

NHS Pension Schemes

2020/01

Who should read: NHS HR and Payroll Managers
GP Practice Managers
Direction Bodies
Practitioner Service Division (PSD)
Dental Payments

Action: Employers to implement revised contribution tier bandings and to inform scheme members of the changes

Subject: Employee contribution tiers 2020/2021

Date: 21 February 2020

The purpose of this circular is to inform Employers of the employee contribution pay bandings for 2020/2021.

Employers Contribution rate from 1 April 2020 will remain at 20.9%.

Key information in this circular:

- Employee contribution pay bandings to be applied for 2020/2021
- The bandings are to be applied for both the old scheme (1995 and 2008 sections) and 2015 CARE scheme members
- Guidance on applying employee contributions

Background

1. It was agreed during the pension reform discussions in Scotland that employee contribution rates for the NHS scheme in Scotland would be fixed for an initial period. The pay bandings in the contribution table would, however, be adjusted each year in line with the NHS Scotland pay uplift. The table below therefore reflects the adjusted earnings bands for the scheme year 2020/2021.

Column 1 Pensionable earnings band in 2019/20	Column 2 Contributions percentage rate in 2020/21
Up to £18,936	5.2%
£18,937 - £23,228	5.8%
£23,229 - £28,891	7.3%
£28,892 - £56,266	9.5%
£56,267 - £79,801	12.7%
£79,802 - £117,960	13.7%
£117,961 and above	14.7%

2. The contribution rates apply across both the old scheme (1995 and 2008 sections) and the new 2015 CARE scheme.

3. There is no change from previous years to the way the table is applied.

4. The amount of pensionable earnings must be rounded down to the nearest whole pound.

5. For most members the rules are as follows:

- for salaried members of Health Boards, Special Health Boards, GP Practices and Direction Bodies (officer members) the contribution rate to be applied is based on whole time/whole year equivalent pensionable earnings for the previous scheme year.
- for officer members changing or starting a new job part way through the year their contribution rate is based on estimated whole time/whole year pensionable earnings in the current year.
- for practitioner and non GP provider members the contribution rate is set based on their current year earnings from all pensionable sources.

6. More detailed guidance is set out in the Annexes to this circular in respect of applying contribution rates to officer members who are part-time; change employments part way through the year, or have more than one job etc. Guidance is also given in applying contribution rates for practitioners.

7. Assistant practitioners who have more than one employment should continue to use the relevant form (attached as Annex D) to estimate their income from all sources and therefore ensure that the correct employee contribution rate is applied.

8. Forensic Physicians- If this type of work is undertaken on a self-employed basis, i.e. under a contract of service then that would form part of a practitioner's overall pensionable income and therefore is practitioner service. However, if you are employed under a contract of employment and therefore formally 'employed' by an NHS Board then that is an officer employment.

9. In accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, please also ensure that all members who are affected by this change are notified individually. In this respect we have provided information at Annex G (officer members) and Annexes E and F (practitioner members) which can be used for this purpose.

10. Attached to this circular are the following Annexes:

Annex A – applying the correct tier for officer members

Annex B – applying the correct tier for practitioner members

Annex C – information on practitioner income giving guidance on how pension contributions should be paid

Annex D – form for assistant practitioners and salaried GPs

Annex E – leaflet for assistant medical practitioners and salaried GPs

Annex F – leaflet for other practitioner members

Annex G - leaflet for officer members

Any Questions?

Please contact greg.walker@gov.scot if you have any enquiries about this circular.

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