

To all practices

25 October 2023

Dear Colleagues

PCSE Seniority Payments Reconciliation Exercise 2023

I am writing to all practices who may receive, or have received, letters from PCSE regarding this exercise.

Seniority Payments were made to partner GPs only and were based on length of NHS services and received profit. The seniority scheme closed to new members on 1st April 2014, and was then phased out over a six-year period, with the last payments made prior to 31st March 2020. Seniority funding was diverted to Global Sum, as part of the 2013/14 Contract Agreement.

Seniority payments were based on thirds of average partner income, with no payment being made if a partner drew under a third of average income, 60% between one-third and two-thirds, and GP partners receiving over two-thirds income receiving a full payment. Entitlement to seniority commenced after eight years' service, and payments were made quarterly on account, based in an interim estimate of Seniority entitlement. The actual entitlement to seniority pay depended on the Final Seniority Factor [FSF] and there was a significant time-lag, normally four years, in calculating this. The FSF for financial years 2017/18, 2018/19, and 2019/20 have now been published.

Because the entitlement to seniority pay can only be known once the FSF is calculated, this adjustment in actual pay may result in a potential under or overpayment. Practices are now being contacted with this calculation. The absolute sums involved are likely to vary considerably from less than £ten to £thousands.

NHS England and PCSE are now reviewing the adjustments made for years 2013/14, 2014/15, and 2016/17; this exercise is not completed but practices will be contacted once this has occurred.

Practices should be able to obtain further details via the on-line form link within the letter received from PCSE.

Due to the time elapsed, these adjustments may relate to GP partners who have now retired, left the practice, or who are possibly even deceased. They also may relate to practices which have now merged or closed. GPC England does not believe practices should be contacted about practices which have closed, and patients re-registered, as opposed to mergers which have brought together two existing practice lists.

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Current partners should advise their accountants of the information that has been received from PCSE, as the amounts can be challenged (via the on-line form noted above). Retired partners can be contacted if the adjustment refers to their seniority payments whilst they were partners; if partners have died, it may be necessary to contact the beneficiaries of their estate.

Colleagues may find, because these reconciliations were always known to be significantly in arrears, there is a reference to such financial arrangements on retirement or resignation within the Partnership Agreement at the time, which would be helpful in such discussions, or in a few cases within any Merger Agreement.

This exercise is undoubtedly going to create a need to liaise with retired colleagues in a limited proportion of cases, and the matter may not always be covered by written arrangements. GPC England recommends that practices first ask their accountants for advice in terms of PCSE figures, raising a query if appropriate, which may not be a value-for-money exercise if the variance is small. Once figures are agreed, current partners should, if necessary, inform any retired previous partners (including partners of a then different practice if a merger has occurred) of this information. If a partner is deceased, clearly this may be a more sensitive exercise but at the least the information provided by PCSE should be made available to beneficiaries of the partners estate, if known and contactable. If there is no way of doing so, PCSE should be informed.

If colleagues have any queries regarding this process, please contact the team on info.gpc@bma.org.uk

With best wishes

A handwritten signature in blue ink, appearing to read 'Julius Parker', written in a cursive style.

Dr Julius Parker
GPC England Deputy Chair