

Indemnity Maths Masterclass!

The [2017-18 changes to the GMC contract in England](#) were announced this week.

Generally, contract negotiations and changes are aimed at partners, and sometimes we, as salaried and locum GPs, struggle to see the relevance. However, there is a key area in this year's contract that we all need to be aware of - and that is the funding for indemnity increases.

This was part of the [GP Forward View](#), but the funding didn't reach practices until this year. NHS England have committed funding for the expected INCREASE in indemnity costs, for all GPs.

A few important points:

- This covers GMS, PMS and APMS practices, with core and extended hours.
- It does not cover out of hours work, prison work, or any work outside "undifferentiated general practice."
- The budget is for the average increase in indemnity costs for all GPs.

Time to dig out your renewal notice for your MDO and do some maths. If you are a whizz with maths and spreadsheets, then I apologise if this is simple and laughable. Maybe skip to the other blogs...

GPs who only locum - you are self-employed. Your MDO indemnity costs are a tax-deductible business expense. The advice from the sessional subcommittee and GPC is that you do as you'd normally do every year and include any indemnity increase in your overall locum fees in order to cover your expenses in general. HMRC have been very clear with NHSE that they want to see this passed on to all GPs, Speak to your accountant about the best way to highlight this.

You may have other increases in expenses that will be causing a change in your fees this year; these should be highlighted separately.

For salaried GPs, it gets a bit more complicated.

Some salaried GPs have their indemnity paid, or fully reimbursed by their practice. If this is the case, there will be no change as the practice gets the funding, and will pay the full amount.

If you don't have your indemnity reimbursed, or work in other roles that affect your indemnity and cost more, it will be a bit more complex. However, HMRC will be expecting to see this money passed on to salaried GPs, and practices are aware of their obligation to do so. It is helpful, if you don't already have one, to ask your MDO for a breakdown of your indemnity costs. Some companies give this automatically, so you can see how much of the total you are paying for standard GP work, and how much for another role e.g. out of hours/prison work.

Once you have this breakdown, we suggest you put the indemnity increase for the last year in writing to your practice, and discuss when and how that will be paid.

The contract roadshows that have taken place recently, and all the guidance from NHSE and HMRC have been absolutely clear that salaried GPs must have this funding passed on to them. The advice here is being shared with practices by GPC, and with LMCs, to try and ensure a consistent approach.

If you as a sessional GP have questions, please feel free to contact myself or any other member of the sessional subcommittee. The link to your regional reps is [here](#), and most of us are also active on social media. Your LMC will also have our contact details.

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