Practitioner Services

NHS National Services Scotland

General Medical Services

Annual Certificate of Pensionable Profits 2022-23 Guidance Notes

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Contents

Introduction

This booklet is issued by Practitioner Services to provide guidance on the completion of the Annual Certificate of Pensionable Profits 2022/23. This is subject to change each year and these guidance notes are aimed specifically at the 2022/23 certificate only.

This publication does not seek to offer definitive guidance in any area of legislation and specialist professional advice should be sought in the event of any uncertainty.

Who should complete this form?

All GPs and Non GP Partners who were self-employed during the 2022/23 tax year whether acting in partnership or as a sole trader. Even if you have left the pension scheme a form will still be required to vouch your earnings for seniority purposes. All certificates must be signed and submitted to Practitioner Services no later than 28th February 2024.

Getting Started

You will require the following to be able to complete the annual certificate of pensionable profits:

- Partnership tax return for 2022/23, if in partnership during the year
- Own tax return for 2022/23
- Split of NHS and non-NHS income in partnership or sole trader accounts for the accounting period ended in 2022/23
- P60s for 2022/23

					Box
Provider's full name	DR				A
NI number					B
Practice Reference Number		C	Host NHS Board		D
Practice accounts year end, to which this Certificate relates (e.g. 30.06.2020, 31.03.2021)					E
GP Private fee (self-employed) accounts year end, where private fees are not fed through the practice accounts (e.g. 30.06.2020, 31.03.2021)					F
Tax and NHS Pension Scheme year end, which the profits at Box 40 relate to (the NHSPS date)				**31st March 2023**	G
Date of joining (if in this year)		H	Date of leaving (if in this year)		I
Tick this box if this the purpose of this certificate is to vouch income for seniority purposes only (to insert a tick, hold down the "Alt" key and type in 0252)					J
Enter 'Yes' if Added Years earnings cap applies		K	Tick this box if figures in this certificate are provisional		L

Boxes A – L Personal data

Box A

Complete your full name. Do not use initials.

Box B

Enter your national insurance number.

Box C

Your GP Practice reference number is the unique reference number allocated to you by your NHS Board.
Where you have changed practice, or your practice reference number has otherwise changed separate certificates will be required for each practice and the reference in Box C will be different on each.

Where personal expenses and capital allowances have been incurred, and separate statements of these have not been prepared for the respective periods, it is acceptable to pro-rata these and include them on the relevant certificate.

Should there be private fee income assessed on self-employment pages of the tax return that have not been split according to corresponding dates relating to the change in Practice, it is also acceptable to pro-rate these fees to include them in the relevant certificate.

Box D

The host NHS Board.

Boxes E and F

The appropriate ‘year end’ will be that which falls into the tax year 2022/23 (the year ended 5 April 2023), for example 30 June 2022, 31 October 2022, 28 February 2023, 31 March 2023, etc. and forms the basis for the entries to the 2022/23 tax returns.

The year ends for practice and other private fee work may differ. This should not affect the certificate. Each ‘year end’ relating to the tax year (see also note re Box G below) is taken to reflect income for the pension year.

Box G

This is the NHS Pension Scheme ‘year end’ corresponding to the tax ‘year end’. Whilst the tax year finishes on 5 April each year, the NHS Pension Scheme ‘year end’ finishes on 31 March each year. To all intents and purposes, the ‘5 day’ difference between these dates can be ignored. This prevents anomalous treatment whereby an accounting year ended 5 April 2023 falls into the tax year 2022/23 but not into the NHS Pension Scheme year ended 31 March 2023. Because an accounts year ended 5 April falls into the tax year, this will also be deemed to fall into the Pension Scheme year. The golden rule is that the tax return entries form the basis of the pensionable pay.

Box H and Box I

If you joined the practice or retired from the practice enter your joining or leaving dates in these boxes. Also use these boxes if you took 24 hour retirement or opted out or back into the NHS pension scheme during the year. You may need to prepare more than one certificate.

Box J

Tick this box if the purpose of this certificate is to declare income for seniority purposes only.

Box K

The pensionable earnings cap was removed on 1st April 2008, except for Added Years contributions. If a Scheme member first joined the Scheme on or after the 1 June 1989 most Added Year contributions for Added Years contracts taken out before 31 March 2008 are still subject to the pensionable earnings cap of £181,800 for 2022/23, i.e. the member should only pay Added Years contributions up to this limit.

If you are unsure as to whether the cap applies to you, please contact the Scottish Public Pensions Agency (SPPA).

Please refer to the completion notes for Box 41 when considering the application of the cap.

Box L

Tick this box if figures in this certificate are from a provisional tax return.

Note your 2022/23 partnership (where applicable) and personal tax returns will need to have been completed to enable you to make the entries on your 2022/23 certificate of GP pensionable pay.

Occasionally, particularly in the first year of practice or self employment, provisional figures may be used in your tax return where the correct details are not yet known.

The entries on the Certificate should still follow those provisional figures.

In the same manner as the tax return, an amendment will need to be made to the Certificate when the actual data is available, even though this is after the submission deadline.

Boxes 1 – 6 Total income

				Box No
Step 1	Specify your GP (or non-GP) share of income declared in boxes 3.29 & 3.50 of the full practice partnership tax return of your medical practice, adjusted for tax purposes (i.e. reflects your share of boxes 3.29 and 3.50 minus your share of box 3.71).			1
Step 2	Add your self employed income declared in boxes 15 & 16 of the self-employment pages of your tax return, in respect of medical related work, adjusted for tax purposes (i.e. reflects boxes 15 plus 16 minus 62) Use boxes 9,10 & 29 of the 'short' pages where income is below £85,000	+		2
Step 3	Add your medical related employed income i.e Gross income from P60	+		3
Step 4	Add your other medical related income, before expenses, declared elsewhere on your tax return, adjusted for tax purposes.	+		4
Step 5	Deduct your income included above in Boxes 1, 2, 3 and 4 pensioned separately	-		5
This is your total NHS and non-NHS income for the purposes of the income ratio		=	-	6

Box 1

The figure in Box 1 should be your share of total medical related income derived from the appropriate partnership accounts, allowing for any prior allocation of income that may occur, for instance in respect of property, seniority, medical examination fees, appraisals etc.

This includes GMS, and 17c income, private income and reimbursements, together with private fee income and locum income paid into the Practice, but excludes bank interest received and any non-taxable income such as some legacies, bequests and donations. Single-handed Providers should enter ‘nil’.

Where private fee income from a pensionable source earned under a contract for services (i.e. **NOT** income from a salaried position) has been paid into the Practice, the amount paid is deemed to include employer and employee contributions. The amount to include in Box 1 should be the gross amount payable, including all employer and employee superannuation contributions.

Box 1 should include income also returned on GP Solo Forms (GP SOLO income is income from a NHS pensionable source where employer contributions have been withheld and are collected separately).

RECOMMENDED (STATUTORY) TREATMENT OF POOLED SALARIES FOR ACCOUNTING PURPOSES: You should be aware that, where salaried appointments are pooled in the Practice and allocated to the partners in profit share, the amount to be included in the accounts should be the gross pay plus an uplift for the employers contributions. In this way each partner is allocated an appropriate proportion of the employer contribution.

The whole of the deemed employer contribution paid should be allocated to the earning partner’s drawings in the same way as any PAYE or employee superannuation deductions would be. This ensures the superannuable pay levels for each partner are consistent, equalises the capital accounts for the partners and prevents the earning partner from benefiting solely from a Scheme Employing Authority’s responsibility to pay the employer contribution.

Where such accounting treatment has not been used, you may need to adjust the figure in Box 1 and Box 28a to include an allowance for employer contributions. Further, it is possible that the GP earning the salaried income (i.e. the one named on the payslips) may pay too much tax should the statutory tax treatment of employment income not be used. There is a longstanding concession that certain employment income may be treated as partnership income and taxed as trading income and pooled between the partners. (See www.hmrc.gov.uk/manuals/eimanual/eim03000.htm and subsequent pages for further guidance on the concessionary method.) Where the concession is utilised, the earning partner may be taxed on too much income compared to his partners. It is therefore strongly recommended that, for tax purposes, a deduction from the partnership income of the earning partner is made of the whole amount of employment income including the employers superannuation mentioned previously. The employment income should then be entered on an employed income page of your tax return. This employment income can then be included in Box 3 for the earning partner.

Box 2

Box 2 is for single-handers to declare their GMS, 17C income, private income and reimbursements (excluding bank interest received and any non-taxable items such as PAYE internet filing incentives and some legacies, bequests and donations) and income of those GPs who have private fees or locum income that are not fed into the practice tax return but which is reported separately on the self employment pages of the personal return.

If you are a partner in Practice with private fee or locum income that is fed into the partnership tax return, and not reported on self employment pages of your personal return, there should be no entry in this box as the income will be included in Box 1 above.

Box 3

Box 3 must include all salaried income where the GP would receive a P60. This includes salaried schedule E income (i.e. Clinical Assistant, Hospital Practitioner, CMO, Salaried GP, and Bed Fund posts) paid under PAYE, regardless of whether tax or national insurance has been deducted.

Where you receive a P60 in respect of a salaried position, but that income is pooled in the partnership for profit sharing, you should **NOT** include this income here UNLESS you have followed the statutory method of taxing employed income described in the notes to Box 1 above. Where you are including such pooled salaried appointments here, it is the entry per the tax return box 1 that is required, including the employer contribution.

Box 4

Box 4 must include any ad-hoc private work and any fee based NHS work that was not salaried and is not included in Boxes 1, 2 or 3 above. This may include income before a deduction for expenses reported on your tax return.

Do not include other pensionable income that will be included in box 30 or any dividend income here. Dividend income, where a Practice is a limited company, is not pensionable.

Box 5

Box 5 is the income stated in Boxes 1, 2, 3, or 4 which has already been ‘pensioned’. This is likely to be NHS income from GP Locum work and income from salaried NHS work (i.e. Clinical Assistant, Hospital Practitioner, CMO, Salaried GP, and Bed Fund posts). This will also include income pensioned through the University Superannuation Scheme.

Fee based (self employed) income that has had superannuation paid upon it and recorded on the GP SOLO form should not be included in Box 5. Solely for the purpose of this certificate, this income is not regarded to have been pensioned separately.

Note that this box only includes income included in Boxes 1, 2, 3 and 4 that has been pensioned separately. No entry should be made in this box in respect of salaried appointments that have been pooled in the Practice and allocated in profit share. Where, however, statutory tax treatment of the salaried position has been followed, you will be required to enter here the amount included in Box 3 that relates to pooled income but which has been pensioned separately.

Box 6

Box 6 is the total NHS and non-NHS income, which has not already been 'pensioned' elsewhere, for the purposes of this certificate.

Boxes 7 – 12 Non-NHS income

Step 1	State the amount of income included in Box 1 above relating to non NHS income			7
Step 2	State the amount of income included in Box 2 above relating to non NHS income	+		8
Step 3	State the amount of income included in Box 3 above relating to non NHS income	+		9
Step 4	State the amount of income included in Box 4 above relating to non NHS income	+		10
Step 5	Deduct your income included above in Boxes 7, 8, 9 and 10 pensioned separately	-		11
This is your total non-NHS income for the purposes of the income ratio		=	-	12

Box 7

The figure in Box 7 should be your share of income from whatever sources included in the Practice accounts that is non-NHS income; e.g. clinical trials, insurance medicals, DWP medicals, private patients, police work, medical school income paid direct from the school, medico legal reports, etc.

Box 8

The figure in Box 8 should be the non-NHS income reported through your self employment pages e.g. clinical trials, insurance medicals, DWP medicals, private patients, police work, medical school income paid direct from the school, medico legal reports, etc.

Box 9

The figure in Box 9 should be the non-NHS income reported on the employment pages of your tax return.

Box 10

Box 10 must include any non-NHS ad-hoc private fee work and fee based medical related work that was not salaried and is not included in Boxes 7, 8 or 9 above. This may include income reported at box 16, page TR3 of your tax return.

Box 11

It will be rare to have an entry in this box as there are few types of non-NHS income that will already be pensioned separately. One example, however, would be university income received direct and already pensioned through the University Superannuation Scheme.

Box 12

Box 12 is your total non-NHS income that has not already been pensioned.

Boxes 13 – 20 Total expenses

Calculation of non-NHS income: NHS income ratio			**Box No**
Step 1 Divide Box 12 [-] By Box 6 [-] — Total non-NHS Income / Total NHS and non-NHS income	=		**13**
Calculation of total expenses - (Do not include pension contributions here)			
Step 1 Specify the total of your GP or non-GP share of expenses declared in boxes 3.46, 3.48 & 3.64 of the full practice partnership tax return, adjusted for tax purposes (i.e. reflects the total of your share of boxes 3.46, 3.48 & 3.64 minus your share of box 3.69 plus your share of box 3.70).			**14**
Step 2 Add the total of your self employed expenses declared in box 31 of the self-employment pages of your tax return, in respect of medical related work, adjusted for tax purposes (i.e.reflects the total of boxes 31 & 57 minus box 61). Use box20 plus 22,23 & 24 minus boxes 25 & 26 on the 'short' pages where income is below £85,000.	+		**15**
Step 3 Add your employed expenses declared in boxes 17, 18, 19 & 20 of the employment pages of your tax return in respect of medical related income	+		**16**
Step 4 Add your medical related expenses claimed elsewhere or set against income declared elsewhere on your tax return	+		**17**
Step 5 Add interest paid on a loan for professional purposes not accounted for in boxes 14 to 17	+		**18**
Step 6 Add expenses incurred in an associated company	+		**19**
This is your total expenses in application of the income ratio	=	-	**20**

Box 13

Provides the ratio to determine the percentage of expenses attributable to non-NHS income under the standard method. See notes to Boxes 63 to 69 for guidance on the alternative method.

Box 14

Box 14 must state your share of the Practice partnership expenses derived from the Practice accounts, e.g. staff salaries, administrative expenses, drugs etc. Exclude expenses that are non allowable for tax purposes; e.g. depreciation, entertaining, etc. Capital allowances claimed on Practice assets such as computers equipment and furniture should be included.

Where any personal expenses and capital allowances have been incurred and these are fed through the partnership tax return for tax reporting purposes, they should be included in Box 14 after adjustment for private use.

Box 15

This will include a single-hander's total expenses, adjusted for tax purposes.

For GPs in partnership, Box 15 will also include the tax adjusted personal expenses and capital allowances that are not set against profits in the partnership tax return, but set against income declared on the self employment pages of the personal return.

Box 16

Box 16 will include the tax relievable expenses entered on the employment pages in respect of employment income earned concurrently to earnings. Expenses set against employment income earned prior to commencing or after ceasing as a Provider should **NOT** be included.

Box 17

Includes tax relievable expenses included, or set against income declared, elsewhere on your tax return;
e.g. deducted prior to making entries at box 17, page TR3 of your tax return.

Box 18

Box 18 is interest payable on your share of a loan for professional purposes not already declared in Boxes 14 to 17.

Box 19

It is likely that the entry in this box will be nil, but should include the relevant expenses of an associated company that typically would be found in the accounts of a NHS GP and which have been transferred, allocated, or otherwise claimed against the profits of another business. An associated company is one where the GP (or non-GP) Provider exercises control to ensure that that Company's affairs are conducted according to the GP (or non-GP) Provider's wishes.

Box 20

This is your total expenses incurred in respect of **all** your income for the purposes of this certificate.

Box 21 – 41 Calculation of pensionable earnings

Calculation of Pensionable Profits				Box No.
Taxable profit from practice partnership	(Box 1 - Box 14)		-	21
Taxable profit from self-employment pages	(Box 2 - Box 15)	+	-	22
Taxable employed income (gross) less related expenses	(Box 3 - Box 16)	+	-	23
Other medical related income declared on tax return	(Box 4 - Box 17)	+	-	24
Total of boxes 21 to 24			-	25
Less: Your interest paid (Box 18)		-	-	26
Less Expenses incurred in an associated company (Box 19)		-	-	27
Less Any GP Type income included in boxes 21 to 24 pensioned separately (see note 28 e.g. locum, bed fund etc.) Do not include GP SOLO income here. Box 28 figure is added to box 40 for the purposes of tiering		-		28
Less Any officer service income included in boxes 21 to 24 pensioned separately (See note 28 regarding employer's contributions and 10% expenses entered here) Do not include GP SOLO income here		-		28A
Less Your total non-NHS income (Box 12)		-	-	29
Add Any other pensionable NHS GP income NOT in boxes 21 to 24 that has not been pensioned separately		+		30
Add Your non NHS expenses (Box 63, 69 or from Box 70 under your own method)		+		31
If you have not used the standard method of apportioning non-NHS expenses tick this box and enter your explanation in box 70. (to insert a tick hold down the "Alt" key and type in 0252)	[ ] 32			
		=	-	33
Less: GP SOLO income included in above		-		34
		=	-	35
Multiply Box 35	[-] x 100/120.9	=	-	36
Add: GP SOLO income entered in box 34		+	-	37
		=	-	38
Memo Pension overlap profits brought forward	[ ] 39a			
Add: Pension overlap generated in the year	[ ] 39b			
Less: Deduct pension overlap profits used this year		-	-	39
Memo Pension overlap profits carried forward or set back against previous years income	[-] 39c			
This is your Pensionable profit including box 28	**(Box 38 - Box 39 +Box 28)**	=	-	40
Memo Enter your provisional **SENIORITY** entitlement per the practice accounts	[ ] 40a			
Amount of Added Years Pension Cap for the Year (where this is below the published amount, £181,800 because of income pensioned separately, please provide details at Box 70)				41

Box 21

Will reflect taxable practice partnership income (Box 1 less Box 14) and should correspond to box 8 and 16 of your partnership pages of your tax return.

Box 22

Will reflect taxable single-hander or private fee based self employed income (Box 2 less Box 15) and should correspond to box 64 of the self employment pages or box 31 of the self employment (short) pages of your tax return

Box 23

Will be your employment income (Box 3 less Box 16) and will reflect box(es) 1 plus pension contributions shown on P60 less the total of boxes 17,18,19 and 20 of your employment pages of your tax return

Box 24

Will be your taxable medical related income declared elsewhere on your tax return.

Box 25

Is the total of Boxes 21 to 24.

Box 26

See comments re Box 18.

Box 27

See comments re Box 19.

Box 28

Will include the total of income pensioned separately in Box 25, for all GP type earnings including bed fund appointments (net of expenses) from Box 23 where pension contributions have been deducted at source, and taxable locum income included in Boxes 21 and 22 upon which pension contributions have been paid, and any non- officer out of hours income on which pension contributions have been paid.

Contributions should have been deducted by the NHS Board or Practice or paid by the contractor at the rate of 9.5% from income reported in Box 28. If this is not the case then please note this in Box 70 and enter the correct deduction in Box 1001a.

Income where contributions have been deducted and reported on GP SOLO forms should **NOT** be included in Box 28. For the purposes of calculating pensionable income, this is not considered to be income pensioned separately.

If applying the concessionary method for reporting earnings pensioned separately do not include the 20.9% employer's contribution here, instead enter it in Box 28a.

If Box 28 GP Type earnings are recorded gross of expenses (10%) report these notional expenses separately in Box 28a and record only the net of expenses figure in Box 28.

The above two entries are made in box 28a to avoid overstating the pensionable profit in box 40

Box 28A (please refer to Appendix A, IF you have any period of opt in/out during the 1718 GAC year)

Will include the total of Officer type earnings and or the total of 20.9% employer's contributions from GP type income pensioned separately (if applying the concessionary method on Box 28 earnings) and or the notional expenses (10%) of GP type earnings if they are reported gross of expenses).

Officer type earnings may include salaried hospital posts, certain out of hours appointments which are treated as employment and any other NHS employments that are pensioned separately. By virtue of the different nature of a salaried position, the recording of that superannuable income occurs outside the scope of this Certificate. Should an equivalent amount not be deducted here, the overall superannuable income would be overstated.

Boxes 28 and 28A

By contrast to the comments regarding the entry to Box 5, where salaried or separately pensioned are pooled in partnership and shared in profit share, and the concessionary treatment of pooled salaries has been used to tax this income under Schedule DII, the amount to be deducted here will be the gross amount of the P60 in your name (inclusive of the employee and added years contributions deducted at source) PLUS the total deemed employer contributions included in the accounts in respect of the position as described in the recommended accounting treatment at Box 1, and not just your share of this income.

Where the statutory method has been used and the salaried income is deducted from Box 1 and reported at Box 3, the amount to be included here will be that in Box 23.

It can therefore be seen that Box 28 plus Box 28A will not always equate to Box 5

Box 29

The figure to be stated in Box 29 is the figure in Box 12.

Box 30

Box 30 is a 'mop up' box and should include any NHS 'ad hoc' income (inclusive of employer contributions) not already declared on this Certificate and not already 'pensioned' elsewhere.

Box 30 may include your share of superannuable property income where the property is not held on the balance sheet of the Practice and superannuable cost or notional rent reimbursement is fed into a property partnership. The amount declared here should be the amount of superannuable property income net of expenses adjusted for tax purposes. Property expenses which will be set against the superannuable property income will need to be adjusted to allocate the relevant proportion (in the ratio of non-superannuable rents to total rents) against any purely commercial rents (pharmacy etc.) received.

In these circumstances, such rental expenses should not be considered those of an associated company and should not be included at Box 19 or 27.

Box 31

See the notes in respect of Boxes 63 to 70.

Box 32

See the notes regarding Box 63

Box 33

Box 33 is the pensionable pay prior to apportionment and to stripping out employer contributions counted as income according to HMRC guidance.

Box 34

GP SOLO forms should be completed only when NHS boards have withheld employers' contributions. Where these have been grossed up in the tax return in box 1 and 2, no entries are required here or at Box 37.

Box 35

Is the total superannuable apportionable income.

Box 36

Is your NHS Practice profits after employer contribution have been 'stripped out'.

Box 37

Re-enter any figure in Box 34.

Box 38

This is your individual pensionable profit (excluding employer contributions) before adjustment for pension overlap.

Boxes 39, 39a, 39b and 39c

The entry at Box 39 will reflect the pension overlap deductible due to changes in accounting dates, cessation or retirement.

Box 40

This is your NHS pensionable profits prior to any potential 'capping' (Added Years only) and including income entered in Box 28

Box 40a

The amount that should be included in Box 40a is the amount of seniority included in the profits for the year declared on the tax return. Thus the total less box 40a is the amount of profits excluding seniority. You should include all seniority adjustments to the extent that they are in the current year tax return, and only exclude if effectively you are reopening the previous year.

If blank the entitlement amount for the financial year to 31st March 2020 will be used.

Box 41

1. The figure in this box would normally be the earnings cap relevant to 2022/23 (£181,800).

Care should be taken, however, when entering a figure here and you also have income pensioned separately (for instance salaried appointments or GP locum income), as the correct amount may not be the full value of the cap. Where the amount entered in Box 41 is less than £181,800, you should explain why in Box 70).

Where the cap applies, your **total** NHS pensionable income from all sources in the year ending 31 March 2019 on which Added Years Contributions are payable cannot exceed £181,800.

Boxes 42 – 1002 Contributions payable

Calculation of NHS Pension Scheme Contributions - See Tiering Rate Table on Page 5

	Relevant %					Contribution due	Box No.
Employee pension contributions		**42**	#DIV/0!	**Box 40 i.e.(Box 38 - Box 39 +Box 28)**	=	#DIV/0!	**58**
Added years pension contributions		**43**	#DIV/0!	**(Box 38 - Box 39) OR Box 41**	=	#DIV/0!	**59**
Employer pension contributions		**45**	#DIV/0!	**Box 40 i.e.(Box 38 - Box 39 +Box 28)**	=	#DIV/0!	**61**
Total amount of contributions due for the year					=	#DIV/0!	**62**
Amounts deducted and paid to SPPA for NHS Income pensioned separately Box 28 for:				Employee Contributions 9.5%	-	0	**1001a**
				Employer Contributions 20.9%	-	0	**1001b**
Amount due to SPPA					=	#DIV/0!	**1002**
Contract held for Money Purchase AVC?						*YES / * NO	

* Delete as appropriate

Boxes 42 to 45

These boxes state the percentages at which the varying classes of contribution are paid. For 2022/23 employee contributions have been set dependent on tiered contribution rates relevant to your individual circumstances. Where actual earnings differ from estimated earnings, contribution adjustments will apply.

Added Years percentages should be exactly as stated in your added years' contract. The precise rate will be dependent on your individual circumstances. Employer contributions at 20.9% **Do not** enter details in respect of any Free Standing AVCs.

Boxes 44, 46 – 57 and 60

Not applicable in Scotland.

Boxes 58, 59 and 61

These are the contributions due for the year, arrived at by multiplying the pensionable pay figure from Box 40 for Employee and Employers and Box 38 less Box 39 for Added Years (or 41 if the Added Years cap applies) by the relevant percentage figure from Boxes 42 to 45.

Box 62

Is the total payable contributions for 2022/23 including NHS income pensioned separately (Box 28).

Box 1001a

Box 1001a is the total of the employee contributions deducted and paid to SPPA for NHS income pensioned separately (Box 28) based on 9.5% tiering rate. Please enter the correct amount and make a note in Box 70 if a different rate has been used.

Box 1001b

Box 1001b is the total of the employer contributions deducted and paid to SPPA for NHS income pensioned separately (Box 28) based on 20.9% rate.

Box 1002

Amount due to SPPA.

Box 63 – 70 Calculation of non-NHS expenses

The standard method for the calculation of non-NHS expenses:

						Box No.
Divide Non-NHS income (Box 12) By total income (Box 6)	- / -	x Expenses (Box 20)		=		63

The alternative method for the calculation of non-NHS expenses:

Take the total expenses shown in Box 20			64
Less Expenses wholly attributable to NHS income	-		65
Less Expenses wholly attributable to non-NHS income	-		66
Expenses that cannot be separately allocated to NHS or non-NHS income	=		67

Ratio for allocation of expenses not separately allocated:

Divide Non-NHS income (Box 12) By total income (Box 6)	0.00 / 0.00	x (Box 67) expenses	-	=		68
Total non-NHS expenses Box 68		+ Box 66	-	=		69

Or your own method

If the above calculation and allocation ratio does not give you a fair conclusion, you must use an alternative method of your own, and clearly explain your reasons and methodology in the box provided on page 5 (Box 70).

Box 63

Non-NHS expenses are calculated using the standard method where:

- Non-NHS income (box 12) is less than 10% of total income (Box 6), **and**
- Non-NHS income (box 12) is less than £25,000, **and**
- No Practice expenses have been recharged either wholly or partly to an Associated Company (an Associated Company is one in which the GP or non-GP exercises control to secure that the Company's affairs are conducted according to the GPs or non-GPs wishes. For this purpose control may be attributed to the shareholding of the GP or non-GPs spouse, siblings, business partners or lineal descendants of the GP or non-GP or their spouse. See notes in respect of Box 19 for further information).

The standard method apportions the total expenses from Box 20 in relation to the ratio of non-NHS income to total income (Box 12 over Box 6).

Boxes 64 to 69

Even though the conditions at note 63 above are met, it is not imperative that the standard method is used. The alternative method may be used, providing explanation and justification is given at Box 70. Where the standard method described is not used, then the alternative method should be used. If this is the case, tick Box 32 and use your knowledge of your affairs to extract expenses wholly attributable to NHS and non-NHS work following the process in these boxes. After extracting such expenses, whatever remains may be apportioned according to the ratio at Box 13.

Box 70

You should include here any explanatory information or points that will assist Practitioner Services in processing your certificate.

This will include justifications for use of the alternative method of calculating non-NHS expenses entered at Box 31 even where the conditions for use of the standard method described above (points re Box 63) are met.

This box will also include explanations and calculations when using your own method of calculating non-NHS expenses, for instances in years of exceptionally large expenditure or capital allowances or where anomalous results are found when using the standard or alternative methods.

This box will also include a note of any Box 28 earnings pensioned at a rate other than 9.5% where Box 1001a has been amended.

This box will also include a note of any Minimum Earnings Expectation payment received, i.e. the amount and the financial year for which it was paid.

Declaration

Note that the date for submission for processing is **29 February 2024.**

Pension overlap

What is overlap?

This is only relevant to those practices that have an accounting date other than 31st March.

The principle that profits should only be taxed once also applies to pension. Profits should only be pensioned once. Pension overlap exists in the following circumstances:

- if you were a GP in the Practitioner Scheme before and after the date of the change to the new contract in April 2004, or
- if you are in the commencement period of your self employment, or
- on a change of accounting date.

The pension overlap generated is relieved either on a change of accounting date or on cessation of that particular self employment. It is possible to have more than one self employment with its own overlap relief. Each one must be viewed individually.

How is it calculated?

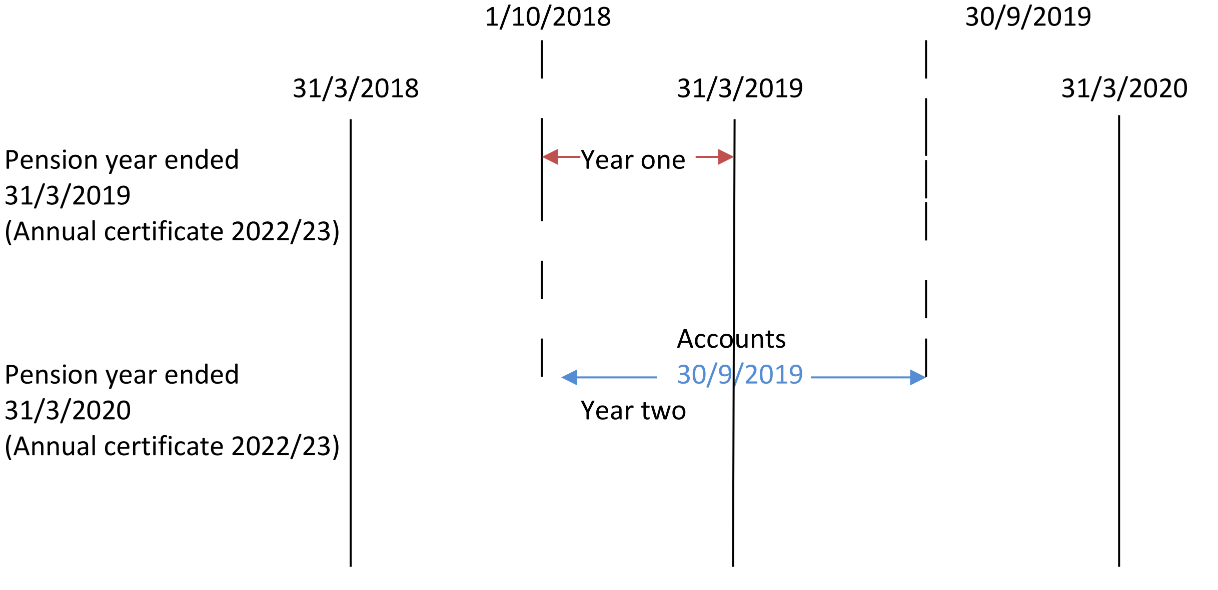
As stated above, the profits used for pension purposes follow the tax treatment and should mirror the entries on the tax return. In the first year of self employment the assessable period for tax is from the date of commencement to the 5th April. (Although the Health Board year end is 31st March the entries on the pension certificate should match the tax return.)

In the second year, the basis period will be either

- the practice accounts ending in the tax year if they are for a full 12 month period , or
- the first 12 months of self employment from the date of commencement, or
- the tax year

Example 1

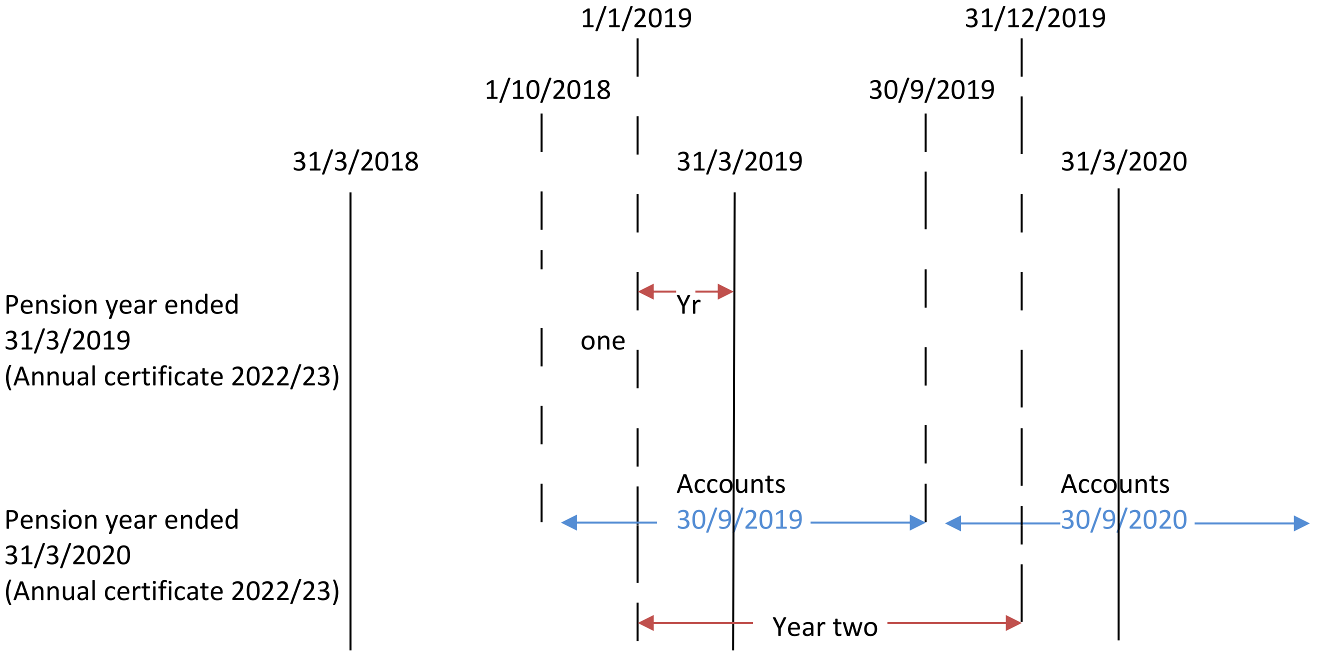
GP commences 1st October 2018. The practice accounting year end is 30th September.



Thereby generating 6 months overlap

Example 2

GP commences 1st January 2019. The practice accounting year end is 30th September.



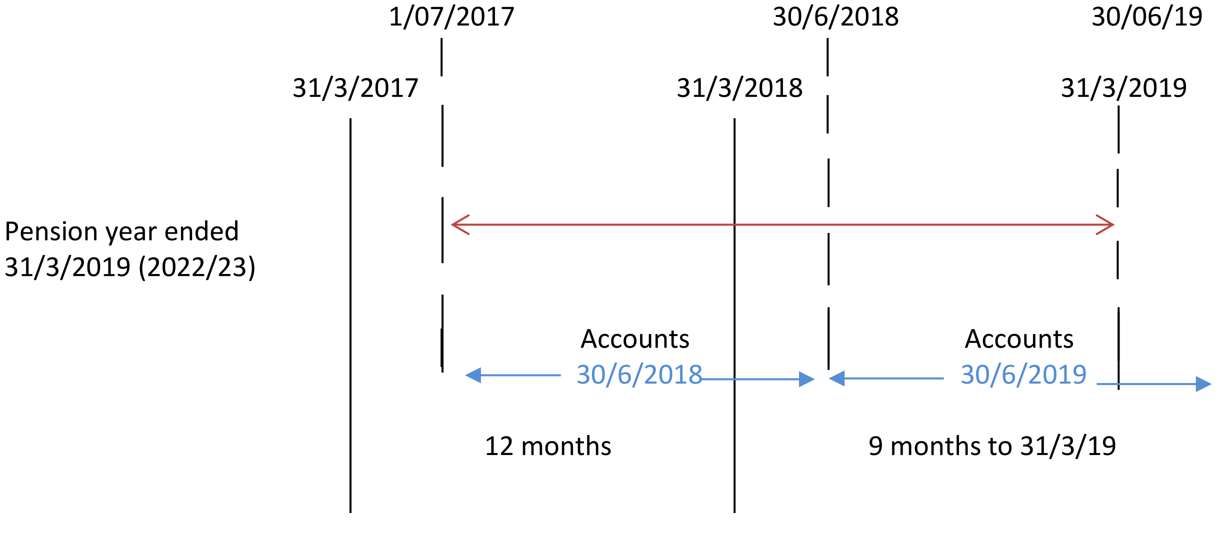
It is sometimes necessary to use two sets of accounts to calculate the pensionable earnings (as shown in the above example). The pensionable earnings for Year 2 are calculated by taking the 9 months of earnings from the accounting period to 30th September 2019 and adding on 3/12ths of the earnings from the accounting period to 30th September 2020.

How and when is it utilised?

All NHS profit should be pensioned up to the date of leaving or retirement. Depending on the date chosen and the normal accounting year end this could be more than a 12 month period.

Example 1

GP opts to leave the scheme 31st March 2019. Practice accounting year end 30th June.



The pension certificate will include:

- the profits from the accounting period to 30th June 2018
- PLUS 9/12ths of the profits from the accounting period to 30th June 2019
- LESS the overlap

When to record overlap

Overlap is only created when the earnings are used for the second time. In example 1 this would be in the certificate because it is only at this point that the first 6 months earnings are being 'double counted'. Overlap is recorded as it arises in Box 39b and as it is used at Box 39.

Memo	Pension overlap profits brought forward		**39a**			
Add:	Pension overlap generated in the year		**39b**			
Less:	Deduct pension overlap profits used this year			-	-	**39**
Memo	Pension overlap profits carried forward or set back against previous years income	-	**39c**			

On cessation the whole of the overlap should be deducted from the final period's pensionable earnings but only the extent that it reduces it to NIL. If there is an excess then this should be carried back to the previous year to reduce the pensionable earnings for that year and an amended pension certificate submitted to Practitioner Services. Thus profits will only ever by pensioned once.

24 hour retirement

Where a GP takes 24 hour retirement part way through the Health Board's financial year, 2 certificates will be required. The first showing pensionable earnings up to the date of retirement; this will include the deduction, where appropriate, of overlap relief. It should be completed in the same manner as a GP fully retiring.

The second certificate will show the earnings up to 31st March and this will give the GP a full year's worth of earning for seniority purposes.

Seniority

(See guidance notes for Box 40a.) When a GP fully retires part way through a year the national average earnings used as the measure for seniority are pro-rated down for the number of months the GP has worked so if a GP retires at the end of June the earnings are measured against 3/12th of the national average to calculate any claw back or further payment due. Due to the operation of the overlap relief It may be necessary to use the actual seniority payment for the period rather than the accounting figure to achieve a fair result.

This treatment differs for a GP who just leaves the practice to move on to another position. For them, there is no prorating of the national average earnings.

Moving between practices/Health Boards

Where GP changes practice it is necessary to prepare a pension certificate for each practice. Earnings from both practices will need to be considered in determining the employee rate at which contributions are payable. This should not be problematic where the move is within the same Health Board however where there is a change it will be necessary to report the existence of the other earnings in Box 70.

Appendix A - Instructions for completing a GAC where a GP has any period(s) of opt-out and/or opt-in during the GAC Financial Year.

For use only where you have a GP who has, in the GAC Financial Year, any period(s) of opt out and/or opt in.

ONLY follow this guidance where you have such a GAC to complete.

1 Complete pages 1 and 2 of the GAC as normal.

2 Complete page 3 as normal , with the exception of Boxes 28, 28A, 30 and/or 34 (assuming that is you have value(s) you would otherwise wish to enter here).

2a If you do have value(s) for any of these boxes, PLEASE DO NOT enter the values yet.

You will need to return to these boxes, once you have completed the "page 3 addendum" document.

3 Now turn to the page 3 addendum.

4 Manually calculate the number of working days in the Pension year as appropriate.

e.g. this could be 365 days, if the GP was in practice the whole of a year or 366 days if a leap year or could be less, if the GP was in practice only some of the year.

Enter the appropriate number of days in the box provided at "Number of days in Pension Year".

5 For every instance of opt in or opt out for as many instances as appropriate, complete the "from" and "to" date boxes, and record the appropriate number of days for each period in the boxes provided.

NB As a result of you completing steps 4 and 5 above , the corresponding money values will now automatically be entered for you.

6 If you have any Box 28, 28A, 30 and /or 34 values to include, please do so now as appropriate.

7 Check Box 35 in each OPT OUT PERIOD ONLY.

8 Whatever Box 35 value is present (opt out periods only) add to Box 28A NB, if you have already populated this Box (28A), please add both values together and overtype.

9 As a double check, Boxes 33 and 35 (opt out periods only) these Boxes should be zeroed.

10 Please return to page 3 and refresh this page with the values present in the column headed "Restated Page 3 values" i.e. the last column of the Page 3 addendum sheet.

11 Continue to complete pages 4 and 5.

12 Once checked and duly signed and dated, submit ALL Pages: 1, 2, 3, 4, 5 and Page 3 addendum to the appropriate Practitioner Services Regional Office.

It is important that you complete the "Page 3 Addendum", where any opting out/in has occurred as without sight of the appropriate breakdown your superannuation deductions would be wrongly calculated and your superannuable earnings mis-reported to the Scottish Public Pensions Agency.