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| The Rt Hon Jeremy Hunt MPSecretary of State for HealthDepartment of HealthRichmond House79 WhitehallLondon SW1A 2NS |  |
| Chair of Council |

Our Ref: MP/vc 18 April 2013

GP Locum Superannuation

I wrote to you on 25 March about my concerns regarding changes to the arrangements for GP locum employer pension contributions in England and Wales, which came into effect on 1 April 2013.

An average GMS practice with around 7,000 patients will receive an extra £1,000 a year to cover locum employer pension contributions. Because locum fees vary around the country, this would last between one and three weeks, putting a small practice or single handed GP relying on locum cover for sickness and holidays, or short term maternity leave, in a very difficult situation.

Although it is only a few weeks since the change, we have been made aware of dozens of cases where locum GPs are having their fees cut because practice funding is insufficient to cover the cost of the employer pension contributions.

For example, a part time locum GP contacted us to say that the single handed GMS practice she works for is cutting her fee to take account of the (14 per cent) employer pension contributions. A GP in another practice told us his practice funding was not sufficient to cover the pension costs and as a result he was very concerned he might, in future, only be able to employ GPs who are no longer making pension contributions.

We have made it clear that we would expect practices to cover this cost, without seeking to recoup payment through reducing locum fees, while we seek to resolve this problem. The cases we have been made aware of have confirmed the fear I expressed in my last letter, that the impact of the change is having unintended consequences which could lead to a distortion of the GP locum workforce, with practices preferentially employing locums who are already drawing their pension, disadvantaging younger GPs.

The only fair and equitable way to deal with locum employer pension contributions is for this to be dealt with centrally. I would again urge you to resolve the issue swiftly by make this the responsibility of Area Teams in England, to deal with in the same way as PCTs, and it remaining the responsibility of Health Boards in Wales.

I look forward to hearing from you.

Dr Mark Porter

Chair of Council, BMA