

NHS Pension Scheme 2021/02

- Who should read:**
- NHS HR and Payroll Managers
 - GP Practice Managers
 - Practitioner Service Division (PSD)
- Action:** Read and circulate to all interested parties. Employers to ensure they are taking the correct administrative action in relation to returning members' eligibility to join the NHS Pension Schemes.
- Subject:** Action required for Salaried GP's/Assistant Practitioners
- Date:** 5 February 2021

The purpose of this circular is to highlight incorrect application of rules regarding setting Contribution tiers for Salaried GP's/Assistant Practitioners

We are aware that the annual guidance has not been consistently applied and this has resulted in some members underpaying or overpaying pension contributions.

A key part of this guidance asks you to use [Annex D](#) to engage with your member to understand whether they have any other posts, namely Locum or Out of Hours contracts.

Reminder: Pensionable pay for Salaried GP's is their total income from work in the Practice plus Locum and Out of Hours contract.

The Pensionable pay should then be used to work out the correct tier. Pensionable pay used in the assessment may be ignoring the locum or Out of Hours contracts, resulting in the wrong tier being applied.

What you need to do

Please follow the process below

- All Salaried GP's should be consulted at the start of the financial year to obtain an estimate of forecasted earnings from all positions.
- You should then work out the estimated Pensionable Pay for the year ahead and apply the relevant rate.
- After this, please contact the member near the year-end to confirm the actual figures, and if necessary, make an in-year adjustment to ensure the member has paid the correct contributions during the scheme year.
- On receipt of a completed Annex D form, Payroll should assess whether they have applied the correct rate during the year. If the incorrect rate has been applied, an in-year adjustment must be made to correct this.

- The in-year adjustment would be calculated by working out the correct Pensionable Pay, selecting the correct tier and calculating what was due, then deducting what has already been paid.

Key dates

- **31 March 2021:** Any adjustments must be made no later than 31 March. Failure to do so will result in the 2020-21 Annual return being incorrect
- **March/April 2021:** You need to contact all Salaried GP's to get forecasted earnings for the 2021/2022 scheme year. Ensure correct rate is applied from April 2021.
- This process should be completed annually going forward.

What we are doing:

To assist you for financial year 2020-21, the SPPA will send all relevant members a copy of the Annex D form asking them to complete and submit to their Payroll.

Questions

Please contact SPPAcontactus@gov.scot if you have any enquiries about this circular.

Dev Dey

Head of Customer Services
5 February 2021