BMA

England

Focus on phasing out seniority payments

October 2015

What are the arrangements for phasing out seniority payments?

Seniority payments are being phased out. The seniority scheme will end completely on 31 March 2020.

During the six year phasing out period, those who were in receipt of seniority on 31 March 2014 will continue to receive payments. GPs not already in receipt of seniority on 31 March 2014 will generally not be eligible[1]. Each year the seniority payment scales in the Statement of Financial Entitlements will change to require an additional year's reckonable service before qualifying for payment. The current qualifying arrangements will continue for those in receipt of payments.

All funding released from the seniority pot will be reinvested in core funding for general practice through an annual increase to the global sum with no out of hours deduction applied.

How will the phasing out of seniority work in practice?

To phase out seniority, the total amount of funding will be cut by approximately 15 per cent each year using a retrospective mechanism. This 15 per cent reduction includes the impact of attrition (retirement and closing entrants to the scheme) and an annual reduction to seniority payscales.

Each year, NHS England will calculate the seniority savings from attrition, set against the costs of progression (recipients moving up the seniority scale each year), to determine what adjustments are needed to the seniority payscales to achieve an overall 15 per cent reduction in seniority spend. The payscale adjustments will be made as a percentage adjustment evenly across all increments.

The October 2015 adjustments are based on known seniority spend in 2014/15 which was published in July 2015. In April 2016, the reduction will be estimated based on the known spend in 2014/15 with attrition and progression modelling. From April 2017 known spend will be available for the previous financial year in time to implement the April reductions.

In 2019/20 seniority will be removed in its entirety which, after five years of approximately 15 per cent per annum removal, will require the balance of around 25 per cent to be removed.

Though the seniority scheme will end on 31 March 2020, there will be adjustments made up to 2024 as payments are based on interim seniority figures and HSCIC confirms final seniority factors up to four years in arrears.

Arrangements in 2015/16

For 2015/16 only, reductions to the seniority payscales will be made in-year on 1 October 2015 and will be made based on known spend in 2014/15. In future years, changes will be made on 1 April. As the payscales are being changed half way through the financial year in 2015/16, the reduction to each part of the payscale in this year will be twice as great as in future years as GPs will have received half of the full payment already. Each payscale will be reduced by a little under 23 per cent to achieve the full necessary saving across six months. This amended figure will be reflected in quarterly seniority payments from December 2015.

From 1 October, the global sum payment will increase from £75.77 to £76.51.

[1] There are a small number of exceptions to this rule. An FAQ document can be found here

The new seniority payscales for October 2015 – 31 March 2016 are as follows:

Years of reckonable service	*Full annual rate of payment per practitioner before 1st October 2015*	*Adjusted rate of full annual payments from 1st October 2015*
0	0	£0.00
1	0	£0.00
2	0	£0.00
3	0	£0.00
4	0	£0.00
5	0	£0.00
6	0	£0.00
7	0	£0.00
8	753	£581.27
9	842	£650.74
10	944	£728.71
11	1,057	£815.94
12	1,184	£913.97
13	1,326	£1.023.59
14	1,486	£1.147.10
15	1,664	£1.284.50
16	3,185	£2,458.62
17	3,504	£2,704.87
18	3,854	£2,975.04
19	4,239	£3,272.24
20	4,663	£3,599.54
21	5,129	£3,959.26
22	6,785	£5,237.59
23	6,989	£5,395.06
24	7,198	£5,556.40
25	7,414	£5,723.14
26	7,637	£5, 895.28
27	7,866	£6, 072.05
28	8,225	£6,349.18

29	8,455	£6,526. 72
30	8,692	£6,709.67
31	8,935	£6, 897.25
32	9,186	£7, 091.01
33	9,433	£7, 281.68
34	9,707	£7,493.19
35	9,979	£7,703.16
36	10,258	£7,918.53
37	10,546	£8,140.84
38	10,841	£8,368.56
39	11,144	£8,602.46
40	11,457	£8,844.08
41	11,777	£9,091.10
42	12,107	£9,345.84
43	12,446	£9,607.52
44	12,795	£9,876.93
45	13,153	£10,153.28
46	13,521	£10,437.35
47	13,900	£10,729.92