



# RCS SURVEY ON THE NHS PENSION SCHEME

Report of Findings

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# 1. Overview

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*1,890 members took part in our survey, which ran for just 1 week in October 2019*

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Following concerns about the impact of changes to the NHS Pension Scheme on the surgical profession and patient care, The Royal College of Surgeons of England (RCS) commissioned YouGov to survey our members to understand the scale of the problem<sup>1</sup>. In particular, we were troubled by reports that surgeons were reducing their NHS work or retiring early as a result of the new pension taxation rules, with a knock-on effect on waiting times for planned surgery.

1,890 members took part in our survey, which ran for just 1 week in October 2019. 92% of consultant surgeons were very concerned about the current tapered annual allowance and pension taxation rules. The problem is also affecting our Faculty of Dental Surgery members, with 83% of dental surgeons concerned about the new rules.

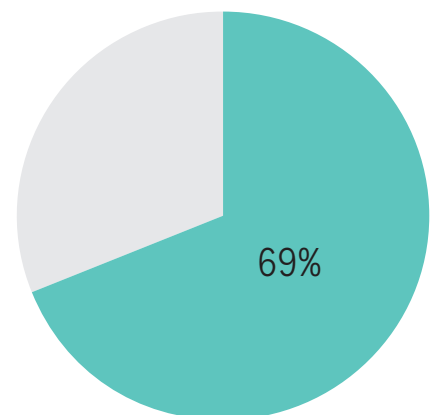
Worryingly, our survey reveals that 69% of consultant surgeons have reduced the amount of time they have spent working in the NHS as a direct result of changes to pension taxation rules. This coincides with a period of rising and record waiting lists for planned operations. Surgeons are

not acting on unfounded fears of falling foul of large tax penalties: many report receiving tax bills running into tens of thousands of pounds. Their well-founded concern is that, by agreeing to work extra shifts on the weekend on 'waiting list initiatives', the difference between working a five-day week or a six-day week can tip them into a punishing tax band. Our survey reports that 61% of consultant surgeons have received professional or financial advice to refrain from taking part in this type of NHS waiting list reduction initiative.

In addition, the survey showed that 68% of consultant surgeons are considering early retirement because of the new pension arrangements. 7 out of 10 (71%) of consultant surgeons are also considering reducing their non-clinical commitments, including educational and managerial roles. This has worrying implications for the future training of surgeons.

The RCS wrote to both Mr Jeremy Hunt and Mr Boris Johnson during the summer Conservative leadership contest, urging that they take action to address this issue. Although the Department for Health and Social Care has since published a consultation to

increase flexibility for experienced doctors in the NHS Pension Scheme in England and Wales, the RCS is seriously concerned that the situation will not be resolved before winter takes hold, causing waiting lists for planned surgery to deteriorate further.



69% of consultant surgeons have reduced the amount of time they have spent working in the NHS as a direct result of changes to pension taxation rules

# 2. How is the pension tax issue affecting the surgical profession and patient care?

As a Royal College responsible for advancing surgical standards and improving care for patients, we are not in a position to comment on the terms and conditions relating to the NHS Pension Scheme. However we are seriously concerned about the impact of changes to the pension taxation rules on the delivery of NHS care and on surgeons themselves.

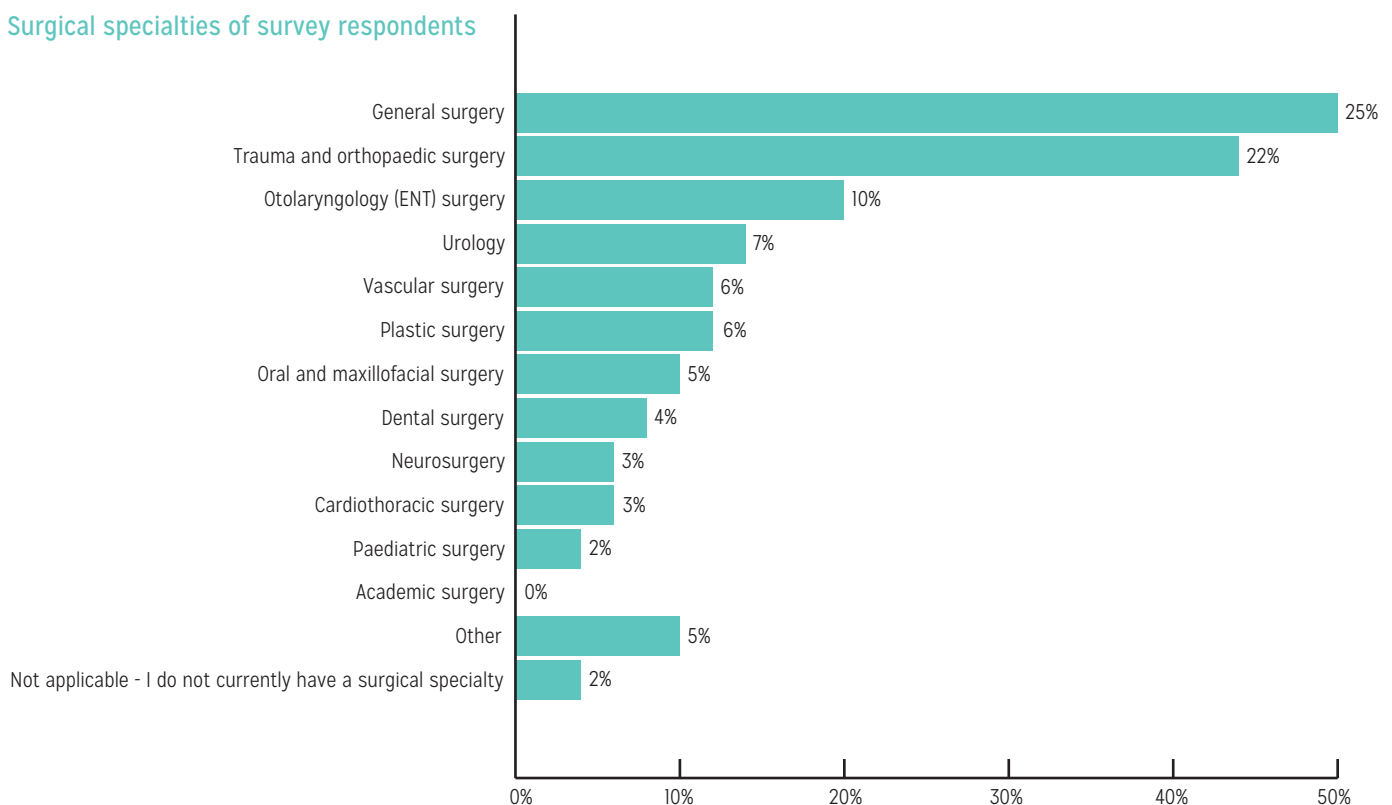
The NHS Pension Scheme was affected by the introduction of a

tapered annual allowance by HM Revenue and Customs in April 2016 to limit pension tax relief. An unforeseen consequence of this 'taper' has meant that growth in income and pension benefits can be taxed repeatedly, sometimes generating bills that are larger than the amount being taxed. This has had a significant impact on experienced doctors in the NHS Pensions Scheme, with some saying they are in effect 'paying to work' if they take on additional sessions in the NHS

to help reduce waiting lists and support workforce pressures.

The RCS survey found that over two thirds (69%) of consultant surgeons are expecting an increase in taxes this year, specifically because of the tapered annual allowance and pension taxation rules. Our survey demonstrates the impact of the new arrangements on the following areas, which are explored in more detail on pages 5–7.

## Surgical specialties of survey respondents



## 2.1 IMPACT ON WAITING LISTS

There are currently a record 4.41 million people on the NHS waiting list in England. In August 2019 (the latest figures available), only 85% of patients were seen within 18 weeks, meaning the Government's target of 92% has not been met in over 3 years – since February 2016. There were 662,053 patients waiting more than 18 weeks to start planned treatment in August 2019, almost 25% higher than the same time last year. Additionally, 260,887 patients waited over 6 months to start treatment, and over 45,000 people waited over 9 months. This is the first time the number of patients waiting over 9 months has exceeded 40,000.

Tackling the waiting list backlog has traditionally been achieved through 'waiting list initiatives', whereby surgeons take on extra shifts beyond the usual five-day week, often during weekends. However the current pension tax situation has led to doctors receiving large and unpredictable tax bills for agreeing to undertake this essential extra work, thereby creating a significant financial disincentive.

Our survey found that while more than half (57%) of consultant surgeons had undertaken extra sessions to reduce surgical waiting lists in the last year, two thirds (66%) of that group will not undertake any such sessions this year. Overall, 69% of consultant surgeons have reduced the amount of time they have spent working in the NHS as a direct result of changes to pension taxation rules. Upon taking financial advice, 61% of

consultant surgeons have been specifically advised to refrain from taking part in waiting list reduction initiatives. Finally, 64% of consultant surgeons have been advised to work fewer hours in the NHS to avoid 'crippling and unpredictable' tax bills.

### On waiting lists, our members said:

*"This is not a story about pensions, it is a story about how long patients will have to wait for surgery. I am 42 and looking at an annual allowance bill every year until I retire. I have dropped from 11 to 10 programmed activities<sup>ii</sup> because it is the only thing I can do to mitigate it. In trauma and orthopaedics, the programmed activities (PAs) for those of us in trauma are set into the rota, so it is elective orthopaedics that is cut. By dropping one elective PA, my elective operating lists are reduced by one third. My waiting list went from five months to nine months overnight. It is the biggest threat to the NHS at present, much greater than Brexit."*

*"As a junior consultant, to have to actively avoid doing any waiting list initiatives, and watch your waiting list grow, and see your patients suffering in pain or getting angry at the length of the waiting list is soul destroying. I have never seen morale so low and in a department of 25 consultants, to hear the dismay expressed by all senior colleagues at this complete fiasco is frankly depressing. All consultant meetings are now dominated by this and meanwhile, the real victims of this mess are the patients."*

*"The current pension arrangements mean to fulfil my commitment to patients with cancer, I undertake extra lists for free. That is not sustainable going forward, or other parts of my job will need to change."*

*"This is crippling the NHS, stopping consultants from taking in extra work to prevent waiting lists building up. Given current staffing shortages, signing up for extra lists has been an essential way of managing the staffing shortage in order to keep the NHS functioning."*

*"Working in a busy, predominantly, cancer service, my consultants and I have, historically, regularly committed to additional work to help, not only meet targets, but also treat patients in need of urgent care. With the advent of these new punitive tax rules myself and my colleagues have pretty well completely stopped doing these ad hoc sessions. Moreover, we have seen many of our elective lists cancelled due to a lack of anaesthetic cover, again arising from these new tax laws."*

*Tackling the waiting list backlog has traditionally been achieved through 'waiting list initiatives', whereby surgeons take on extra shifts beyond the usual 5-day week, often during weekends*

## On staff retention, our members said:

*“The NHS is under a massive pressure. It is very sad to see senior consultant colleagues retiring very early from the NHS and junior consultants, including myself, reducing their NHS work significantly. Unfortunately, those who will suffer are the patients that rely on the NHS for their treatment.”*

*“I have been considering leaving the UK and working overseas. My family are now grown up and I have little to hold me back. Had I known the NHS would turn out like this I would have chosen a different career.”*

*“This tax change is disastrous, I had planned to work to 65 but have had to reduce sessions to 7, and if there are no changes to the rules will probably retire from NHS next year at 56. It’s just not worth carrying on. After 35 years working hard for the NHS, I have been let down badly.”*

*“Fear this may be the end for the NHS. Waiting lists are out of control and no way of combating it. In the last 2 months our trust has spent over £250k contracting out work because of this and other workforce problems. This spending is not sustainable. I’ve never known the consultant workforce to be so low in mood, there is no motivation at all.”*

## 2.2 IMPACT ON RETENTION OF SURGEONS

The General Medical Council (GMC)’s recent workforce report, *The state of medical education and practice in the UK*, highlighted the challenge “to retain substantial numbers of doctors who, in the face of pressures, are reducing their hours or intending to leave UK practice.” It found that the number of doctors over 55 years-old taking early retirement is now about 3-times greater than it was almost 10 years ago. Moreover, about one third of doctors who leave the medical register permanently, go abroad.

The RCS shares these concerns and has been calling on the Government to take action to keep older surgeons in the NHS as they are a valuable source of knowledge and experience. However, persisting with a tax system that punishes senior doctors for taking on extra work will only have a negative effect on their retention. Our survey

showed that almost three-quarters of consultant surgeons (73%) are aware of surgical colleagues who have retired early specifically because of the changes to pension taxation rules. More than 3 in 5 (64%) of RCS members are actively considering retiring early because of the pension tax rules, and this figure rises to 68% among consultant surgeons. In addition, nearly one third (31%) of consultant surgeons have been advised to retire early due to the pension tax arrangements.

Along with the potential loss of experienced surgeons in the NHS, our members have stressed that the pension tax situation is having a detrimental effect on workforce morale. The GMC workforce report stated that “taking hard steps toward leaving the profession is strongly associated with dissatisfaction and burnout” so we are concerned that even more surgeons may consider leaving the NHS if the pension tax issue is not resolved urgently.

*More than three in five (64%) of RCS members are actively considering retiring early because of the pension tax rules, and this figure rises to 68% among consultant surgeons*

## 2.3 IMPACT ON SURGICAL TRAINING OPPORTUNITIES

The GMC's annual trainee survey consistently finds that surgical trainees are the least satisfied of all the medical specialties. Many have concerns about the time available for training, the demands placed upon them to cover the service, and their exposure to common surgical conditions. The RCS has been working with Health Education England to develop the *Improving Surgical Training* initiative to address these issues by piloting a new surgical training programme in a number of different specialties. This will build on the apprenticeship model for surgical training, where trainees learn their

skills from more experienced, senior surgeons.

However, our survey revealed that 71% of consultant surgeons are considering reducing their non-clinical commitments, including educational and managerial roles, because of the pension rule changes. Together with statistics showing the high number of experienced surgeons who are considering leaving the NHS early, the RCS is seriously concerned that the NHS will lose those who are responsible for training the next generation of surgeons. As well as creating a potential training gap, this could also impact on the morale of trainees who look to senior colleagues for mentorship support and advice.

### On surgical training opportunities, our members said:

*"Although as a ST8 in surgery, I'm not impacted financially, I've seen senior consultants drastically cut back their sessions both in my current Trust but also in other Trusts. This impacts me as a trainee as my consultant no longer does day surgery or endoscopy sessions. He is an amazing trainer and good surgeon. There has been a gradual decline in surgical training opportunities through breakdown of firm structure, shift work, EWTD and now further impact through the pension changes. Without additional time granted to higher training or a drastic change in the trend that we are seeing, how can we realistically expect to produce safe and competent surgeons?"*

*"I'm a senior trainee with CCT<sup>iii</sup> in the next 8 months. The major impact to me will be the relative lack of senior colleagues for advice and support when I become a consultant as they are forced to reduce their hours or retire early."*

*"These tax changes strongly disincentivise senior experienced clinicians from performing extra work for the NHS. This has a massive impact on morale and dedication to the NHS as well as being a waste of valuable experienced surgeons' time and expertise. They will not be available to train and mentor junior colleagues. I have lost any loyalty I previously had to the NHS and am actively considering emigrating."*

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*Our survey revealed that 71% of consultant surgeons are considering reducing their non-clinical commitments... because of the pension rule changes*

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# | 3. Case studies





**CONSULTANT  
GENERAL SURGEON,  
BETSI CADWALADR  
UNIVERSITY HEALTH  
BOARD**



A consultant general surgeon at Glan Clwyd Hospital, north Wales is expecting to receive a back-dated tax bill on his pension contributions to the tune of £40,000. He said that since he realised that the pension tax would leave him with very little income from undertaking extra sessions for the 'Waiting List Initiative' (WLI), he has stopped doing them. He said that many of his colleagues have taken a similar stance, making it increasingly difficult for the department to meet its targets for long waiting elective surgical patients, unless it employs locum doctors, at a great cost. He believes the pension tax could have a significant financial impact on some trusts as they plug gaps in the service with locum doctors to maintain waiting list targets.

However, he remains extremely concerned that patients are suffering and having to wait longer for treatment, as a result of the pension tax. He says there is a detrimental effect on the endoscopy service, with waiting times increasing

as vacant lists, resulting from annual and professional leave, etc., are no longer backfilled for WLI payments. This may result in the delayed diagnosis of gastrointestinal cancers and other serious diseases.

He has also turned down requests to take on leadership roles in the hospital and the wider region, because the extra payments involved would result in very little income, after the pension tax. He believes he is therefore contributing less to the healthcare service (NHS Wales) than he would be if he did not have these concerns about the pension tax.

**CONSULTANT  
UROLOGIST,  
PLYMOUTH  
UNIVERSITY TRUST**



I used to carry out a lot of extra operating lists for my NHS trust (mainly pelvic cancer cases) and received payment for doing so. We have insufficient consultant numbers to run our service without doing extra work. The extra work suited the trust, the patients and myself. A colleague calculated that the extra work done by the eight consultants in our unit was equivalent to six new consultant job plans.

Like many of my colleagues, this year I have received a five figure tax bill, on top of my income tax, for being in the NHS pension scheme. This is because my pension pot increased by an amount that was deemed worthy of taxation. I have no control over how much of my income goes into my pension and no control over how much my pension pot does or does not increase.

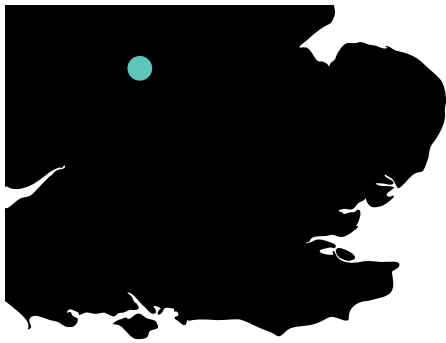
Effectively, I am being punished for doing any work over 11 PAs, any extra NHS activity and any private practice (I do a small amount). The financial punishment cannot be predicted and will come 12–18 months after I have carried out the work. Like the Sword of Damocles hanging over my head. My financial advisor and accountants have similar difficulties trying to predict the size of my yearly extra pension tax bill. I am looking at a similar extra tax bill this year, for the work I did last year. It is very difficult to budget for my family.

I have now reduced my PAs and am not doing any extra activity. Most of my colleagues have done the same. Our waiting lists have increased. MDT meetings to discuss the management of cancer patients have become futile because of insufficient consultant radiology and consultant histology availability.

There have been many meetings in our department about how we can reduce the waiting lists for cancer and non-cancer patients. There are precious few trained urology registrars waiting for consultant jobs so we cannot recruit. The situation is insoluble.

I am 51 years old and have had 15 relatively happy and productive years as a consultant surgeon in my trust. I am slowly becoming detached from the workings and challenges of my trust and the NHS.

### CONSULTANT GENERAL SURGEON, HEART OF ENGLAND NHS FOUNDATION TRUST



I have now had to come out of the pension scheme early as I will get further bills every year until retirement (three years away) and financially I would have had to pay considerably more into the pension scheme than I would ever get back out. As a result I will be retiring at 60 rather than the original plan of approximately 63 years old. I no longer do waiting list initiative lists either (endoscopy at weekends or cover of colleagues' absence for elective sessions).

My Trust has set up a six days per week operating facility and no surgeon over the age of 50 is prepared to do the extra lists to cover gaps, particularly on Saturdays. Fortunately there are enough younger surgeons available to do so,

but considerable operating experience is being wasted as a result.

The drop in morale as a result of this tax, and general deterioration of the service we can currently provide, has been marked and I now don't know any active consultant in my hospital who now plans to work past age 60. There are also a number in their 40s who are trying to work out if staying in the pension scheme is still worthwhile as they will erode their pension to such an extent that it is not worth having!

### CONSULTANT ONCOPLASTIC BREAST SURGEON, BRADFORD TEACHING HOSPITALS NHS FOUNDATION TRUST



I became a Consultant Breast and Reconstructive surgeon in 2006. Over the past 15 years in addition to a full-time clinical job plan, I held various management posts including MDT Lead, Speciality Lead, Clinical Director and finally Divisional Clinical Director from 2013–2016. As the DCD, I managed a budget of £120 million and 168 Consultants and 1,000 staff. I continued clinical practice part time.

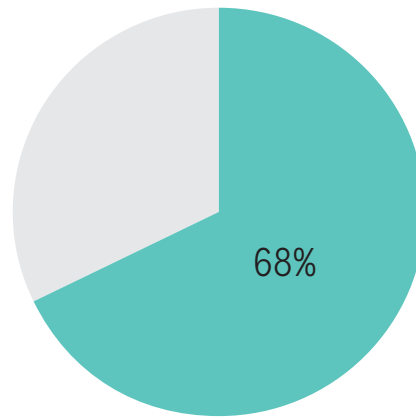
With the increasing pressures of management and the punitive tax burden I ultimately step down in 2016 and return to a 4 day week part time Clinical Job plan. I continue to be offered additional activity, but the financial gains do not supplement the extra time lost.

Waiting lists continue to grow, and as we approach winter, planned elective in patient cases are cancelled to free up beds for Medicine. Weekend/evening additional activity is offered at £500 per session but after tax at costs at 50% it simply isn't worth it. Previously we would back fill two week fast track clinics for suspected breast cancer to maintain the target, but again this is no longer financial viable, and a New Consultant post was created at a significant burden to the trust to sustain the service provision. This could have been avoided if the lifetime allowance was lifted.

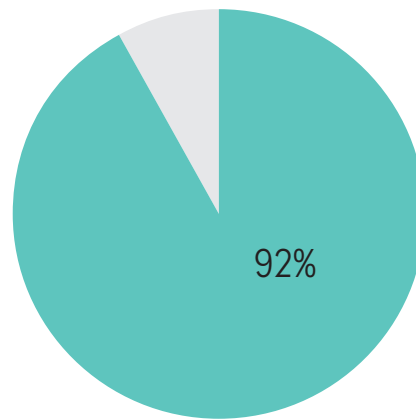
# | 4. Next steps

The RCS survey demonstrates the very serious impact the new pension taxation rules are having on waiting times for planned surgery, retention of surgeons and surgical training opportunities. With so many consultant surgeons reducing their operating hours or planning to retire early, we urge the Government to act fast to resolve the issue, rather than wait for the consultation to follow its course.

As waiting lists for planned surgery are already at record levels, the RCS is seriously concerned that waits will deteriorate further, and be further compounded by winter pressures unless urgent action is taken.



68% of consultant surgeons are considering early retirement because of the new pension arrangements

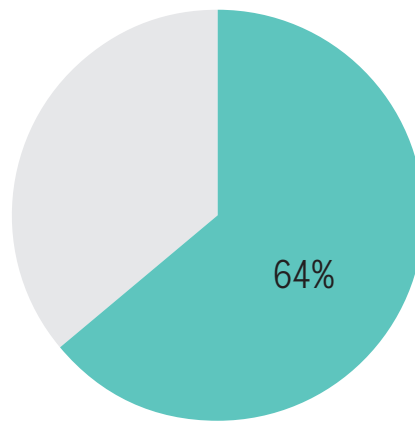


92% of consultant surgeons are very concerned about the current tapered annual allowance and pension taxation rules

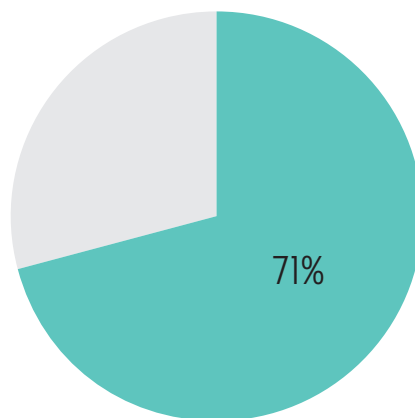
# Annex 1: Key statistics

## CONSULTANT SURGEONS

- 92% of consultant surgeons are very concerned about the current tapered annual allowance and pension taxation rules.
- 69% of consultant surgeons are expecting an increase in taxes this year, specifically because of the tapered annual allowance and pension taxation rules.
- While 57% of consultant surgeons had undertaken extra sessions to reduce surgical waiting lists in the last year, 66% of that group will not undertake any such sessions this year.
- 61% of consultant surgeons have been advised (eg, by an accountant or financial adviser) to refrain from taking part in waiting list reduction initiatives.
- 73% of consultant surgeons are aware of surgical colleagues who have retired early specifically because of the changes to pension taxation rules.
- 31% of consultant surgeons have been advised (eg, by an accountant or financial adviser) to retire early due to the pension tax arrangements.
- 69% of consultant surgeons have reduced the amount of time they have spent working in the NHS as a direct result of changes to pension taxation rules.
- 64% of RCS members are considering retiring early because of changes to pension tax. This figure rises to 68% among consultant surgeons.



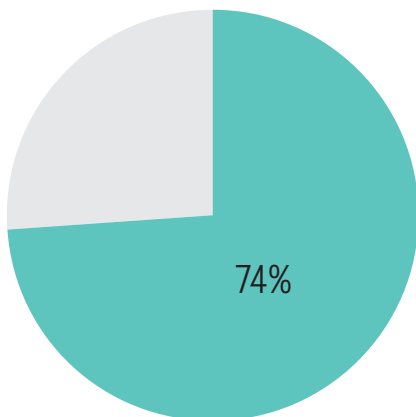
64% of consultant surgeons have been advised (eg by an accountant or financial adviser) to work fewer hours in the NHS



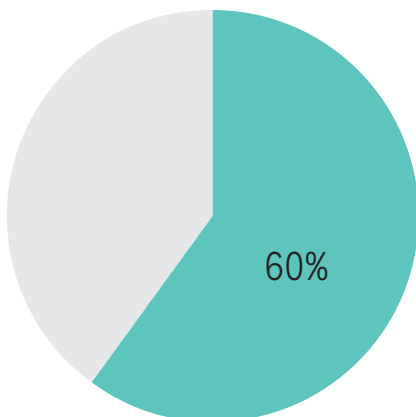
71% of consultant surgeons are considering reducing their non-clinical commitments because of the rule changes. These include educational and managerial roles.

## WALES

- 94% of surgeons in Wales are concerned about the current tapered annual allowance and pension taxation rules.
- 55% of surgeons in Wales reduced the amount of time they spent working in the NHS this year, compared to last year, as a direct result of changes to pension taxation rules.
- 53% of surgeons in Wales have been advised (eg, by an accountant or financial adviser) to work fewer hours in the NHS.
- 53% of surgeons in Wales have been advised (eg, by an accountant or financial adviser) to refrain from taking part in waiting list initiatives.
- 22% of surgeons in Wales have been advised (eg, by an accountant or financial adviser) to retire earlier.



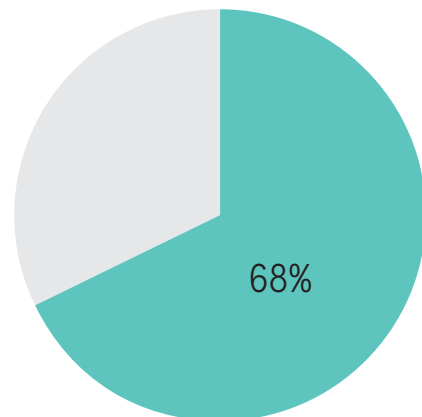
74% of surgeons in Wales will not undertake any extra sessions in the coming year to reduce access time for patients on surgical waiting lists



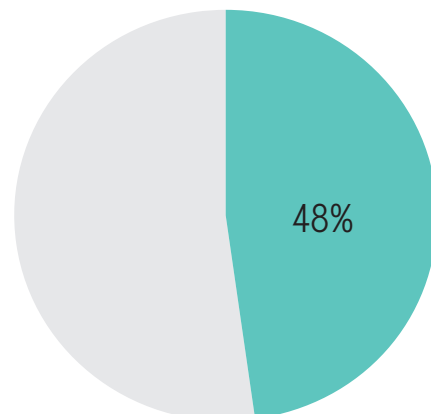
60% of surgeons in Wales are considering reducing their non-clinical commitments due to the current pension taxation rules

## NORTHERN IRELAND AND SCOTLAND

- 89% of surgeons in Northern Ireland and Scotland are concerned about the current tapered annual allowance and pension taxation rules.
- 47% of surgeons in Northern Ireland and Scotland reduced the amount of time they spent working in the NHS this year, compared to last year, as a direct result of changes to pension taxation rules.
- 49% of surgeons in Northern Ireland and Scotland have been advised (eg, by an accountant or financial adviser) to work fewer hours in the NHS.
- 41% of surgeons in Northern Ireland and Scotland have been advised (eg, by an accountant or financial adviser) to refrain from taking part in waiting list initiatives.



68% of surgeons in Northern Ireland and Scotland will not undertake any extra sessions in the coming year to reduce access time for patients on surgical waiting lists



48% of surgeons in Northern Ireland and Scotland are considering reducing their non-clinical commitments due to the current pension taxation rules

# Annex 2: Faculty of Dental Surgery

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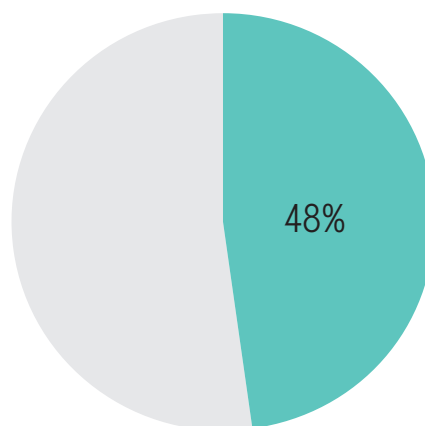
*One third (33%) of those surveyed have been advised to take early retirement*

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Our survey also highlights the specific impact of the new pension taxation rules across a sample of dental surgeons, revealing that one third (33%) of those surveyed have been advised to take early retirement as a result.

Early retirement is a particular issue within dental surgery as the number of specialists in some dental disciplines is already quite low, a problem which will be further exacerbated if senior members of the workforce leave early due to concerns over pensions. This would not only affect service provision, prospectively making it more challenging for patients with complex oral health needs to access the treatment they need, but would also have a significant impact on the training and development of dental surgeons at all stages of their career as valuable expertise is lost from the workforce.

- 38% of dental surgeons are considering reducing their non-clinical commitments due to the current pension taxation rules.



48% of dental surgeons reduced the amount of time they spent working in the NHS this year, compared to last year, as a direct result of changes to pension taxation rules

## KEY STATISTICS

- 83% of dental surgeons are concerned about the current tapered annual allowance and pension taxation rules.
- 36% of dental surgeons will not undertake any extra sessions in the coming year to reduce access time for patients on surgical waiting lists.
- 35% of dental surgeons have been advised (eg, by an accountant or financial adviser) to work fewer hours in the NHS.
- 15% of dental surgeons have been advised (eg, by an accountant or financial adviser) to refrain from taking part in waiting list initiatives.
- 33% of dental surgeons have been advised (eg, by an accountant or financial adviser) to retire earlier.

## CASE STUDY: CONSULTANT IN ORTHODONTICS, YORKSHIRE

The NHS hospital orthodontic service is currently in difficulty across the country with high numbers of vacant consultant posts, particularly outside of major dental school cities, thus difficulties with patient access. Patients who are seen within the hospital are those of highest need and so are disadvantaged.

We are subject to 18 week referral to treatment like the rest of hospital services and the government wants us to be compliant with 92% of our patients being seen and treated. To enable our service to come close to these targets we have had to undertake waiting list initiatives since I was appointed around six years ago. This has meant evening clinics to accommodate the local referral need and the pressures on our service to perform. This has meant significant amounts of time away from my young family.

We have almost got to the point of hitting the government's targets but due to these pension changes, the two consultants in my service have now stopped these evening clinics and we will therefore increase waiting times to be seen and treated. One aspect of the coverage of these pension changes that have not been particularly highlighted are the effects on the dental profession and

particularly the primary care service. I also work as an NHS specialist in primary care (same pension scheme) treating referred children with orthodontic need. These services are also under commissioned across the country. Our practices have waiting lists of two years to be seen and in our region there are waiting lists up to four years.

We can only now think about reducing our clinic time or even leave the NHS. The changes to the allowance that I've already accrued a significant extra charge which far outweighs the financial benefit of the time spent doing these services and the time away from family.

The effect of these pension changes are enforcing practitioners to reduce their NHS time to prevent the adverse charges and thus waiting lists will only increase. We have all signed up to what was a great pension scheme. This has slowly been eroded with pension changes and now these tax changes are a further insult to hard working medical and dental professionals. As a group, we are higher rate tax payers, contributing significant amounts to the economy and the treasury. Our contributions to society were originally rewarded and now we are being further disadvantaged. To change the allowance from £210k to £40k is significant. This massive change in allowance should be reversed or at least increased to ensure that the NHS continues to provide services to the country effectively.

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<sup>i</sup>YouGov hosted an online survey of the Royal College of Surgeons of England's membership. Fieldwork ran from 7 October 2019 – 14 October 2019. The survey was completed by 1,890 members.

<sup>ii</sup>A full-time job plan for a consultant working in the NHS consists of ten programmed activities (PAs), some for direct clinical care and others being 'supporting professional activities'. Trusts may request medical staff to work more than ten PAs per week or take on additional responsibilities. A programmed activity is a four-hour unit of time (one half day) done within the normal working week (Monday to Friday).

<sup>iii</sup>Certificate of Completion of Training (CCT) confirms that a doctor has completed an approved training programme in the UK and is eligible for entry onto the GP Register or Specialist Register.