



**There may be repercussions if ARR's are not correct,
warns NASDAL**

As the deadline approaches for completion of the Annual Reconciliation Report (ARR), NASDAL is advising NHS contract-holders to make sure they fill in the correct net pensionable earnings for themselves and their performers.

The ARR is used as the basis for calculating pensionable earnings for all performers in a practice with an NHS contract and must be filled in by the contract holder. Meanwhile, performers must check and agree what has been entered on their behalf before the deadline of June 30th.

Since the introduction of the 2006 dental contract, confusion has reigned. It's thought that thousands of dentists have not been allocated the correct amount on the ARR and this will affect their pension entitlement in the future. This year, the system should be clearer because it has changed in several ways, partly in response to representations and assistance from NASDAL:

- for the first time the exercise is to be completed using the NHS Dental Services Portal
- individual performers are going to be required to agree their own figures through the Portal.

This should mean it is more likely that performers will be allocated the correct amount. Nick Ledingham, Chairman of NASDAL, and Senior Partner in specialist dental accountants Morris and Co, said: "Usually, the performer's Net Pensionable Earnings should simply be the amounts paid to him or her by their Principal in respect of NHS work, after the deduction of lab bills and any other deductions relating to NHS work (but before the deduction of NHS pension contributions)."

Nick added: "Our experience in the past has been that probably less than 25% of ARR's completed by dentists themselves were correct. This year, however, a

much harder line is going to be taken by NHS Dental Services on principals/providers who complete ARR inaccurately, or who do not complete it at all. As a result all NASDAL accountants are currently spending a lot of time assisting their principal clients in completing their ARRs."

"Some Associates/Performers make the mistake of thinking that if their Principal deducted too little pension contributions from their earnings then this is a good thing. It isn't! On top of each dentist's own contributions, the Department of Health contribute a significantly higher amount. It is estimated that for every £100 contribution made by a dentist, the value of the additional contributions made by the Department of Health is a further £400."

He stressed that if the ARR is not filled in correctly, contract-holders may face repercussions, and he urged any NHS Principals/Providers/Contract Holders who are uncertain about what they needed to do, or who had not yet completed their ARR to contact their accountant immediately.

Note to editors

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