



for immediate release

Under-calculation of associate pensions to end

For the last five years, the pensions of the majority of associates have been miscalculated due to confusion surrounding the reporting of superannuation entitlements. But this confusion should now be over thanks to a change in the guidance.

Alan Suggett is Chairman of NASDAL's superannuation committee, which was set up to campaign for clarity in the Rules and Regulations. He welcomed the amended guidance and thanked the pensions team at NHSBSA for being willing to work with NASDAL.

"After witnessing many examples of confusion about the correct pension entitlement, particularly in the areas of associates and directors of dental limited companies, we created our committee and set about identifying how the guidance could be amended. We are all delighted to see the new guidance on the NHSBSA website and hope that from now onwards, all NHS dentists will have their pension calculated correctly."

Alan paid tribute to David Paul, a member of NASDAL's superannuation committee and husband of a dentist, who has made the clarification of superannuation a personal crusade. David has worked over many months to suggest changes to the published guidance in order to make it as clear as possible how a contract should be allocated so that all of the performers get the correct pension entitlement.

In essence, the total maximum pensionable earnings that a GDS/PDS contract-holding practice is entitled to is 43.9% of the total contract value, while an

associate performer's pensionable income must always be with the same as their net GDS/PDS income. In most situations - there are some important exceptions - the contract-holder must ensure that the ARR is completed so that each performer in the practice is allocated exactly what they have earned in the previous year, with the balancing figure representing the contract-holder's entitlement.

David Paul said that he was helping an associate who had lost out on £348k worth of pension since 2006. While this is an extreme case, it illustrated the dire ramifications arising from the changes in 2006 when responsibility for pension allocation was moved away from the Business Services Authority.

"Unfortunately," said Alan, "most associates have probably lost out to some extent unless they have been able to have a NASDAL accountant check the ARR of the practice they work in. I'm happy to say that NASDAL now believes the ARR guidance is technically sound, unambiguous and clear."

Note to editors

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