



Employer Pensions Notice

EPN 135

Civil Service Pension and Compensation Arrangements Medical Advice Contract

Audience This Notice will be of particular interest to:

- HR staff involved in referring cases to the scheme medical adviser; and
- those who are responsible for paying the adviser's subsequent fees.

Action

- To note that BMI Health Services have been taken over by Capita Health Solutions (CHS)
- To issue new standard referral forms (Annex A)
- To advise of changes to the application of VAT to services provided under the medical advice contract

Timing

The new standard referral forms must be used from the date of the notice. The revised application of VAT took effect from October 2005.

Background

1. The contract to provide medical advice for the Civil Service pension and compensation arrangements, which is managed by the Cabinet Office, runs until 31 March 2009. BMI Health Services were contracted to provide this service in April 2005. Capita Health Solutions (CHS), a large provider of occupational health, have recently taken over BMI Health Services and will continue to provide medical advice to the Civil Service pension and compensation arrangements under the current contract until March 2009.

2. Referrals should from now on be addressed to Capita Health Solutions. The postal address remains:

1 Greyfriars
Queen Victoria Street
Coventry
CV1 3PJ

Standard referral forms

3. Attached at Annex A are a new range of standard referral forms, which replace those issued in December 2002 with EPN 40. There are no significant differences between the new and old forms with regard to the information being asked for. The new forms, however, are in a different format. You will see that we have changed the referral forms so that there is now a single form for each type of standard referral (incorporating the consent to release medical information), as follows:

Med 1/05 – Ill health retirement
Med 2/05 – Early payment of preserved award on ill health grounds (**classic** only)
Med 3/05 – Health standard on joining/rejoining the scheme
Med 4/05 – Injury benefit advice
Med 5/05 – Appeals – ill health retirement/early payment of award
Med 6/05 – Formal injury benefit appeals (injuries from 1 April 2003 only)
Med 7/05 – Injury benefit – review of medical advice

These forms are available from our website (login details below) under CSP forms or by typing in 'Capita Health Solutions' into the search engine.

4. You are reminded that all referrals to CHS **must** be made using these standard referral forms, and **must** include all the information required. You must not change or customise the forms. Incomplete referrals will be returned by CHS and a fee charged to you. As this costs you money and delays the provision of advice, *it is in everyone's interest to ensure that referrals to CHS are complete first time every time.*

VAT Changes

5. HM Revenue and Customs (HMRC) determine what goods and service are subject to VAT liability. Following a case in the European Court of Justice, the test applied by HMRC in respect of occupational health providers is now that if the primary purpose of a service is the provision of reports to enable the recipient to decide a course of action, then that service is liable to VAT at the standard rate. Consequently, the majority of the services provided by CHS under the contract with Cabinet Office that were previously exempt are now subject to VAT liability.
6. Government departments and agencies (but not NDPBs) are able to reclaim input VAT on services that are not procured for business' purposes (as set out in para 24.2.6 of Government Accounting). The services provided by the scheme medical adviser are not for business purposes. For most users of the contract, who are VAT registered, the impact is negligible as the VAT charged can be reclaimed as Input VAT on their next VAT return. If your finance officers wish further clarification, they should contact CHS on 01224 669000 and ask to speak to Jason Boatwright (Financial Director) or Frances Read (Finance Manager).

Reference This document replaces EPN 40 & 45

Contacts Enquiries about content, distribution or to receive in a different format

employerhelpdesk@cabinet-office.x.gsi.gov.uk

01256 846414

**Employer Helpdesk, Civil Service Pensions, Grosvenor House, Basing View
Basingstoke, RG21 4HG**

You can find copies of all current EPNs and forms on our website
www.civilservice-pensions.gov.uk in the Employer and APACs section
username **employers** password **mc2fxqfy**

Annex A

Standard referral forms

Med 1/05 – Application for medical advice – ill health retirement

Med 2/05 – Application for medical advice – early payment of preserved award

Med 3/05 – Application for medical advice – health standards on joining or rejoining the scheme

Med 4/05 – Application for medical advice – injury benefit award

Med 5/05 – Appeal against medical advice – ill health retirement / early payment of preserved award

Med 6/05 – Appeal against medical advice – injury benefit award

Med 7/05 – Review of medical advice – injury benefit award