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# GPC

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General Practitioners  
Committee

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## Focus on Seniority payments

### Guidance for GPs

BMA 

## Focus on....Seniority Payments

This guidance note has been produced by the General Practitioners Committee to help GPs and Local Medical Committees understand the funding arrangements for seniority payments under the new GMS contract, and is one of a series of guidance notes on the new contract. We would advise all GPs to read the contract document and supporting documentation, available on the BMA website at [www.bma.org.uk](http://www.bma.org.uk).

Although there may be some differences in process in each of the four countries of the UK, the principles of this guidance apply to all.

### Documentation

Detailed information about seniority entitlements can be found in chapter 13 of the GMS Statement of Financial Entitlements which is available at:

England: [www.dh.gov.uk/assetRoot/04/06/97/63/04069763.PDF](http://www.dh.gov.uk/assetRoot/04/06/97/63/04069763.PDF)

Scotland: [www.show.scot.nhs.uk/sehd/pca/PCA2004\(M\)13.pdf](http://www.show.scot.nhs.uk/sehd/pca/PCA2004(M)13.pdf)

Wales: [www.wales.nhs.uk/sites/page.cfm?orgid=480&pid=6070](http://www.wales.nhs.uk/sites/page.cfm?orgid=480&pid=6070)

Northern Ireland:

[www.dhsspsni.gov.uk/hss/gp\\_contracts/documents/gms\\_statement\\_financial\\_entitlements.pdf](http://www.dhsspsni.gov.uk/hss/gp_contracts/documents/gms_statement_financial_entitlements.pdf)

However, please note that the SFEs for Scotland, Wales and Northern Ireland relate only to 2004/05 as these have not yet been updated on the respective Health Departments' websites.

### What are seniority payments?

Seniority payments are payments to a contractor in respect of an individual GP provider (a partner, single-handed practitioner or a shareholder in a limited company that is a GMS contractor). The payments reward experience and are based on the GP's number of years of reckonable service.

### Calculating your seniority payments

Any GP provider who has at least two years of service as a GP provider will be eligible for seniority payments.

There are four stages in calculating the seniority payment to which you are entitled.

#### Stage one – calculating reckonable service

This is to determine how many years of "reckonable service" you have accumulated. It is based on the number of years you have worked as a doctor in the NHS (not only as a GP) or in the public health system of another EEA member state (including service in that system pre-accession) and/or provided service as a medical officer in the prison service or armed forces of the UK or other EEA member state or under the Crown.

Reckonable service is calculated from the date that the doctor became first registered (be it temporarily, provisionally, fully or with limited registration) with the General Medical Council or an equivalent authority in another EEA member state. There is one exception to this, which is clinical experience outside the UK that, prior to 1 April 2004, was used to calculate the GP provider's seniority payments under the Red Book (for more detail on this see SFE paragraphs 13.3 (e) and 13.5 (b)).

Reckonable service means calendar-length NHS service. It does not matter whether the work in any given year was full or part time. They are counted as the same when determining years of experience for seniority purposes. Reckonable Service does not include added years.

Generally, breaks in service do not count as reckonable service. However a leave of absence from NHS service (i.e. you were absent from a post but had a right of return) can be counted toward reckonable service. This leave of absence may have been due to compulsory national service, maternity leave, paternity leave, adoption leave, parental leave, holiday leave, sick leave or study

leave or of a secondment elective or similar temporary attachment to a post requiring the provision of clinical services.

The calculation of years of reckonable service is independent of whether that work was pensionable under the NHS Pension Scheme. The PCT will try to confirm that the claimed years have been worked by an individual GP and may use superannuation records to verify this. However, if the PCT cannot verify the years of service from NHS records, the onus is on the individual GP to produce evidence to verify their claim. This will particularly apply to GP locum work before it was superannuable. Payments may be made while verification issues are being resolved.

SFE paragraph 13.3 sets out in detail the types of work that count as reckonable service.

#### Stage two – your seniority and qualifying dates

##### *Seniority date*

Your seniority date is the date that your reckonable service started; i.e. the date you first worked as a doctor in the NHS or other reckonable service post.

##### *Qualifying date*

This is the date following completion of two years as a GP provider (with part time counting the same as full time work so not pro-rated). It includes work as a single-handed GP or partner prior to 1 April 2004. Your previous NHS, including GP, work will count as reckonable service, but you will only be eligible to receive seniority payments once you have worked for 2 years as a GP provider. Your qualifying date is the first date after the end of this two-year period.

#### Stage three - calculating the full annual rate of seniority payments

Once you have calculated the years of reckonable service you next need to determine the proportion of the full annual payment that you are entitled to. To do this, you need to take the Average Adjusted Superannuable Income and from this you can calculate your Superannuable Income Fraction which will determine the proportion of the seniority payment that you will receive. Please note that the Primary Care Organisation (PCO) will undertake these calculations for you, but you may still want to check that they are accurate and the following will help you to do this.

##### *Average Adjusted Superannuable Income*

This is calculated by dividing the aggregate of all NHS profits of all GP providers in that country (rather than on a UK-wide basis) by the number of these providers, with an adjustment to take account of the shift towards part-time working.

Because the aggregate of all NHS profits of all GP providers cannot be determined until after the end of the financial year, an interim average superannuable income figure for 2004/05 has been agreed between the GPCs and the Departments of Health. In England the interim average superannuable figure for 2004/05 is £75,000. In Scotland it is £60,000. These figures will be used in interim calculations of Superannuable Income Fractions. The 2005/06 figure is still under discussion. There will be retrospective adjustment of underpayment or overpayments after the actual Average Adjusted Superannuable Income has been determined, as per paragraph 21.9 of the SFE (paragraph 21.8 of the Scottish SFE).

##### *Superannuable Income Fraction*

Your superannuable income is used to calculate your Superannuable Income Fraction. Your NHS profits from all sources (including PCO and other NHS work, not only practice-based profits) for the financial year, but excluding NHS income<sup>1</sup> already superannuated elsewhere (e.g. GP clinical assistant work which is superannuated by the hospital Trust) and seniority payments, are divided by the Average Adjusted Superannuable Income.

If your Superannuable Income Fraction is two thirds or more (based on the 2004/05 estimated figures this would be superannuable income of £50,000 or above for GPs in England and £40,000 or above

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<sup>1</sup> We have raised the exclusion of NHS income already superannuated elsewhere with the Health Departments.

for GPs in Scotland) then you will receive the full seniority payment for your point on the scale (see table below). If your Superannuable Income Fraction is between one third and two thirds, 60% of the full annual seniority payment is payable (approximately £25,000 or above for GPs in England, £20,000 and above for GPs in Scotland based on the estimated 2004/05 figures). For those with less than one third, no seniority payment under the SFE is payable, but you may appeal to the PCO (see below).

You can determine the payment to which you are entitled from the table in the SFE which has been reproduced below. Therefore, a GP with 25 years of reckonable NHS service (so not only service as a GP), who has been a GP provider during this time for at least two years and who has a Superannuable Income Fraction of two thirds or over, will receive £7,414 in 2005/06. If the same GP had a Superannuable Income Fraction of between one third and two thirds, then the seniority payment would be £4,448.40.

As your superannuable income/NHS profits and the exact Average Adjusted Superannuable Income will not be known for a particular financial year until some time after, this may result in you receiving an overpayment and you will be required to repay this. This is set out in SFE paragraph 20.7 (paragraphs 21.1-21.5 of the Scottish SFE). Similarly if you receive an underpayment then this money must be reimbursed.

**TABLE 1: Full annual rate of seniority payment in 2005/06**

Years of Reckonable Service	Full annual rate of payment per practitioner in 2005/06
0	0
1	0
2	0
3	0
4	0
5	0
6	600
7	672
8	753
9	843
10	944
11	1,057
12	1,184
13	1,326
14	1,486
15	1,664
16	3,185
17	3,504
18	3,854
19	4,239
20	4,663
21	5,129
22	6,785
23	6,989
24	7,198
25	7,414
26	7,637
27	7,866
28	8,225
29	8,455
30	8,692
31	8,935
32	9,186
33	9,443
34	9,707

Years of Reckonable Service	Full annual rate of payment per practitioner in 2005/06
35	9,979
36	10,258
37	10,546
38	10,841
39	11,144
40	11,457
41	11,777
42	12,107
43	12,446
44	12,795
45	13,153
46	13,521
47	13,900

The seniority payments were uplifted in 2005/06 as part of the three-year deal.

#### Step four – calculating the quarterly seniority payments

Seniority payments are calculated and paid quarterly for individual GP providers. The annual payment is therefore divided by four, and is paid directly to the practice by the PCO.

You should be paid on the last day of the quarter. The quarterly amount that you receive will be recalculated if your qualifying date or if your retirement date (and you are retiring) falls in that quarter. An explanation of these recalculations can be found in SFE paragraph 13.19.

### **Claiming your payment for work outside the NHS**

#### Armed forces service

Claims in respect of clinical service in or on behalf of armed forces are to be considered in the first instance by the PCO, and should be accompanied by appropriate details, including dates and relevant postings. If the PCO is not satisfied that the service should count towards your reckonable service as a doctor, they should put the matter to the relevant Health Department (Welsh Assembly in Wales). Before taking his decision on whether or not to endorse the claim, the Department will consult the Ministry of Defence or the equivalent authorities of the country in whose armed forces you served. Generally, the only service that will be endorsed is service where you undertook clinical duties (whether on military service or in a civilian capacity) and the relevant Health Department has received acceptable confirmation of the nature and scope of the clinical duties which you performed from the relevant authorities.

#### Diplomatic missions abroad

Claims in respect of clinical service for or on behalf of diplomatic missions abroad are to be considered in the first instance by the PCO, and should be accompanied by appropriate details, including dates and relevant postings. If the PCO is not satisfied that the service should count towards your Reckonable Service as a doctor, they should put the matter to the relevant Health Department (Welsh Assembly in Wales). Before taking a decision on whether or not to endorse the claim, the Department will consult the Foreign and Commonwealth Office. Generally, the only service that will be endorsed is service where you undertook clinical duties for:

- (a) members of the Foreign and Commonwealth Office and their families;
- (b) members of the Overseas Development Administration and their families;
- (c) members of the British Council and their families;
- (d) British residents, official visitors and aid workers;
- (e) Commonwealth and EEA Member State official visitors;
- (f) staff and their families of other Commonwealth, EEA Member State or friendly State diplomatic missions,

and where the relevant Health Department has received acceptable confirmation of the nature and scope of the clinical duties performed by you from the relevant authorities.

### **Appeal**

Where doctors believe that they are not receiving their proper seniority payments, there will be an appeal to the PCO which, together with the LMC (or its equivalent), will examine the entitlement, and increase it where there is evidence to support this.

### **Salaried GPs**

GPs salaried by the PCO or by the practice are not eligible to receive seniority payments through the SFE. The contract document, "Investing in General Practice" suggests that the seniority of salaried GPs should be reflected in their overall salary. Salaried GPs should refer to the GPC's guidance note "Negotiating your Salary" ([www.bma.org.uk/ap.nsf/Content/negotiating\\_salary](http://www.bma.org.uk/ap.nsf/Content/negotiating_salary)) for advice regarding salary negotiations.

### **Sabbaticals**

Sabbaticals will not count towards your seniority payments unless they were for less than a year and the rest of the year was spent working in the NHS.

### **Voluntary overseas service**

Voluntary service overseas would not count towards seniority unless it was for less than a year and the rest of the year was spent working in the NHS.

### **PMS GPs**

PMS GPs are entitled to the same improvements in seniority pay as GMS GPs. In 2003/04 and 2004/05 central guidance suggested that this could be delivered either as part of the overall percentage uplift to the practice budget and the entitlements worked out within the practice, or by the individual entitlements being calculated separately to the baseline budget, with a corresponding reduction in the increase to the baseline budget. In 2005/06, due to the lack of a centrally-recommended uplift to PMS baselines and generally low levels of uplifts, the GPC advises PMS practices to use this second method.

### **Some frequently asked questions**

**Q.** I don't superannuate my income. Can I still receive seniority payments?

**A.** Yes. Doctors do not have to be paying pension contributions to qualify for seniority pay. While the calculation of seniority entitlements requires calculation of a GP provider's Superannuable Income Fraction (as per paragraph 13.14 of the SFE), this can be calculated even when the provider does not contribute to the NHS Pensions Scheme.

**Q.** What happened to the Delayed Retirement Scheme payments?

**A.** The Delayed Retirement Scheme payments were subsumed into the new seniority scales. If the full annual seniority payment due to you is less than the seniority pay you received on 31 March 2003 (31 March 2004 in Scotland and Northern Ireland) plus the delayed retirement scheme payment in England (retention incentive scheme payment in Scotland) under the Red Book that you received during 2003/04, then you will be entitled to at least that amount as the full annual rate of Seniority Payments in 2004/05 and 2005/06. This is set out in SFE paragraph 13.13.

**Q.** Do GP retainees automatically get the seniority payment?

**A.** No, GP retainees are classed as salaried GPs. Please see the section above on salaried GPs.

**Q.** Does time spent as a locum get counted as prior NHS service for seniority purposes? If so, how will this have been documented? If not, why not?

**A.** Yes. While locum work before April 2002 will not have been recorded by the NHS Pensions Agency (Scottish Public Pensions Agency in Scotland), if you can prove that you undertook locum work, and when, then you should be entitled to the payment.

**Q.** It would normally be my understanding, in terms of superannuation, that reckonable service would include any added years which doctors may have bought over the years. However, under the new

contract this would not seem to be equitable in terms of seniority payments, which are there to reward experience. Please could you clarify the situation?

**A.** In respect of seniority payments, reckonable service means 'calendar length NHS service' (ignoring whether someone has worked part-time or not) and does not include added years. Buying added years increases pensionable service only and has no effect on seniority.

**Q.** I am a partner, returning to work part time as a GP partner after a period of retirement, and would like to know whether I will be eligible for seniority payments.

**A.** Any provider who has completed at least two years of service as a GP provider will be eligible for seniority payments. Your payment will depend on years of service so your retirement years will not count towards this.

**Q.** Does "years of reckonable service" include the pre-registration year, or does it just relate to post full registration service?

**A.** Years of reckonable service includes years since GMC provisional registration.

**Q.** Does NHS service prior to qualification as a doctor count towards seniority?

**A.** No, this does not count. It is only years since your qualification as a doctor.

**Q.** Does unpaid leave count (including extended maternity leave) towards seniority?

**A.** Seniority is calculated in terms of years of service so if you were employed or a partner and took the time as part of your practice entitlement, the year as a whole would count as reckonable service. If you take maternity leave while a GP provider then you will be entitled to receive seniority pay as though you were working.

**Q.** Our PCO is asking all local GPs to complete (again) a claim form for Seniority Allowance.

Q5 on this form asks the date of first registration by the GMC "excluding temporary registration but including provisional registration" does this mean that the time spent in 'temporary' registration would not qualify for Superannuation purposes?

**A.** Basically, it does not matter what type of registration you have. If you are registered to practice as a doctor in this country then all that service counts. Any clinical service in the NHS (which implies you must be registered to practice - regardless of whether it is temporary, limited or permanent) should count.