



Chief Executive, Niall Dickson CBE

From the chief executive

The Rt Hon Sajid Javid  
Chancellor of the Exchequer

## **By email**

6<sup>th</sup> November 2019

Dear Chancellor

As you know in the summer the Prime Minister announced three steps to address the impact the annual allowance and taper were having on patients, as doctors sought to avoid unexpected and large tax bills.

Since then guidance has been issued by NHS Employers to allow NHS employers to take action to mitigate the impact during the remainder of this financial year. However as yet there has been no substantive response from HM Treasury about the third commitment to develop options to reform the annual allowance and taper in ways that would promote the delivery of public services. I am writing to urge you to act on this with urgency.

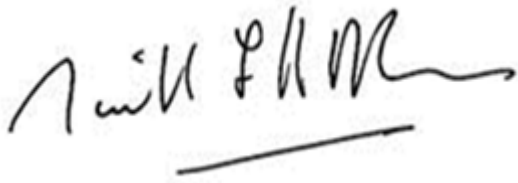
We remain of the view that the most straightforward response would be to remove the taper that is applied to the annual allowance. This would ensure that senior medical colleagues could undertake additional patient activity knowing that the additional income they earn for this vital work would not then trigger an unexpected tax liability.

However, if removing the taper cannot be supported, we would urge you to consider alternatives. One option would be for any payments to NHS doctors in excess of a full time 40-hour contract to be excluded from consideration in the application of the taper. These payments would be non-pensionable and would of course be subject to tax and national insurance contributions in the normal way.

It was never Parliament's intention in making these tax rules to create a system which harms patients by denying them prompt treatment and which can leave doctors and other clinical staff worse off as a result of doing extra work. It is time for this to be remedied as a matter of urgency.

Given the impending general election I have cc'd this letter to the relevant opposition parties. I look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Niall Dickson', with a horizontal line underneath it.

Niall Dickson CBE

cc: The Rt Hon John McDonnell  
The Rt Hon Sir Edward Davey