

The 2019/20 Pension Annual Allowance Charge Policy (Wales) – ‘The Policy’

What is the policy?

If you're a GP partner, salaried GP or self-employed GP locum and you're a member of the NHS Pension Scheme and have an annual allowance charge for 2019/20, you could benefit from the Policy if you use scheme pays to pay this charge.

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.

The Policy benefits are guaranteed by Welsh Ministers and compensation payments will be made to eligible clinicians who use scheme pays for 2019/20 when they retire.



How do I know if I have an annual allowance charge?

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 for the compensation policy.

Most people can accrue £40,000 tax-free growth 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.

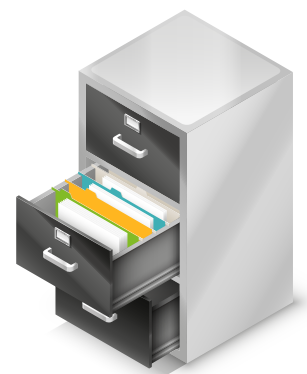
How do I claim?

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

- 1 Download a scheme pays election form from **www.nhsbsa.nhs.uk/member-hub/annual-allowance** and submit to the NHSBSA by 31 July 2021. This may need to be an estimate if you're not certain of your total income and any pension annual allowance charge liabilities.
- 2 Once you have completed your scheme pays form, download the compensation policy application form from: **www.nhsconfed.org/NHSPensionsWales**
- 3 You should send your form to Primary Care Services Wales (PCSW) who will endorse your form and forward to the NHSBSA

Send your scheme pays election to the NHSBSA by 31 July 2021. If this is an estimate, you have until 31 July 2024 to update it.

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



How will I receive the compensation?



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.

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