

2019/20 Annual Allowance Tax Charges to be Funded by NHS

If you would like to discuss this in further detail, please get in touch with our friendly advisor below.

Following the press release earlier this week, the NHS have now published further information regarding plans to fund 2019/20 annual allowance tax charges.

As the government have not enacted any changes to the current legislation regarding Annual Allowance tax charges, the NHS, with the support of the Department of Health and Social care and government, have provided a temporary solution to the reducing work commitments of clinical staff and the staffing issues faced in the upcoming winter months.

In order to encourage clinicians to take up additional work instead of reducing hours, the NHS will fund their annual allowance tax charges for 2019/20

To qualify for this, you must be a clinical member of staff within NHS employment, or a GP/dental practitioner.

Members who are subject to an annual allowance tax charge will be eligible to submit a scheme pays election.

Upon retirement, the NHS will provide an income to ensure individuals are fully

compensated for the effect of the scheme pays election.

Simon Stevens letter to the heads of national professional bodies states

“Clinicians are therefore now immediately able to take on additional shifts or sessions without worrying about an annual allowance charge on their pension.”

It should also be noted that this measure has only been taken by NHS England.

For members who have opted out during 2019/20, you are able to retrospectively opt back in for the full tax year.

Further information can be found on the NHS England website.

Before making a decision regarding opting in or out of the NHS pension scheme we would strongly recommend seeking Independent Financial Advice from a suitably qualified and experienced advisor.

Contact Us

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