

## ASK THE EXPERTS

# VAT on fees, premises costs and pensions

**Q VAT ON PRIVATE FEES**  
I am confused about whether we should be charging insurance companies VAT on personal medical attendant reports for life insurance proposals. Ours is a VAT-registered practice. The practice does not have to add VAT to these fees.

Normally, where the principal purpose of the service is not aimed at the protection, maintenance or restoration of the health of an individual, but is providing necessary information to enable a third party to make a decision, such a service is one on which a VAT-registered practice should charge the tax.

However, reports on patients applying for life insurance are covered by a current exemption from VAT.

Jenny Stone

**Q PREMISES REIMBURSEMENT**  
The district valuer (DV) has just carried out a triennial review for notional rent purposes on my surgery and it transpires that I have not been receiving rent for 100 per cent of the accommodation.

The DV states that 'staff only' areas are excluded including the common room, kitchenette and

staff toilet. The entrance porch and areas of corridor beyond the last door are also excluded. This reduces the accommodation to which notional rent potentially applies. Is the DV correct?

You will only be reimbursed for that part of your premises that the PCT accepts is being used for GMS (or PMS) purposes. If the PCT deems that the property is too large, or includes such elements as residential accommodation that are not needed for GMS purposes, then they will be excluded from the area it will reimburse for.

From what you say, I do not think that this is the problem and I believe you probably are receiving 100 per cent reimbursement.

A valuer does not look at the gross internal area but at the net internal area of the property. The guide valuers use is the Code of Measuring Practice issued by the Royal Institution of Chartered Surveyors (RICS), together with Valuation Information Paper 4 (also from the RICS).

The valuer will take the gross internal area and deduct all structural walls, WCs, 'plant' rooms, lifts, stairs and stairwells, together with areas of essential access or areas used in common.

If you are concerned about

the way that the assessment has been done, you should contact a specialist valuation surveyor to advise you.

If your own valuer feels that it has been incorrectly calculated, the PCT should have local dispute resolution and will normally instruct the DV to liaise with your valuer. If that fails, you can make a formal appeal.

John Hearle

**Q PENSION PAYMENTS**  
I am taking 24-hour retirement on 1 December 2009 and the assessment of my accrued NHS pension fund as at 1 April 2006 (pensions 'A-Day') when the lifetime allowance (LTA) came in put me well over the limit to avoid tax penalties. I applied for and received enhanced pension protection under the transitional arrangements.

I think I am over the LTA again due to the revised dynamising factors set after the BMA won the judicial review over the government capping GPs' super-annuable income. What can I do? Where NHS Pension Scheme members applied for HM Revenue & Customs' (HMRC) transitional pension protection using NHS values for 1 April 2006 before the post-judicial review dynamisation factors were used to revise their accrued funds, they should now contact NHS Pensions and request a 'Judicial Review A-Day valuation' of their benefits instead.

Once you have this informa-

tion, I suggest you consult your financial adviser about your best course of action if indeed it seems you will be over the LTA on taking 24-hour retirement. It may be that you are eligible to have your pension protection amended by HMRC and so avoid tax penalties.

Kevin Quinn

## THE EXPERTS

Email questions or phone our experts...



## NHS RULES

Dr Tim Kimber is a Littlehampton GP and deputy chairman of West Sussex LMC.  
Email: [tim.kimber@nhs.net](mailto:tim.kimber@nhs.net)



## INVESTMENT PLANNING

Liz Willis is a financial adviser at the medical division, St James's Place Partnership.  
Email: [liz.willis@sipp.co.uk](mailto:liz.willis@sipp.co.uk) or call (07900) 654 401



## PARTNERSHIP

Stuart Williamson is a partner at accountants Williamson West.  
Email: [ww@williamsonwest.com](mailto:ww@williamsonwest.com)



## LEGAL

Lynne Abbess is a partner at solicitors Hempsons and offers legal outline advice to GPs in England and Wales.  
Email: [Labbess@hempsons.co.uk](mailto:Labbess@hempsons.co.uk)



## PREMISES

John Hearle is a chartered surveyor and chairman of Aitchison Raffety. Email: [john.hearle@argroup.co.uk](mailto:john.hearle@argroup.co.uk)



## PENSIONS AND FINANCE

Kevin Quinn is a financial planner at specialist medical accountants Ramsay Brown & Partners.  
Email: [kevin@ramsaybrown.co.uk](mailto:kevin@ramsaybrown.co.uk)



## ACCOUNTANCY AND TAXATION

Jenny Stone is a partner at Ramsay Brown & Partners.  
Email: [jenny@ramsaybrown.co.uk](mailto:jenny@ramsaybrown.co.uk) or call (020) 8370 7739 9am-5.30pm weekdays



## COMMISSIONING, TENDERING, GP CONTRACTS

Dr David Jenner is a Devon GP and the NHS Alliance's lead on practice-based commissioning.  
Email: [medeconomics@haynet.com](mailto:medeconomics@haynet.com)

## PLEASE NOTE

Please ask for 'GP Ask the Experts'. You may be asked to book a full consultation if your request is time-consuming or difficult. Our specialists retain the right to refuse advice. The information in the Ask the Experts list is for information purposes only. The expert advice is intended to provide general guidance only. It should not be relied upon by readers, who should seek further professional advice. No legal responsibility can be accepted by GP for the experts' answers.

 Ask your questions online

[www.healthcarepublic.com/experts](http://www.healthcarepublic.com/experts)