

THE 2019/2020 PENSION ANNUAL ALLOWANCE CHARGE COMPENSATION POLICY - "THE POLICY"

WHAT IS THE 2019/2020 PENSION ANNUAL ALLOWANCE CHARGE COMPENSATION POLICY?

Most people can accrue £40,000 each year in their pension. Some people have a tapered annual allowance which could be as low as £10,000. Any accruals in excess of your annual allowance may incur a charge.

If you are a GP partner, salaried GP or self-employed GP locum who is a member of the NHS Pension Scheme and has an annual allowance charge for 2019/20 you could benefit from the Policy, if you use Scheme Pays to pay this charge.



The Policy

What is the Policy? Scheme Pays uses your pension savings to pay your annual allowance charge, and your pension is reduced when you retire to offset the taxes paid on your behalf. The Policy will compensate you in retirement for any reduction to your pension from 2019/20 annual allowance charges paid in this way.

NHS England guarantees



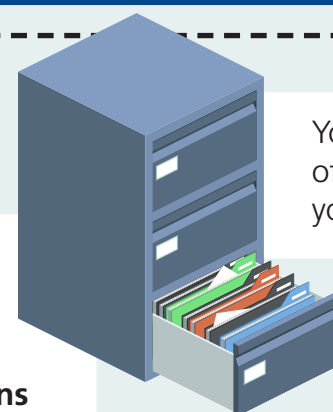
that compensation payments will be made to eligible clinicians who use Scheme Pays for 2019/20 when they retire.

As a GP you may not have a clear idea of your final pension input and total earnings for 2019/20 for some months, and therefore whether or not you will have an annual allowance charge. You may wish to take financial advice to help you decide whether to submit a Scheme Pays election and apply for the compensation policy.

HOW DO I CLAIM?

To access the 2019/2020 compensation policy you **MUST** do three things...

- 1 Submit your Scheme Pays election to NHS BSA by 31 July 2021. This may need to be an estimate if for any reason you are not certain of your total income and any pension annual allowance charge liabilities.
- 2 Download the Compensation Policy application form from: www.england.nhs.uk/pensions
- 3 PCSE will endorse your form. We are working with PCSE on the exact process to upload your form which will be communicated in more detail in due course.



You should retain a copy of the application form for your records.



Send your Scheme Pays election to NHS Business Services Authority by 31 July 2021. If this is an estimate you have until 31 July 2024 to update it.

Download the Scheme Pays form from:
<https://www.nhsbsa.nhs.uk/member-hub/annual-allowance>

HOW WILL I RECEIVE THE COMPENSATION?

Policy payments will begin in April 2021. For anyone who has retired before then your payments will be backdated.

Payments will be made on a monthly basis into the same bank account as your pension. Once the compensation comes into effect you will receive an annual statement setting out the amount you can expect to receive during the next year. For anyone retiring before April 2021 payments will be backdated.

Compensation payments will start to be made automatically after you retire.

Get more information from www.england.nhs.uk/pensions

