



Money Clinic

Financial advice for GPs regarding average income disclosure, motoring expenses and excess pension input charges – March 2016

Disclosure of Average Earnings

We are sure you are all aware that, from 31 March 2016, all GP practices have a new contractual obligation to publish the average earnings for all GPs in their practice as well as the number of GPs included in this calculation.

For most practices this will mean that, by 31 March 2016, you will need to publish this information for the tax year 2014/15. You are also required to have this information in paper form to give to any patients who do not have internet access.

The figure disclosed should be net of tax and National Insurance, certain practice expenses and any employees pension contributions this includes: income from NHS England, some CCG income and local authority income relating to public health services.

Particular attention should be taken when allocating the practice expenses which should be assigned between the amounts that are disclosable and other non-disclosable income. NHS England has published a list of income and expenses that should be included when calculating the average figure that must be shown on your website.

David Jones versus HM Revenue & Customs, Motor Expenses

For many years, the taxman has held the view that medical practitioners are claiming far too much motoring expenditure against their tax liabilities and unfortunately last year HM Revenue & Customs (HMRC) won a tax case supporting their opinion.

As a result of this, HMRC were able to disallow motor expenses for a self-employed anaesthetist who worked at a number of hospitals. The hospitals that he did most of his work at, although not on a set day each week, were deemed to be a place that he attended on a 'regular and predictable' basis and therefore the travel expenses to these locations were disallowed. This case will especially affect GP partners and locums who work at a number of locations.

Pension Inputs

Now that all GP type I and type II superannuation certificates have been - or are about to be - filed, performer members of the NHS pension scheme should look out for a letter from the NHS pensions agency confirming their deemed pension inputs for 2014/15.

This letter is important as it will confirm whether the increase (contributions plus growth) in their pension fund exceeds the annual excess pension input allowance (for 2014/15 this was £40,000).

If your 'deemed pension contributions' exceed this amount and you have not already included this on your 2014/15 tax return or you have estimated this, you will need to submit an amended return including the tax on this charge and confirm whether you have made a 'scheme pays election'.

Please also remember that scheme pays elections will need to be made by the end of July if you want the tax on any excess pension input to be paid directly by the NHS pension scheme.

If you feel these issues may affect you or your practice and would like to discuss the above further, please contact either Philip Redhead, David Belbin or Neil Windley on (01708) 333308 or e-mail philip.redhead@chc.uk.com

More about Clemence Hoar Cummings LLP Chartered Accountants

At Clemence Hoar Cummings we pride ourselves on the way we go above and beyond the traditional accountancy remit, to support you more fully in your business venture.

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Meet the Medical Team



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Philip works as partner of our Specialist Sector Team, which has been established to maximise the services we provide for sectors where we have substantial expertise. These include medical practitioners and GPs, charities and not for profit organisations, education, and legal and professional services.

Philip works closely with David Belbin, and together they provide a complete range of services, from full accounting, tax compliance and planning, to audit and corporate governance.



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David is the Managing Partner of Clemence Hoar Cummings LLP, and specialises in working with charities and non-profit organisations, delivering services such as accounting, financial advice and auditing. In addition to being a Chartered Accountant, David also holds a full diploma in Charity Accounting and is widely regarded as an expert on this growing and important sector, which now extends much further into areas such as education and health.

David is also the chairman on the CharterGroup Healthcare Business Development Group.



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