

The Directors  
General Practitioners Defence Fund Limited  
3<sup>rd</sup> Floor  
BMA House  
Tavistock Square  
London  
WC1H 9JP

Our ref CB/NB/GENE15521

3 June 2010

Dear Sirs

### Comparison of gross pay to take home pay

We have examined schedules prepared by GPDF to help members (General Practitioners) understand the amount of take home pay from specified levels of gross pay for the tax years 2009/10 to 2011/12 inclusive. The changes which are clearly of concern to members will include, for example:-

- The impact of the 50% additional tax rate, effective from 6 April 2010.
- The impact of the proposed increase in National Insurance of 1%, effective from 6 April 2011.
- Changes in the rules as they relate to pension contributions and the tax relief available to members.

The information is mainly set out in spreadsheets A - D.

Our review consisted of confirming that:

- the rates and thresholds used for the calculation of tax and National Insurance were correct;
- the formulae used in the construction of the spreadsheets were correct/and
- a sample of the calculations used for each year were correct.

The rates, thresholds and allowances are based on the information available at present, including changes announced in the December 2009 pre-budget report and March 2010 Budget. No assumptions or predictions have been made as to any changes that may be made for future years as a result of Budget announcements, especially the emergency Budget to be held on 22 June 2010, or any changes in Government.

The tax calculations have been based on the current level of personal allowance and neither we nor GPDF have considered the effects on take home pay levels of allowances that may be enhanced or reduced as a result of members' personal circumstances.

The calculations have been calculated based on assumed profits for the tax years concerned. They do not take into account any potential loss relief claims, or any other reliefs or allowances which may be tax deductible and available to members.

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An additional schedule has also been prepared to help demonstrate the position for a salaried GP. We have been unable to verify the level of subscription rates payable to the General Medical Council or Medical Defence Unions, and assume these represent the current (2010) rates; we offer no comment on the rates for future years either. Furthermore, we are unable to comment further in respect of the locum costs included in the schedules.

The calculations have been prepared for illustrative purposes only and Mazars LLP is unable to enter into any correspondence relating to members' personal circumstances. Members are strongly advised to seek professional guidance should they have any queries relating to how any changes to tax and National Insurance will affect them.

Members are also advised to review their affairs on a regular basis, as legislation relating to, for example, tax, National Insurance and pensions, is constantly the subject of review and possible change.

Yours faithfully

Mazars LLP

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