based on the WTE pensionable pay uprated to full year.

Changing Tiers In Year

Where there is a need to change an Officer's tiered rate the new rate should commence from the start of the pay period in which the tier change is applied. If the change occurs 'mid month' apply the new tier from the start of the next pay period.



Concurrent Posts

Where an Officer has other concurrent Officer pensionable posts each post is assessed individually (i.e. ring fenced) when setting the tiered rate. The WTE rate of pay must be used to set the tiered rate.

Where a Practitioner has other concurrent Practitioner posts it is the total Practitioner income that determines his/her tiered rate. Practitioners must pension all their Practitioner income.

Where a Practitioner has a concurrent Officer post their Practitioner income has no bearing on their Officer tiered contribution rate; this is ring fenced.

Non-GP Partners can only 'pension' income from one NHS post even if they are involved in several Practices.

Dental Payments

"Dental payments" is part of Practitioner Services Division (PSD) (a Division of National Services Scotland (NSS)) who deal directly with dental payments and superannuation contributions for dentists.

Dental Practitioners

Dental Payments will arrange for the appropriate tiered contributions to be applied to the majority of Dental Practitioners.

Disallowed Days

Where an Officer's 2011/2012 pensionable pay is reduced due to disallowed (i.e. strike) days their tiered rate is still based on their actual 2010/2011 pensionable pay.

Employer Contribution Rate

All NHS employers pay 13.5 % employer contributions.

Freelance GP Locums

A GP who is solely a freelance GP locum (i.e. has no other GP posts) will have to reassess their tiered contribution rate at year-end. There is further guidance on forms A and B available on the SPPA website.

General Practitioners (GPs)

A GP's total pensionable income (e.g. Practice + GP Locum + OOHs + Bed Fund) **must** be added together in respect of allocating a tier. GPs must pension all their GP income; they cannot 'pick and mix' to avoid going into another tier band. Once a tier has been set it is applied to all GP pensionable income.

A part-time GP's actual pensionable pay **is not** converted to a whole time equivalent value for the purposes of setting a tier; their tiered rate is based on their actual pay.

For a GP who starts after 1 April 2011 their aggregated pay **is not uprated to full year** for the purposes of setting a tier and the same applies for a GP who retires mid-year. Their tiered rate is based on their actual pay.



GP Locums

Locums who are principal practitioners paid by the Health Board will continue to have their tier provisionally set at 6.5% for “Out of Hours” (paid as practitioner income), bed fund, and GP locum income and this will be adjusted at the end of the financial year by PSD on receipt of final certified earnings.

GP Registrars

GP Registrars are afforded Officer Scheme status therefore the tiered contribution rules in respect of Officers apply.

Maternity Pay

If an Officer received maternity pay in 2010/2011 and year 2010/2011 is used to set the 2011/12 tier, the full (unreduced) pensionable pay in 2010/2011 (i.e. the deemed pay) must be used to set the 2011/2012 tier.

New Employments/Posts

If an Officer member starts a new job (with their current employer or another employer) they are given a new tier based on the estimated future pay that will be at a full year’s value; i.e. annualised. If they are part-time a whole-time equivalent annualised pensionable pay figure must be used.

New Starters

An Officer new starter in 2011/12 has their tiered rate based on their pensionable pay uprated to a full year. If they are part-time the pay used to calculate the tier must be the WTE.

Out Of Hours Providers (OOHPs)

OOHPs must ensure that they take into account a GP’s global GP income when setting the tiered contributions rate. They must not base the rate solely on the OOHPs income unless the GP has no other GP posts.

Career OOHPs GPs are regarded as Assistant Practitioners and must complete the relevant Certificate at year-end.

OOHP GPs who are also principal practitioners should have their contribution set at 6.5% for this work by the Health Board and this will be adjusted by PSD when the end of year certificate is received.

Overtime

In respect of an Officer member overtime in excess of whole-time hours is not pensionable and therefore does not fall under tiered contributions. Any income earned by a part-timer in respect of additional hours up to whole time is pensionable.

Part-Time Officers

Tiered contributions for part-time Officers are based on their WTE rate of pay. For example a part-timer who actually earned £10k in 2010/2011 but whose WTE rate of pay was £25k will be on tier 2 (6.5%) in 2011/2012.



Paternity Pay

If an Officer member received paternity pay in 2010/2011 and year 2010/2011 is used to set the 2011/12 tiered rate, the full unreduced pensionable pay in 2010/2011 (i.e. the deemed pay) must be used to set the 2011/2012 tier.

Promotion

If an Officer member is promoted they are allocated a new tier based on their new pay uprated to a full year. If they are part-time the tier is based on the WTE rate of pay.

PSD

Practitioner Services Division (PSD) is a Division of National Services Scotland (NSS). PSD act on behalf of the Health Boards in Scotland in collecting pension contributions from Practitioners and reporting back to SPPA.

Returnees

Anyone returning to NHS pensionable employment after a break in 2011/2012 should be treated in the same way as a new starter.

Salaried Partners/Shareholders

Their tiered contributions in 2011/2012 are based on their Practice pensionable pay (i.e. their pre-agreed fixed salary) and any other 'fringe' GP income. They must complete a certificate of pensionable income at the end of every pensions year.

Salary Protection

For Officer members if salary protection ends in 2011/2012 a new tier must be set based on the new pay uprated to WTE and full year.

Sick Pay

If an Officer member received half sick pay in 2010/11, and year 2010/11 is used to set the 2011/2012 tier the full unreduced pensionable pay (in 2010/11) must be used to set the tier.

Step Down

Where an Officer member steps down into a lower paid new job in 2011/2012 a new tier must be set for the new job based on the WTE pay uprated to full year. This does not affect part-timers whose hours may be flexible in the same job, by virtue that their WTE rate of pay will not change.

Unsocial Hours Payments (Officers/Practice Staff)

If there are short-term fluctuations in unsocial hours allowances in 2011/2012 this will not change the tier subject to the revised allowances being paid promptly; i.e. within the next two monthly payslips. However if the changes are long term (i.e. moving permanently from night shifts to days) a new tier must be set using the new WTE pay uprated to full year.

Sharon Liptrott
Policy Manager
14 March 2011



Contact Information:

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INVESTOR IN PEOPLE

Pension Scheme Ref: SB

Member's estimated salary details for the purpose of setting level of pension scheme contribution - 2011/2012

Assistant and Salaried GP Practitioners including Locums who are not principal GP's are required to ensure that earnings from all NHS employment are taken into account when setting the level of contributions which will be payable to the NHS Superannuation (Scotland) Scheme. This form must be given to all employers (in respect of assistant and salaried GP employments) for completion and a copy returned to the Agency by 1 May 2011. This form does not apply to GP Providers, GP Registrars, or freelance GP Locums. A copy should also be retained by the employer (including PSD for locums)

Part A to be completed by member

Name

National Insurance Number

Part B to be completed by employer

Name and address of each employer	Estimate of Annual Earnings	Commencement date of employment(see notes for completion)	Termination of employment date if applicable (see notes for completion)
1.			
2.			
3.			
4.			
Total aggregate of estimated earnings Columns 1-4			
Contribution tier applicable to total aggregated income			



N.B. Each employer will continue to pay employer contributions on the individual employment and not the aggregated earnings

Part C

Declaration

I understand that the information provided on this form is, to the best of my knowledge accurate and that the information contained is only to be used for the purpose of setting the correct contribution tier in respect of the NHS pension scheme.

Signature of member Date

Notes for Completion

Note 1. The pay declared under “ estimate of actual earnings” is the actual salary paid taking account of any reduced (i.e. half) pay in respect of sick leave, maternity leave etc.

Note 2. Employers should enter date of commencement of employment if this takes place after 1 April 2011.

Note 3. Employers should enter date of termination of employment if this occurs before 31 March 2012

Note 5. Table of contribution rates for 2011/12 (Provisional)

Tier	Aggregated pensionable earnings in 2011/2012	Contribution rate in 2011/2012
1	Up to £21,175.99	5%
2	£21,176 to £69,931.99	6.5%
3	£69,932 to £110,273.99	7.5%
4	£110,274 plus	8.5%



What pension contributions will I pay in 2011/12?

A factsheet for all Assistant Practitioner & Salaried GPs in the NHS Pension Scheme Scotland

1. All NHS Pension Scheme Practitioner Members will have their pension contribution rates reassessed for the scheme year 2011/12. The table below shows the tiered contribution rates that will be applied to the pensionable earnings of all Practitioners in 2011/12.

Contribution Tier Pensionable Earnings Contribution Rate (provisional)

Tier	Aggregated pensionable earnings in 2011/2012	Contribution rate in 2011/2012
1	Up to £21,175.99	5%
2	£21,176 to £69,931.99	6.5%
3	£69,932 to £110,273.99	7.5%
4	£110,274 plus	8.5%

(The employer contribution rate will remain at 13.5% from 1 April 2011.)

2. There will be cases where the assistant practitioner/salaried GP has more than one employer and therefore the setting of the contribution tier will require the assistant practitioner/salaried GP to ensure that all his/her estimated earnings for the year are aggregated so that a correct tier can be set. To meet this requirement each assistant practitioner/salaried GP must complete a certificate with his estimated earnings from all sources at the beginning of each scheme year and present a copy of the completed form (attached) to each employer. This will allow each employer to be aware of the estimated aggregated earnings for the year ahead so that the correct contribution tier can be applied. A copy of this form should also be sent to SPPA by the assistant practitioner/salaried GP for the member's record.

3. If the assistant practitioner/salaried GP has a change in income part way through the year the contribution tier may be adjusted as necessary. If a tier is adjusted "in year" a new estimated income certificate must be completed by the assistant practitioner/salaried GP and presented to each employer. It will be the responsibility of the assistant practitioner/salaried GP to ensure that any underpayment at the end of the scheme year is paid to SPPA.

4. This tier may be adjusted at the end of the Scheme Year once final income is obtained by SPPA. If the assistant practitioner/salaried GP has also ticked the box on the form indicating that he undertakes locum work these earnings will also be taken into account at the end of the year. Failure to submit the



correct information may mean that incorrect records are held and at retirement an incorrect pension may be paid as a result.

5. If you have any Officer income (i.e. Clinical Assistant) this will be classed as a separate pensionable employment and be allocated its own contribution tier. In these cases the employer will remit the correct contribution to SPPA for that employment.

6. If you require any further information please contact the practitioners team at SPPA by e-mail NHSp3@Scotland.gsi.gov.uk or by phone 01896 893000

