

## **VAT Judicial Review – our proposed way forward**

Back in February Richard Jones explained, in an email, that the way all independent pathology providers are classified for Value Added Tax (VAT) purposes was changing and that we would need to review our organisational structure to ensure it is set up in the most tax efficient way.

We've been back at the High Court recently, this time to agree the timeframe for implementing these new rules. We're delighted that HMRC supports our proposals as being legal and appropriate and that our suggested timeframe for this, 1 January 2015, is now agreed by the Court. In short this means that the tax position is a risk we can largely mitigate, as long as we can make the necessary changes, and we'll continue our work to set the standard for the future of pathology.

While this is an important decision for us, firstly we must agree the way forward with our Joint Venture partners. 2015 sounds a long way away but recognising there's lots to do in a relatively short time, we're currently working through the changes we might need to make.

You'll be hearing much more about this through these updates and from your senior managers over the coming weeks.

## **Changes to the NHS Pension Scheme**

Following a Government consultation the Department of Health announced that, with effect from April 2014 staff who are transferred out of the public sector could continue to participate in public sector pension schemes.

In future this change will apply to NHS staff affected by TUPE transfers into the independent sector.

As part of this change, the Department of Health also announced a requirement that work-around arrangements, (such as RoE secondments) which enabled staff to retain their NHS Pension Scheme membership will end; however those staff could remain members of the Scheme using access under the new Independent Provider arrangements.

This change requires employers to establish "fresh employment arrangements" for RoE staff. We are currently taking advice on the implications of this and working with the Trusts to consider a number of options - all with the objective of ensuring that NHS pension scheme membership is safe for our RoE employees.

## **Working with our partner Trusts**

As you'd expect with two major developments that directly affect our organisation and the people in it; we're working really closely with the Viapath Board and colleagues in our partner Trusts to review the impact that these will have on our workforce.

We do know that these developments are likely to affect everyone in our workforce. We are working up options, all of which will protect employees' pensions and other employment terms, and we are committed to holding early discussions ahead of any formal consultation.

### **Contact us:**

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