ACCOUNTING FOR GENERAL PRACTICE

POSTGRADUATE CENTRE
MUSGROVE PARK HOSPITAL, TAUNTON

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General Practice as a Business

GP medical partnerships are similar to any other small business.

As self-employed individuals, the partners within the practice are responsible for the whole business including all staffing and running the practice. All aspects of the business are the responsibility of the partners.

The partnership holds a contract with the PCT for the provision of medical services to a registered list of patients.

A partnership is made up of the individual partners who are self-employed individuals and it is the partnership who holds the contract with the PCT.

Effectively, the practices are paid money for the provision of health care to patients. The practice received this money and spend it how they decide is appropriate on staff costs, premises and administration costs. Any money left over is effectively the profits which are allocated to the individual partners.

How a Partnership is paid

Generally speaking, there are two main types of contracts that the practice can hold with the PCT. Either GMS (General Medical Services) or PMS (Personal Medical Services). Historically, there were significant differences between GMS and PMS practices however, with the new GMS contract from 1 April 2004, there are now significant elements of funding which apply to both PMS and GMS practices.

There are also APMS contracts and SPMS contracts which are a form of PMS contract. APMS refers to alternative provider medical services and SPMS which is specialist provider medical services.

For GMS practices, they are paid a Global Sum figure which is currently £54.72 per weighted capitation.

The weighted capitation takes the actual registered population of the practice and applies six separate indices to arrive at the weighted population. This takes into account age/sex indices, nursing and residential patient population, patient turnover, market forces, rurality and additional needs.

Under PMS contracts, the practice are paid a PMS baseline which again is determined by the list size of the practice.

Any falls in list size will have a significant impact on general practices as it will reduce the income being paid to the practice. This is likely to have a much more significant impact on PMS practices.

The MPIG correction factor is a mechanism by which GMS practices are paid a fixed annual amount on a monthly basis. This correction factor was introduced as part of the new GMS contract and it is to compensate practices who could have been financially worse off as a result of the change to the new contract. At present, this is a fixed annual amount which will not be increasing and is not linked to list size.

The next most significant element of funding is under the quality and outcomes framework. For the current year, practices are paid up to £1,000 quality and outcomes points which are determined on a variety of clinical, organisational and management areas.

At present, the value of the quality and outcomes points are £124.50 per point based on the average practice. The average practice is currently 5,891 patients. The various clinical elements of the quality and outcomes framework are adjusted for disease prevalence factors.

We then have the payment of enhanced service monies. There are three sorts of enhanced service, national enhanced services, directed enhanced services and local enhanced services. Directed enhanced services are those which PCT's must provide according to national terms and conditions. No single practice within the PCT must provide services within this category. Included within this are improved access (which has now ceased) childhood immunisations and flu vaccinations.

National enhanced services are more common in secondary care context and will require specialist skills facilities and equipment. These include anticoagulation monitoring, management of alcohol misuse, specialised minor injury services, and near patient testing.

Both the directed enhanced and national enhanced services are paid at nationally agreed rates.

The local enhanced services will be priced by negotiation with your PCT. Locally enhanced services may be for medical care for asylum seekers, services for non English speaker's etc.

There is now the new enhanced service for extended hours.

Practices then get paid separately for seniority. This is linked to the number of year's service an individual GP has within the NHS. It is paid as an allowance which is unrestricted for partners whose income is above 2/3rds of the national average whole time equivalent GP's NHS earnings. This is restricted to 60% if your earnings are between 1/3rd ad 2/3rds of the national average and no payment is made if your earnings are below 1/3rd of the national average.

Individuals will have to be partners within a practice for 2 years before any seniority payments are made.

Hospital appointments

In some cases, individual partners within the practice may hold clinical assistant appointments or carry out casualty or bed fund work at the local community hospital for which they are paid separately.

Non NHS Fees

The partnership then also gets paid for non NHS fees which would include insurance medicals and examinations, private fees, potentially retainers for commercial organisations.

Reimbursements

Generally speaking, practices are reimbursed some element of rent for the surgery premises. This would be cost rent (based on the original cost of developing the surgery premises), notional rent (based on the current rentable value of the premises assessed every three years) or actual rent which the practice then pays to a landlord.

In addition, practices will be reimbursed 100% for rates, water and waste disposal costs which are incurred on surgery premises which are used for NHS purposes.

Computer maintenance costs are generally paid directly by the PCT on behalf of practices now.

Practices get reimbursed for personally administered drugs and dressings. This represents the cost of the drugs plus a dispensing fee. This will be paid for all vaccinations which are purchased by the practice and given to their patients. This will include flu vaccinations. Holiday vaccinations are usually subject to a separate charge by the practice to the patient.

Staff Costs

It is the partnership's responsibility to employ sufficient relevant competent staff in order to provide services to patients and to manage the practice. This will include normally the employment of a practice manger, secretaries, receptionists, nurses and potentially nurse practitioners and salaried GPs. Normally, we would expect to see the cost of salaried GP's shown separately within staff costs.

If the practice are a training practice, they will also pay the salary for the GP registrar and this cost will be fully reimbursed to the partnership.

In general, partnership staff are entitled to join the NHS superannuation scheme and it will be the employers i.e. the medical practice, who are required to pay the 14% employers superannuation contributions for their staff.

The only costs which are not generally borne by the individual practices are the costs of the community nursing team, health visitors, district nurses etc.

Establishment

Property ownership is dealt with in a number of different ways but the general options are for practices to own their own premises or to lease premises. In either situation, the partnership is responsible for heat and light, repairs and renewals and cleaning and laundry.

Administration Costs

As a business, there are a lot of other expenses which need to be incurred by the partnership in order to survive.

Allocation of Net Income

The net income for the partners is effectively the balance of income which is left after paying all relevant practice expenditure. As with any business, this could fluctuate significantly from year to year depending on the performance of the partnership. However as GP practices, the income into the practice tends to be relatively stable if costs are well controlled and managed, although with the effective freeze in funding and increasing costs, profits are likely to be falling.

Allocating the net profits between the partners is a major consideration which will need to be understood fully by all parties.

Normally, seniority is paid to the practice based on the number of years service for the individual partner and the majority of practices allocate this separately to each partner.

It is normal for any income and expenditure associated with the property to be divided between the partners in their property owning ratios.

There may be several other prior shares of income such as payment for additional sessions, payment for out of hour's work, and any other items which the partners feel is appropriate to allocate to the individual.

The balance of income is then split between the partners in accordance with their profit sharing ratios. Usually, this is determined by how many sessions a partner works. In this example practice, we have three full time partners and one three quarter part time partner. However, profit sharing can vary significantly from practice to practice.

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Route to Parity

Quite often, a new partner joining a practice will not start on a full profit sharing percentage but will have to work towards parity. For any partner, this period should not extend beyond 3 years under BMA guidance. It is usually a process of negotiation between the new partner and the practice as to the appropriate percentages. In the current market, the norm may be parity after 18 months to 2 years starting at perhaps 80% for 6 months, 85% for 6 months and 90% for 6 months (or 1 year).

It is essential that new partners understand how profits are to be allocated and particularly the route to parity. This should be clear before the interview stage and new partners should be prepared to negotiate.

You will also have to be extremely careful as to how the 80% or 90% is calculated. We set out below two examples which are both calculated as 80% of parity but give very different figures. Example 'A' shows 80% of what you would you earned had you been at parity. Example 'B' shows 80% of what the other parity partners are earning. This can have a significant financial impact for new partners.

Example A

	Percentage share	Example of profit if total income £400,000
Dr A	26.67	106,667
Dr B	26.67	106,667
Dr C	26.67	106,666
Dr D	20.00	80,000
	100.00	400,000

Example B

	Percentage share	Example of profit if total income £400,000
Dr A	26.32	105,263
Dr B	26.32	105,263
Dr C	26.32	105,263
Dr D	21.05	84,211
	100.00	400,000

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Balance Sheet

A balance sheet is drawn up to the partnership year end. Practices can decide any partnership year end but it would usually be consistent year to year.

It generally shows the assets and liabilities of the practice at that specific date.

Surgery Premises

Normally, premises are either owned by the partnership (or a combination of the individual partners) or are simply rented.

In either case, partners need to be fully aware of the financial implications of owning premises.

If premises are leased, this is seen as significantly less risk. It does however depend specifically the terms of the lease and who they are rented from. Normally, under a commercial lease, you have an automatic right to renew that lease under the existing terms. This does mean that effectively, once the lease expires, you cannot be evicted from the building. You will however need to check the lease and take expert legal advice.

The other problem would be if you are tied into a long term lease with premises which are not particularly good and which are currently too small. The partnership may have to wait for a significant number of years before it can relocate.

You will also need to consider who is responsible for which costs under the lease and how the rent is fixed. In this situation, the PCT would reimburse any rent paid to the practice however, this would be limited to the market rent assessed by the district valuer. The district valuer is appointed by the PCT to review the rentable value of all surgery premises. If your lease allows rent rises above market value, then the practice will only be reimbursed up to the market value.

You will also have to consider any developments or extensions for the building and who is responsible for paying them, either the tenants or the landlord.

Owning Premises

Still the most widespread and popular way for partnerships to function is to own their own premises. The surgery premises are shown in the balance sheet of the practice.

Normally, when there is a change in partnership, the surgery premises will be re-valued in order to determine the amount to be paid out to retired partners and the amount which will need to be contributed by incoming partners.

Where individuals join a practice, there may be a mutual assessment period after which time, you will be required to buy into the property or assume property ownership. This should be clarified with the practice at the outset.

Surgery premises should be valued by expert quantity surveyors. There are several different basis under which premises can be re-valued.

If it is a relatively recent build, it is likely that the actual cost of constructing the surgery will be higher than its market value. As a result, most partnership agreements specify that the value to be used will be the higher of open market value or actual cost. This ensures that retired partners are not penalised.

Normally, the partnership will select a valuer. A retiring or incoming partner will then have the option to appoint their own independent valuer if they are unhappy with the figure that the partnership surveyor estimates. There will then be a process of negotiation between the two valuers in arriving at a suitable figure.

New partners will need to determine exactly what percentage of the property they are buying into.

Funding for Surgery Premises

There are a variety of ways in which partnership premises are funded. Usually, this is a combination of a different sources of borrowing. Either there will be a partnership loan for parts of the premises or there will be separate personal loans for each of the partners.

When buying into any partnership premises, capital may have to be introduced by an individual.

This will be calculated as follows:

	£
Valuation of the surgery premises say	800,000
Less any partnership loans outstanding say	(600,000)
Total equity in building	200,000

The share being bought is 25% which gives £50,000 to be introduced by the new partner.

The £50,000 to be introduced will normally be by a personal loan raised by the new partner but secured on the surgery premises.

The PCT will be reimbursing a stream of rental income to the partnership. Either cost rent based on the original build cost of the surgery premises or notional rent (assessment of market value). Once a new partner buys into the surgery, they will be allocated their share of this rental income which will be used to pay interest on both the partnership loan and their individual personal loan. In a lot of cases, this will have very little financial impact.

A new partner will be taking on a proportion of the existing partnership loan. In certain partnership arrangements, they will take over a personal loan from a retiring partner. New partners need to be aware of the interest rate on any existing loans and whether these are fixed. Frequently, partnerships have fixed rate loans for 25 years in order to develop new premises.

If there are partnership endowment policies this does become slightly more complicated.

Stamp duty may also be an issue – depending on the value of the surgery.

<u>Partners Current Accounts</u>

Not only do partners have to invest in the surgery premises but they also have to invest in the fixtures and fittings, the stock of drugs and dressings held and the balance in the bank account. This is the working capital of the practice.

The current account balance for each partner will represent this figure. It will vary considerably from practice to practice and dispensing practices have a significantly higher need for capital.

Normally, partnerships will have a capital account of around £6,000. In a lot of partnerships, new partners are allowed to build up to this level of capital over a period of time however in some, new partners are expected to introduce capital.

<u>How Do I Get Paid As A Partner</u>

Unlike a salaried position, a partner is paid a profit share.

The monthly amounts paid to the individual partners are called drawings and the monthly drawings figure will depend on a significant number of factors. Also, partnerships have very different drawings policies. Our preferred approach is for a regular amount to be paid out each month.

Partnerships also treat taxation payments very differently. In a number of partnerships, the taxation liability for the individual partners is saved by the practice and so the drawings each month are net of tax. In other practices, the individual partners are expected to pay for the tax bill personally.

In all practices, the superannuation contributions for the individual partner are deducted by the PCT from the monthly monies paid to the practice. Effectively, the partnership is paying your superannuation on your behalf and this is charged to your current account.

Certain partnerships also have different methods of paying the professional subscriptions. In some, these are paid by the individual partners and in others paid for by the practice.

It is essential that new partners to a practice clearly understand who is responsible for paying which liabilities and how the monthly drawings will be calculated. Prospective partners should also be given an indication of the level of partnership drawings.

Partnership Agreements

A partnership agreement is a legally binding document which governs the way in which a partnership is set out and managed. It will include clauses for valuation of surgery premises, how profits are to be divided between the partners, amount of holiday and study time allowed, deal with situation where partners are off sick, requirements for locum insurance etc. This is an exceedingly important document which should be read by all prospective partners before joining a practice.

Once a new partner is taken on by a practice, they should sign a partnership agreement as soon as they join. Partnership agreements should include clauses in relation to mutual assessment periods. Signing a partnership agreement on day one protects both the ongoing partnership and the new incoming partner. The clauses for mutual assessment periods tend to be for either 6 months or 1 year and it means that the prospective partner or ongoing partnership can cease the arrangement at any time for no specified reason.

If a partnership agreement is not signed when a prospective partner joins then effectively none of the existing deed or clauses apply to the arrangement and this can lead to significant legal problems in the event of a dispute.

The partnership agreement will also set out the arrangement for buying into the surgery premises and whether this is actually a requirement of the practice.

Taxation

General practice partners are self-employed individuals, they do not pay PAYE but they pay tax based on their share of profits from the practice.

Tax payments are made every 6 months at the end of January and end of July each year.

A tax return will have to be completed for all self-employed individuals.

Tax returns are prepared each year up to 5 April and have to be with the Inland Revenue by the end of the following January.

There are relatively complex rules for when you start as a self-employed individual which does mean that you do not pay tax for a considerable amount of time and then have a huge catch up tax bill.

You will need to have projections of taxation prepared in order to budget for these liabilities.

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As a self-employed partner or locum, you can claim a number of expenses on personal expense claims against your tax liability. These will include:

1 Professional subscriptions
2 Locum insurance
3 Motor expenses
4 Use of home claims
5 Business use of home telephone
6 Mobile telephone bills
7 Stationery and postage
8 Computer expenses
9 Cost of Broadband
10 Use of home claim (including proportion of mortgage interest)
11 Accountancy fees

From the time you become a self-employed individual, you should keep details of these expenses so that they can be claimed against your tax bills.

For salaried GPs the expenses which can be claimed are a lot more restrictive and these are travelling (not commuting), and professional fees and subscriptions and only other expenses which are directly connected with doing that particular job. This would not include courses.

Your tax return will have to include any other sources of self-employed income such as out of hours and any locum work.

National Insurance

We are all liable for national insurance (other then those who have reached state retirement age).

There are however several sorts of national insurance which we may be paying

Class 1 national insurance is paid on any employment income and is deducted directly at source. This is currently 11% for earnings over £94 per week and 1% on earnings over £630 per week. However this rate is reduced to 9.4% if you are part of the superannuation scheme.

Class 2 national insurance contributions are payable by anyone with self employment income. This includes all locum income. The current rates are £2.10 per week and this is normal paid by monthly direct debit or quarterly bill. If however your self employment earnings are below £4,345 per annum, you can apply for low earning exemption and therefore don't pay. You must however register with the Inland Revenue as a self employed individual.

Class 3 national insurance are voluntary contributions to maintain your national insurance contributions record in order to qualify for full state pension and are payable by individuals who are not working. The rates are £7.35 per week.

Class 4 national insurance contributions are based on profits from self employment and the rates are 8% for earnings between £4,895 and £32,760 per annum and 1% for any profits over this level.

If you have employed earnings and self-employment income, you could easily be overpaying superannuation and you have the right to reclaim this over payment on an annual basis. This can be done either by claiming a refund each year OR by deferring the payment of class 4 national insurance contributions until after the end of a tax year at which stage a review is undertaken of all your sources of income and a bill will be issued for any class 4 contributions required.

Difference Between Salaried GP and Partner

A salaried GP is effectively an employee of the practice, although very well paid and given good holidays and study leave. Effectively, you have no right to share in the profits of the partnership but are given a fixed salary. Any salaried GP should have a contract in line with the BMA standard which is available on their Website which is www.bma.org.uk.

Salaried GPs generally take no involvement in the running in the business of the practice. They equally take no risks over the financial management and as a consequence do not benefit from a share in the partnership profits. Generally speaking, a partners profit share will be significantly higher than a salaried GPs remuneration to reward them for the significant financial risk, the input into running the business and the additional time commitment as a result of being a partner.

As a partner, you are jointly and separately liable with your other partners for the whole of the financial management of the practice. As a salaried GP, you have the security of a contract of employment and a huge range of statutory employee's rights.

Sick Leave

A partnership agreement should cover specifically how sick leave is to be treated for partners in a practice. Normally, a partner can have up to 6 months sick leave in any 12 months and after which time, they will be removed from the partnership. During that period, there will be an agreement as to who will fund the locum costs incurred. Frequently this will be a partnership expense for the first 12 weeks and afterwards will be at the cost of the absent partner. Locum insurance maybe essential in this situation. In other partnerships, the partnership operate a combined locum insurance policy.

Superannuation

Superannuation is based on each individual partner's net NHS profit. NHS profit will exclude any work such as insurance reports and medicals and any private retainers which are paid to the practice. The annual profits will be calculated by your accountant and will be paid by the partnership on your behalf to the PCT.

The contribution to be paid by the individual will vary depending on the level of earnings. Over around £102,499 of NHS earnings the you pay contributions of 8% of the total NHS earnings. If earnings are between £65,002 and £102,499 you make contributions at 7.5%, between £19,682 and £65,002 6.5% and below that level at 5.5%.

The contributions are all charged by the PCT to the practice and the amounts are deducted from each partners current account.

Things To Consider When Joining a Practice

The partnership accounts and partnership agreement should be available prior to an interview and these should be reviewed in detail, potentially by an expert accountant who can give a full detailed written assessment of the profitability of the practice.

Practice profits range considerably and for full time partners this can range from around £50,000 per annum up to in excess of £200,000 per annum.

Individuals will need to consider what type of practice they wish to join. The area will largely determine the type of patients they will be dealing with and the work being undertaken.

Individuals also need to consider the dynamics of the partnership, the age profile of the partners as well as the differing personalities.

The attitudes and culture of the partnership as a whole will also be important in this long term ongoing relationship.

Flexibility may be an important factor particularly in the future and the ability for partners to reduce their commitment to part time may become important.

For young partners, the out of hours service may be an important consideration. Whether there will be the scope for partners to earn extra money from out of hours sessions or whether in fact this is permitted or allowed by partnerships.

Potential partners will also need to consider the probationary or mutual assessment period and the typical notice periods.

Other points for general practice partnerships

Dispensing practices and the financial implications.

VAT registration

Taxation implications

WHO IS REQUIRED TO COMPLETE A TAX RETURN

Firstly, anyone who is sent a notice by the Inland Revenue for a tax year requiring them to complete a tax return.

If a notice is received, then a tax return must be completed. If not, then there is a £100 automatic penalty. This penalty can be reduced to £nil if there is no tax to pay for the year – but still you have to complete a tax return.

Anyone who receives any taxable income which has not been taxed at source is required to complete a tax return. This would include any none taxed fees, locum sessions, out of hours sessions or any other earnings.

Once you become self employed, you are required to register as elf employed with HM Revenue and Customs and pay class 2 national insurance. This must be done within three months or financial penalties could be applied.

WHY WOULD YOU WANT TO COMPLETE A TAX RETURN

Even if you are not required to complete a tax return, it may be the only way in which you can claim tax relief on expenses you have incurred and the only way in which you can claim a refund of tax.

A tax return is completed for each tax year. This is 6 April to the following 5 April.

EMPLOYMENT INCOME

Each separate employment in the year must be included in the tax return. Your employer should issue you with a P60 form which is a year end summary of taxable income and tax deducted. If you have changed employment in the year, then you should have been issued with a P45 for any which have ceased.

Take care when completing a tax return as if you have changed jobs in the year, then your P60 from your new employer may include the taxable income and tax paid from your previous employer – make sure you don't declare this income twice as you will overpay tax.

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The amount to be included in the tax return is the taxable income figure AFTER the deduction of superannuation. You receive tax relief on superannuation contributions, therefore the income after superannuation must be included. Do not include the superannuation on employment separately in the tax return under pension contributions otherwise you will be receiving tax relief twice.

Expenses you can claim are limited but include:

a Travelling (accommodation and meals). But only if incurred solely and necessarily in doing your job.

This is not the commuting mileage – so travelling from home to your permanent or usual place of work will not be allowable – but visits to patients and mileage to training courses that you are sent on is an allowable expense as is travelling to a temporary place of work.

You can claim 40 pence per mile for the first 10,000 mile and 25 pence per mile thereafter.

b Fees and subscriptions are an allowable expense so MDU/MPS fees, BMA and all other subscriptions to professional bodies should be included.

c The other expenses that you can claim for tax against employment income are limited. They have to be expenses which are directly connected with doing your job. You would for example not be allowed to claim for the cost of courses attended as the Inland Revenue would class this as a cost of 'putting you in a position to do your job' rather than carrying out your job.

You can claim for equipment which you purchase which is directly required in order for you to carry out your job.

SELF EMPLOYMENT INCOME

Self employment income is professional earnings from work undertaken by you from which tax has not been deducted at source.

This would comprise all locum fees and out of hours sessions.

Self employment income does not have to be declared for 'tax years'. You can complete an income and expenditure up to any date in the tax year. For example, you may choose to have a 30 June year end. So in your tax return to 5 April 2005, you would include your income and expenses for the period to 30 June 2004.

In certain cases, this can significantly delay the payment of taxation. But there are relatively complex rules for when you start up – and it does mean that when you stop, there is a catch up of the taxation to be paid.

There is much more scope for claiming expenses under self employment. This can include not only professional subscriptions and insurance, but motor expenses, use of home claims, claim for business use of home telephone, stationery, postage, computer expense. Basically any costs that you incur as a result of your self employment work.

A use of home claim is for studying, paper work. This should be based on a proportion of household expenses and can include mortgage interest.

It is very important to keep details of all expenses incurred – the Inland Revenue may require these if they ever enquire into your tax return.

For motor expenses, you can claim a percentage of your overall motoring expense rather than 40p per mile. You do however have to keep records including a detailed mileage log.

Remember to include Accountancy fees!

For self employment income – you now have to be very careful with how superannuation contributions are treated – particularly from out of hours sessions.

For some out of hours organisations, the fee paid to you will be NET of superannuation contributions and you will have completed the GP SOLO superannuation form. For others, the gross fee is payable without the deduction of superannuation.

For the purposes of the income on the self employment pages of a tax return, then income must be shown BEFORE the deduction of superannuation. The superannuation contributions should then be shown separately in your tax return as a pension contribution. This is now much more complicated than previously.

Locum work is superannuable and again all income must be shown gross with the superannuation contributions detailed separately on your tax return.

Superannuation contributions on locum work should be made using Locum forms A and B which are available on the NHS pension agency website. www.nhspa.gov.uk

HOW IS YOUR TAX CALCULATED?

If you submit your tax return to the Inland Revenue before the 30 September after the end of the tax year, or if you complete it online before 31 December, then the Inland Revenue will calculate the tax you are liable to pay.

This calculation however must be checked very carefully to ensure that this is correct otherwise you could be overpaying tax.

Alternatively, you can calculate your own tax liability using the Inland Revenue tax calculation guide which is sent with your tax return. This is however a very complex calculation.

Or – you could retain the services of an experienced accountant who will calculate the tax for you.

Effectively, all your sources of income are taken into account when calculating your tax liability and there are different rates of tax depending on the type of income. Investment income is generally taxed at 20% or 40%, dividend income is either at 10% or 32.5%, earned income is either 10%, 20% or 40%.

WHEN IS TAX PAYABLE

Normally, tax is payable on the 31 January following the end of a tax year.

If however your tax liability is more than £500, the Inland revenue will also require payment on account for the following tax year. This will be 50% of the liability for the previous year and are paid on 31 January during the tax year and a second payment on 31 July following the tax year. The balance of any tax payable is due on 31 January after the tax year (together with the first payment on account for the next tax year).

If however, 80% of your total tax bill is paid at source (from employment earning) then there will be no payments on accounts to be made.

It is possible for any tax (if less than £2,000) rather than being paid on one lump sum, to be deducted from your employment income in the following tax year by amending your 'tax code'. You must complete the paper tax return by 30 September or file by internet 31 December if you want the tax to be deducted from your employment income.

Conclusion

The finances of general practice are complicated and vary considerably from practice to practice. It is essential that you have a grasp of the basics regarding partnership profitability and funding for surgery premises.

Expert accountancy advice should be sought when applying for partnership positions (cost of £250 + VAT for a detailed financial review) and dealing with taxation issues.

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