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Superannuation certificates could be positively dangerous

Dentists should have recently received their superannuation form SD86C for the year 2010-11. If in the past you haven't given any attention to this certificate, you certainly should now, says Johnny Minford, a Chartered Accountant and member of the National Association of Specialist Dental Accountants. The certificate states how much is going into your NHS pension. You would also use this document to quantify your tax relief, and as part of the calculations for your other pension and retirement planning. So it's essential to check its accuracy.

You will remember the rush to get your Annual Reconciliation Report (ARR) submitted to your Primary Care Trust before the end of May. The ARR is intended to set out the achievement of UDAs or UOAs and who in the practice did them. The related superannuation is computed, and it is expected that the formal certificate SD86C then follows to be used as part of your tax submission.

Unfortunately, says Johnny, in his experience, the SD86Cs issued by many PCTs have largely ignored the ARR figures you have submitted. This means that they are wrong.

Johnny continued: "We have queried with some PCTs why this is so, and it appears that the issues are a mixed bag of internal deadlines, holidays, backlogs, miscommunications with the Business Service Authority (BSA), and so on. They say they are intending to process the ARRs and produce the 'proper' SD86C by the end of September."

"So the early issue of the SD86Cs has been worse than pointless – it has been positively dangerous. Any tax submissions made or pension decisions taken based on this ostensibly authoritative document now in your possession may be wrong, and for some high earning clinicians, very, very wrong. This could have a knock on effect on the tax payments currently being made, as the decision-making process may well be based on incorrect data.

Johnny warns that some dentists will at the very least need a “repair” to their tax submission to be made by their accountant with the correct information, when it is eventually released.

He said in conclusion: “So - - - check your SD86C’s before relying on it for any purpose. You have two months to inform the BSA that you do not consider it to be correct. If in doubt consult your accountant. Specialist advisers will be aware of what is going on --- others will not. Your SD86C needs to be correct – either for now or for when you come to retire.”

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