Locum Pensions / Indemnity / Finances

Getting your finances in order and ensuring that you access the pension scheme are both important aspects of being a successful locum. As a salaried GP the complexity is generally less but you must remember that you need to fill out a Type 2 medical practitioner form each year to ensure that the correct pension contributions are made that cover your entire practice. Please see the links below.

Pensions

Access to the NHS pension scheme is still available to locums when working for an NHS provider i.e. not through an agency. The onus is on the practitioner to submit the correct payments and paperwork to the NHS Pensions Agency. There are four forms that you need to be aware of:

Pension Form A - Which is filled out for every practice.

Pension Form B which is filled out monthly.

GP solo pensions form

Type 2 medical professional self assessment forms (completed end of tax year)

Below are the new A&B forms which need to be used for all work from 1 April 2017. Please note the employees contribution has increased from 14.3 to 14.38% as of 1st April 2017. Note the new forms require a 'unique reference' made up of your SD number, 3 letters (LOC for locum), 3 letters (e.g. JAN/FEB etc for the month) and 2 numbers for the year (e.g. 17). Without this they may be rejected.

For any questions regarding these forms or payments related to these forms you need to contact the Pensions Agency directly on Tel. 0300 3301 346.


GP Locum Pension Form A

GP Locum Pension Form B

Forms A & B Completion Notes

GP SOLO Pension form

Tier 2 Medical Professional Self Assessment Form (2016/17) + completion notes - awaited

Timescales for submission of Forms GP Locum A & B

There is a 10 week time scale set for forms to reach the PCSE/FHSA/WSSC and the criteria states “You cannot apply to your Area Team LHS for Scheme membership for any
GMS/PMS/APMS period of locum GP work that ended more than 10 weeks before the date they receive the application. If Locums have not had their Locum A forms signed by the practice, and been paid for the work, they are unable to send their forms in until after the cut off date. It does not seem fair to penalise the Locum for late signing by the practice of the form. GP Locums are requested to stress to the practice the importance of signing the forms. The criteria states “Please pay NHS GP Locums and provide forms GP Locum A within at the most one month of receiving their invoice so that they can calculate their NHS Pension Scheme contributions and forward them to their host Area Team/LHB promptly.” This is also a stipulation set out on the Completion Notes for Locum Form A. If forms arrive after this time scale and the GP Locum A Forms have been signed on time, then the Area Team have to be approached for guidance as to whether these should be accepted.

**Locums working at the same practice as either Salaried GP or Principal**

Principals providing locum cover at their own practice cannot complete GP Locum Forms A & B as this is not allowed. The Regulations say:- “There are no provisions under the NHSPSA Regulations for a GP Provider to ‘pension’ income as a GP Locum in their own Practice. They should regard this income as additional GP Provider income and declare it as so on the annual Certificate.”

Salaried GPs can only do emergency cover at the practice where they are employed, and this is classed as very short term and must not exceed 6 months or over. If a Salaried GP is required to do more sessions than set out under his/her contract with the practice, then they can do ad-hoc sessions and this will make them a Type 2 practitioner and the practice have to pay the 14%. They cannot complete GP Locum A and B Forms for this type of cover. The Pensions Agency state:

If the practice wish to engage the Salaried GP on a fee based arrangement for this ad hoc work, the Salaried GP is then classed as a Type 2 practitioner and the practice is responsible for the 14% employer’s contributions. This is good news for the GP as it means that, as a Type 2 practitioner they get 24/7 death in service cover from the National Health Service Pension Scheme and they are also cover by the National Health Service Injury Benefits Scheme whilst performing this ad hoc work. GP Locums are not afforded these rights.”

If you have any concerns about the pensionable status of their Salaried or fee based GPs, you should contact NHS Pensions.

**Locums performing cover at the same practice for a long period**

There are cases where Locums are working in a practice on a month to month basis. This is NOT classed as temporary cover, and they should possibly be employed by the practice as a Type 2 practitioner. The Regulations state:

The NHSPS Regulations state that a GP (who is not a Provider or a Salaried GP) working at a Practice on a regular long term fee based sessional basis is a Type 2 (assistant) Practitioner; i.e. they are treated the same as a salaried GP. They are not a GP Locum even if that GP may be regarded locally as a GP Locum; if in doubt contact Ross Mathieson Pension Compliance Manager.

**Contact Details for Pensions**

- GP Pensions email address: pcse.gp-pensions@nhs.net
- If submitting pension forms by post, the PCSE address to send these to will be dependent on your home address therefore you will need to contact PCSE to confirm this. This can
Capita

Issues with Capita and what is being done (SGP newsletter update):

Locum Indemnity

There is no definitive formula for locum insurance – it is basically up to the individual practice based on their circumstances and just needs to be ‘proportionate’ and take into account the amount of work the GP is doing. The GPC has published the following briefing note, which might be of some help (as attached)

Plus, the following guidance from Londonwide LMCs may also be of help…

As part of the 2017/18 GP contract agreement, it was agreed that £30m would be paid to practices to cover 2016/17 rises in indemnity insurance costs for all doctors delivering GMS work. It is acknowledged that this falls significantly short of the actual cost.

This amount has been based on average rises in costs using figures received from surveyed GPs and medical indemnity organisations. This has been paid to practices on a per patient basis, set out under the Statement of Financial Entitlements (SFE), and is not weighted as a result of the Carr-Hill formula. Practices should have now received a payment of 51.6p per patient based on their registered list as at December 2016. This funding was paid to practices in March 2017.

These payments are made to practices on the expectation that, where salaried GPs (and principals) are paying for part, or all of their indemnity costs, the practice will reimburse to them, from the payment received, an appropriate proportion of the amount which the GP has paid for their cover. The reimbursement amount should be based on the proportion of GMS services which the GP is providing for the practice. It is recognised that every practice will have its own arrangements in place.

In some practices, salaried GPs (and principals) are responsible for paying the entirety of their own indemnity costs. In some, part or all of the indemnity costs for salaried GPs (and principals) at the practice are paid for by the practice/reimbursed by the practice. Therefore, each practice will need to allocate payment to its GPs which is equitable and proportional based on their circumstances. The conditions above are set out in the revised SFE which is in place from 1 April 2017. A similar funding arrangement has been confirmed for 2018 that will see payments made to practices in March/April 2018 for rises in 2017/18.

We cannot provide accurate estimates that will be applicable in every situation, and GPs who work in multiple settings will need to consider potentially multiple approaches to different employers or engaging practices. No additional resource has been made available to Out Of Hours organisations.

Locum GPs

Effectively it is appreciated that this means that salaried and principal GPs are receiving the monies retrospectively, and locums prospectively. Practically speaking, locums are not in a position to backdate their indemnity uplift to practices they worked for in the previous financial year. It is considered most sensible to consider the uplift funding received by practices in Spring 2017, paying for the uplift for the coming year for all GPs irrespective of contractual status.

If a practice does not engage any locum sessions in 2017/18, they will not be passing on the
monies irrespective of their use in 2016/17. When the second part of funding is received in April 2018, that will provide similar funding for all GPs, again backdated for 2017/18.

NASGP (the National Association of Sessional GPs) has issued its own guidance: https://www.nasgp.org.uk/news/indemnity-inflation-payments-locum-gps/ and has a calculator which is available to NASGP members.

It is important that locum GPs do not use the 'indemnity inflation' figure to directly calculate a new rate - it needs to be applied indirectly and based upon a locum's current sessional rate. We are aware that some locum GPs have divided the number of sessions by the total indemnity fee creating a 'fee per session' after calculating their rise from 16/17 – 17/18; but GPs must be mindful that the indemnity reimbursement only reflects the rise in core hours indemnity and cannot be conflated with work undertaken in the Out Of Hours setting.

Some locum GPs may decide to incorporate this figure into their hourly rate charged. A separate line can be added on the invoice for transparency.

However, it is ultimately up to the locum GP themselves to ensure that, as with all other business expenses, their charges reflect their costs and that this issue is a matter for negotiation with their engaging practices.

**Finance**


Personal Finance and Tax Issues for Newly Qualified GPs - A useful presentation

**Tax**

For advice on the change in IR35 legislation as of 6 April 2017 for locum doctors, please click here:

https://www.bma.org.uk/advice/employment/tax/ir35-advice-for-locums

**Related guidance...**

**Prompt Completion of Pension Forms**

We are aware of problems regarding the late submission of Pension Forms, and thought it would be useful to remind practices of the NHS...

**NHS Pension - Type 2 Medical Practitioner Form Deadline**

This is a reminder that the Type 2 medical practitioner form deadline for submission is now fast approaching. The deadline for...

**FAQs/Hot Topics**

We hope you have found these webpages useful. Any comments / suggestions gratefully received. If there is anything you would like to ask...

**Indemnity and the 2017-18 Contract Changes**

GMS and PMS contracts (global sum and PMS baseline) were uplifted following the 2016/17 contract negotiations by the so called "elements..."

**Injury Benefit Scheme**

What is the NHS Injury Benefit Scheme? The NHS Injury Benefit Scheme is an income protection scheme available to qualifying NHS...
On behalf of the Pensions Agency – New Locum A and B forms
Email sent by Wessex LMCs, on Thursday, 13 Apr 2017 - for all GPs who do Locum work (We have sent this email to all GPs as we recognise...

Nurse Indemnity
GPC Guidance on the Recent Changes to the Royal College of Nursing’s Nurse Indemnity Scheme In January 2012, the Royal College of...

24 Hour Retirement for GPs
Introduction In 2006 the NHS Pensions Agency reviewed the then current Regulations and clarified the arrangements that enable General...

Pensions
NHS pensions for GPs and other NHS staff are different and complex. We would recommend you consult the NHS Pensions Agency for up to...

Contract changes for 2017/8
Email sent by Wessex LMCs, on Tuesday, 7 Feb 2017 The contract changes have been announced today for 2017/8. These will apply to both...