

BMA pensions survey – FINAL findings

BACKGROUND:

Over recent months our members - in particular consultants and GPs – have told us they are being hit with unexpected, large pension tax bills. This is due to the way annual and lifetime allowances, and the annual allowance taper, are acting in a complex and punishing combination.

This leaves doctors worried - and in some cases facing a situation where working beyond their contract to provide crucial services may leave them worse off.

To understand the scale of the problem – and how it might impact doctors and NHS services, BMA Scotland opened a pensions portal for members to share their experiences.

The online survey portal was open between May and August this year.

BMA Scotland have prepared the following analysis of the results.

Q1: Please provide details of your current role in Scotland:

Consultant	251
GP	299
Staff and Associate Specialist	36
Other	7
Total	593

As the main groups of staff affected, the portal was targeted at senior doctors. Although this will undoubtedly be an issue causing concern for doctors at an earlier stage of their career, the impact on behaviour is more likely to involve those in the middle or towards the end of their careers.

Scottish Secretary: Jill Vickerman

Chief Executive: Keith Ward

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Q2: Have you had, or are you expecting a large pension tax bill as a result of circumstances explained above? If so, please provide any further details you wish to.

Answers:

In all, nearly two thirds (**64.7%**) of those who responded have either received a large pension tax bill or are actively expecting one. A further 14.6% are unclear and concerned they may be about to receive one.

Only 18.3% responded that they had not received a bill, and many of those reported already taken mitigating action, such as reducing hours, or coming out of the pension scheme to avoid being charged.

Yes	248	41.8%
Expected	136	22.9%
No	109	18.4%
Doctor unclear at this stage, but concerned a bill is possible	87	14.7%
Other/answer not clear	13	2.1%

Q3: Are you planning to mitigate the future impact of possible pension tax bills by changing your activities/pensions arrangements?

Answers:

Doctors are considering a whole range of options to mitigate the impact of large pension tax charges – many taking more than one.

While the question asked for planned actions, many doctors indicated they had already adopted some of these approaches. Across all branches of the profession, more than half are either already, or planning to reduce their workload, to avoid their income going over the relevant pension taxation thresholds.

Similarly, 4 in 10 of all consultants who responded have either given up or are considering giving up waiting list initiative work.

In primary care, the same proportion - 4 in ten doctors - said they had, or were considering not taking on, or giving up out of hours work, where the service is already extremely stretched.

And perhaps of most concern, nearly a quarter say that pension tax charges are forcing them to consider early retirement. Some doctors who responded had already taken that step.

Full results:

Reducing Sessions or PAs	312	52.6%
Reducing or declining waiting list initiative work (hospital)	72	40% of consultants responding
Reducing or declining out of hours work (GP)	59	39.8% of GPs responding
Opting out of NHS pension scheme permanently	74	12.5%
Coming in/out of scheme within 12-month period	69	11.6%
Early retirement	132	22.3%

NOTE – as respondents could give more than one option – percentages add up to more than 100

Q4: What do you believe is the likely impact of your (proposed) mitigations for pensions taxation?

In total, 83.8% of doctors who answered this question believe this will have some kind of significant impact on NHS services.

More than a quarter of doctors selected the most serious option, indicating they feel this will have a “very significant impact”, which may actually lead to services collapsing.

Substantial numbers also felt that elective capacity and emergency care will be seriously impacted.

In total 579 doctors responded to this question. Percentages are calculated on the basis of those who answered the question.

No impact on services - others in service will 'pick up' any slack	28	4.8%
Limited impact on elective care only - likely to lead to longer waiting times	49	8.5%
Significant impact on elective care only - will definitely impact on capacity	128	22.1%
Significant Impact on urgent and emergency care - will leave front end services uncovered - will require other clinicians to cover work	203	35.1%
Very significant impact - likely to collapse an area of service	154	26.6%
Don't know	17	2.9%

Q5: Do you have any further comments as to how you believe pension taxation will impact on the NHS in addition to the options in the previous question?

Doctors offered numerous views on the impact these pension tax charges will have: Many GPs highlighted the lack of incentive to take up **out of hours shifts** and fears over the subsequent impact on care. For example, one GP commented: *“we see the impact already with early retirements, [and] reluctance of experienced GPs to pick up OOH sessions. [There will be] Strain on the OOH services and inability to fill shifts”,* while another said: *“I can see the OOHs service failing, Already elements of this can be seen- overnight closures of centres due to lack of staff.”* Further comments included: *“I believe the GP OOH service is already under strain. This situation will only worsen as more experienced GPs walk away from this kind of work”* and *“this will be the end of OOH services”*.

Equally consultants flagged their serious concerns around **cutting hours and being forced not to take on waiting list initiative work** in particular. For example: *“The universal response of all colleagues when asked, is that they can no longer backfill extra sessions (both WLI, and covering leave) and this is starting to affect elective care”* and *“WLI are already not being taken up... as the entire department has stopped doing extra work- we have a crisis in weekend planned lists”* and *“[the] service is already using significant WLI to remain afloat. Most of the department now not will to do this work”*.

The **morale of doctors impacted by these issues is clearly suffering**. One doctor said *“these changes and the lack of concern shown by the NHS to its employees on the matter are causing anxiety and concern amongst doctors. Even if a satisfactory alteration is made I fear many have decided that the reasons to remain working in the NHS are fewer and fewer. Stories of colleagues leaving to work abroad are becoming common”*. Another doctor felt the: *“loss of highly skilled and experienced workforce earlier than they would otherwise have retired”* and that would lead to *“increased impact on younger colleagues in an already over-pressed service. Reduced numbers of fulltime consultants leading to loss of continuity of care. Reduced morale.”*

Indeed, many doctors reported on how the situation **was encouraging early retirement** among them and their colleagues. A doctor said *“the pensions changes have messed up a lot of lives and are likely to lead to early retirements at a time when recruitment and retention is already a problem”* while another added *“our lead consultant took early retirement in January due to this exact issue, we are now a Consultant down and unable to appoint, [leading to] constant locums and stress all round.”* Another to highlight the issue felt that *“It will disincentivise doctors to work full time or take on extra work and encourage early retirement and add to the doctor shortage problem.”*

Finally, one doctor highlighted how the impact on pension taxation was **preventing doctors taking on leadership roles**: *“Consultants will refuse to take on additional responsibility. There is*

*no incentive to excel as Discretionary Points will trigger hefty tax charges. The current system encourages consultants to do the bare minimum and punishes those who go above the beyond the call of duty. Our future leaders and game changers in the field are undervalued, demotivated and punished by this idiotic and ill thought out system.... What other profession "rewards" its highest achievers by forcing them to *pay* to work!"*