

NHS Pension Schemes

2021/05

Who should read:

NHS HR and Payroll Managers
GP Practice Managers
Direction Bodies
Practitioner Services Division (PSD)
Dental Payments

Action:

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

Subject:

Employee contribution tiers 2021/2022

Date:

10 March 2021

The purpose of this circular is to advise Employers of the employee contribution pay bandings for 2021/2022

Key information in this circular:

- Employee contribution pay bandings to be applied for 2021/2022
- 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 2021/2022.

Column 1 Pensionable earnings band in 2020/2021	Column 2 Contribution percentage rate in 2021/2022
Up to £20,605	5.2%
£20,606 to £24,972	5.8%
£24,973 to £31,648	7.3%
£31,649 to £64,094	9.5%
£64,095 to £89,731	12.7%
£89,732 to £119,560	13.7%
£119,561 and above	14.7%

2. The contribution rates apply across both the legacy scheme (1995 and 2008 sections) and the reformed 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 – factsheet for **assistant medical practitioners** and **salaried GPs**

Annex F – factsheet for other **practitioner** members

Annex G – factsheet for **officer** members

Any questions?

Please contact sppapolicy@gov.scot if have any enquiries about this circular.

Greg Walker

Policy Manager (NHS Pension Scheme, Scotland)

10 March 2021

Annex A

Applying the correct tiers for officer members**Table applicable for 2021/2022**

Column 1 Pensionable earnings band in 2020/2021	Column 2 Contribution percentage rate in 2021/2022
Up to £20,605	5.2%
£20,606 to £24,972	5.8%
£24,973 to £31,648	7.3%
£31,649 to £64,094	9.5%
£64,095 to £89,731	12.7%
£89,732 to £119,560	13.7%
£119,561 and above	14.7%

1. Health Boards should note that **ancillary employments** such as OOH, Bed Fund and sessional payments (not officer) for principal GPs should be set at a minimum of **9.5%**. This will be corrected to the actual rate by PSD when the GPs annual certificate is processed
2. Any **arrears of pay** (above £150) paid in respect of earlier years must be allocated to the year in which it was due when establishing the relevant tiered rate for the current year.
3. Members who are classed as **bank workers** are likely to have several stop and start pensionable posts. For each new and subsequent employment an estimated full year Whole Time Equivalent (WTE) pensionable pay for the current year should be used (similar to treatment of new starters above).
4. Where there is a need to **change a contribution rate** the **new rate should be applied from the start of the next pay period**.
5. For **existing officer scheme members** (those who were in service at 31 March of the relevant year and continuing), their contribution tier is based on their previous full year, WTE pensionable pay as set out in the table.
6. In the case of **concurrent posts** each post is assessed individually in setting the tiered contribution rate.

7. Where an officer member has received **maternity/paternity/sick** pay in the previous year on which the contribution tier is based then the full unreduced pensionable pay (i.e. the deemed pay) must be used to set the tier.
8. For **new starters** (including staff that have changed jobs, returned to NHS employment after a break or have “stepped down”) on or after 1 April of the scheme year, their contribution tier will be based on their estimated full year WTE pensionable pay in the current year.
9. **Part-time staff** should have their contribution tier based on the full year WTE pensionable income. Allowances or supplements that are already considered to be paid at a “full time” rate, however, should not be uprated.
10. **Pensionable pay** for officers includes all salary, wages, fees and other regular payments payable to a member, in respect of pensionable employment as an Officer, but does not include bonuses or payments made to cover expenses or overtime.
11. If there are **short term fluctuations in unsocial hours** allowances “in year” this will not change the tier subject to the revised allowances being paid promptly; i.e. within the next two monthly payslips. However, if the changes are long term (moving permanently from night shift to days) a new tier must be set using the new full year WTE estimated pensionable pay.
12. To note that anyone **stepping down** into a lower paid job should be treated as a new starter for contribution tier purposes but this does not affect those whose hours may reduce within the same job.

Annex B**Applying the correct contributions for practitioners and non GP partners**

1. All medical practitioners and non GP partners will have their contribution tier based on their total certified NHS pensionable income in the current scheme year. Non GP partners can only 'pension' income from one NHS post as membership is regarded as whole time officer status.

2. GP providers (principal practitioners) are required to provide estimated total practice income to PSD at the beginning of the scheme year and to complete the annual certificate of pensionable income at the end of the year (PSD is a Division of National Services Scotland). Further information and relevant forms are available on the PSD Website.

3. A GP's total pensionable income (practice + GP locum + OOHs + bed fund) must be added together in respect of allocating a tier. GPs must pension all their GP income and cannot 'pick and mix' to avoid going into another tier band. Once a tier has been set it is applied to all GP pensionable income, for the whole reporting year. The tier may, however, be revised when certified earnings are provided.

4. A part-time GP's actual pensionable pay is not converted to a whole time equivalent value for the purposes of setting a tier as their tiered rate is based on their actual pay.

5. A GP who is solely a freelance GP locum (has no other GP posts) will have to reassess their tiered contribution rate at year end. Further guidance can be found on forms A and B on the practitioner pages of the SPPA website.

6. Where a practitioner has other concurrent practitioner posts it is the total practitioner income that determines their tiered rate. Practitioners must pension all their practitioner income. However, where a practitioner has a concurrent officer post their practitioner income has no bearing on their officer tiered contribution rate which is treated separately.

7. GP locums who are principal practitioners paid by the Health Board will have their tier provisionally set at a minimum of 9.5%. OOHs (practitioner income), bed fund and GP locum income will be adjusted at the end of the financial year on receipt of certified earnings.

8. GP registrars are treated as officer members of the scheme therefore; the tiered contribution rules in respect of officers apply.

9. If a practitioner or non GP partner changes jobs in year it will not mean two different tiered rates because their tiered contribution rate is based on their total income as a practitioner or non GP partner in that scheme year.

10. Salaried partners/shareholders tiered contributions are based on their practice pensionable pay (i.e. their pre agreed fixed salary) and any other 'fringe' GP income. They must complete a certificate of pensionable income at the end of every pension year.

11. OOH GPs who are also principal practitioners should have their contribution set at a minimum of 9.5% from 1 April of the scheme year for this work by the Health Board and this will be adjusted by PSD when the end of year certificate is received. There is no requirement for OOH GP's who are not principals to have their contribution rate set at a minimum of 9.5%. Other salaried GP employments need to be considered as the tier should be set based on aggregated practitioner earnings. (Refer to Annex D)

12. Assistant medical practitioners and salaried GP practitioners: Contributions are set on the estimated current year aggregated pensionable earnings from all employments and finalised at the end of the scheme year. Assistant practitioners with more than one employer therefore should use the form at Annex C for this purpose.

13. Dental practitioners: Dental payments will arrange for the appropriate tiered contributions to be applied to the majority of dental practitioners (dental payments is part of PSD (a Division of National Services Scotland) who deal directly with dental payments and pension contributions for dentists).

14. Assistant dental practitioners (except dental trainees) should complete form FC21 available on the Practitioners Services website at <http://www.psd.scot.nhs.uk/professionals/dental/superannuation.html> with agreed salary including payments of fees and other regular payments received from their employer in respect of the provision of NHS dental services. This should not include payments made in respect of bonuses, expenses or overtime. The total amount claimed should also not exceed that allowed for as the dental assistant's remuneration for that list number. The form is returned to Dental Payments at the address detailed on the form.

15. A Dental Body Corporate cannot in itself be superannuated. A dentist who is employed by a Dental Body Corporate will be treated as an assistant as above. (See also SPPA circular 04/2016)

16. Annex C gives details on how the different types of practitioner income are assessed for contribution tier purposes and how contributions are paid and reported.

Information on practitioner income giving guidance on how pension contributions should be paid

Pensionable earnings source	Type of benefits	How reported	How tier set	Responsibility for allocation of contribution tier
Principal practitioner (partner or in or single GP practice)	Practitioner	End of year certificate to PSD who forward to SPPA	Actual aggregated earnings for year earned as per final certified earnings	PSD
Non GP Partner	Officer	PSD to SPPA	Actual aggregated earnings for year earned as per final certified earnings	PSD
Principal practitioner acting as Locum	Practitioner	End of year certificate to PSD who forward to SPPA	Actual aggregated earnings for year earned as per final certified earnings	PSD Allocate provisional tier at a minimum of 9.5%. PSD to correct actual tier as part of processing annual certificate of pensionable earnings
Assistant Practitioner or salaried GP employed by Practice	Practitioner	Practice manager reports direct to SPPA	Actual aggregated earnings for year earned as per final certified earnings	Practice Manager
Assistant Practitioner or	Practitioner	Health Board to SPPA	Actual aggregated earnings for year earned as per final certified earnings	Health Board may treat as officer if paid through payroll, however, certificate will show

salaried GP employed by Health Board				final earnings and contribution tier to be adjusted if necessary at end of year
GP retainer	Practitioner	Practice manager to PSD	Aggregated earnings for year earned	Practice manager
Locum (other than principal practitioner)	Practitioner	Member to PSD	Actual aggregated earnings for year earned as per final certified earnings	PSD
Dental Practitioner	Practitioner	PSD to SPPA	Actual aggregated net pensionable earnings for year earned as per final earnings	PSD
Dental Assistant practitioner	Practitioner	PSD to SPPA	As agreed remuneration	PSD
OOHs provider (salaried GP/non principal locum)	Practitioner	Health Board to SPPA	Aggregated earnings for year earned	Health Board
OOHs IOS based payroll payment - principal practitioner	Practitioner	Health Board to SPPA	Aggregated earnings for year earned	PSD. Provisional tier at a minimum of 9.5% to adjust at end of year as part of processing annual certificate of pensionable earnings
Bed funds	Practitioner	Health Board to SPPA	Actual aggregated earnings for year earned as per final certified earnings	Health Board to provisionally allocate a minimum 9.5%

Part-time specialist	Officer	Health Board to SPPA	Whole time/full time equivalent based on previous year's earnings unless a significant in year salary change which will trigger an in year tier change	Health Board
GP registrar (trainee)	Officer	NHS Education for Scotland to SPPA	Whole time/full time equivalent based on previous year's earnings unless a significant in year salary change which will trigger an in year tier change	NHS Education for Scotland
Salaried doctor within hospital	Officer	Health Board to SPPA	Whole time/full time equivalent based on previous year's earnings unless a significant in year salary change which will trigger an in year tier change	Health Board
Salaried dentist within hospital	Officer	Health Board to SPPA	Whole time/full time equivalent based on previous year's earnings unless a significant in year salary change which will trigger an in year tier change	Health Board
OOHs provider-officer	Officer	Health Board to SPPA	Whole time/full time equivalent based on previous year's earnings unless a significant in year salary change which will trigger an in year tier change	Health Board

Annex D**Form applicable to Assistant Practitioner and salaried GP Practitioners**

This form is to be used by the member to help employers ensure they are deducting the correct contribution rate. Assistant and salaried GP practitioners including locums who are not principal GPs are required to ensure that earnings from all NHS employment are taken into account when setting the level of contributions which will be payable to the NHS Pension Scheme (Scotland).

This form must be given to all employers (in respect of assistant and salaried GP employments) for completion. This form does not apply to GP providers, GP registrars, or freelance GP locums. A copy should also be retained by the employer (including PSD for locums).

Once all employers have provided Pay information the member must send the completed form, detailing all employments, to all relevant employers, to ensure the correct rate is applied. This form should not be sent to the SPPA. It must be sent to all active employers.

Notes for completion

1. The pay declared under “estimate of actual earnings” is the actual salary paid taking account of any reduced (i.e. half) pay in respect of sick leave, maternity leave etc.
2. Employers should enter date of commencement of employment if this takes place after the commencement of the scheme year.
3. Employers should enter date of termination of employment if this occurs before the end of the scheme year.
4. The current contribution rates can be found on our website at <https://pensions.gov.scot/nhs/your-membership/your-contributions>
5. Employer contribution rate from 1 April 2019 to 31 March 2024 is 20.9%.

Part A – to be completed by the member

Scheme reference number

<input type="text"/>						
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Surname

Forename(s)

National Insurance number

<input type="text"/>							
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Part B – to be completed by all employers

Name and address of each employer	Estimate of annual earnings 2020-2021	Commencement date of employment (see notes for completion)	Termination of employment date if applicable (see notes for completion)
1.			
2.			
3.			
4.			
Total aggregate of estimated earnings columns 1 - 4			
Contribution tier applicable to total aggregated income			

N.B. each employer will continue to pay employer contributions on the individual employment and not the aggregated earnings

Part C – to be completed by the member and sent to all relevant employers**Declaration**

I understand that the information provided on this form is, to the best of my knowledge accurate and that the information contained is only to be used for the purpose of setting the correct contribution tier in respect of the NHS Pension Scheme.

Signed

Date

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Annex E**What pension contributions will I pay from 1 April 2021?****A factsheet for all assistant medical practitioners and salaried GPs in the NHS Pension Scheme (Scotland)**

1. The table below shows the tiered contribution rates that will be applied to the pensionable earnings of all practitioners from 1 April 2021.

Column 1 Pensionable earnings band in 2020/2021	Column 2 Contribution percentage rate in 2021/2022
Up to £20,605	5.2%
£20,606 to £24,972	5.8%
£24,973 to £31,648	7.3%
£31,649 to £64,094	9.5%
£64,095 to £89,731	12.7%
£89,732 to £119,560	13.7%
£119,561 and above	14.7%

2. Pensionable earnings should be rounded down to the nearest pound.

3. The earnings bands in column 1 change each year in line with any national pay awards.

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

5. There will be cases where the assistant practitioner/salaried GP has more than one employer and therefore, the setting of the contribution rate will require the assistant practitioner/salaried GP to ensure that all their estimated earnings for the year are aggregated so that a correct rate can be set. To meet this requirement each assistant practitioner/salaried GP must complete a certificate with his estimated earnings from all sources at the beginning of each scheme year and present a copy of the completed form (see Annex D) to each employer. This will allow each employer to be aware of the estimated aggregated earnings for the year ahead so that the correct contribution tier can be applied. A copy of this form should also be sent to SPPA by the assistant practitioner/salaried GP for the member's record.

6. If the assistant practitioner/salaried GP has a change in income part way through the year the contribution tier may be adjusted as necessary. If a tier is adjusted in year a new estimated income certificate must be completed by the assistant practitioner/salaried GP and presented to each employer. It will be the responsibility of the assistant practitioner/salaried GP to ensure that any underpayment at the end of the scheme year is paid to SPPA.

7. The employee contribution rate may be adjusted at the end of the scheme year once final income is obtained by SPPA. If the assistant practitioner/salaried GP has also ticked the box on the form indicating that he undertakes locum work these earnings will also be taken into account at the end of the year. Failure to submit the correct information may mean that incorrect records are held and at retirement an incorrect pension may be paid as a result.

8. If you have any officer income (i.e. clinical assistant) this will be classed as a separate pensionable employment and be allocated its own contribution tier by the relevant employing health board. In these cases the employer will remit the correct contribution to SPPA for that employment.

Annex F**What pension contributions will I pay from 1 April 2021?****A factsheet for practitioner members in the NHS Pension Scheme (Scotland)**

1. From 1 April 2021 NHS scheme members will pay contributions as per the table below.

Column 1 Pensionable earnings band in 2020/2021	Column 2 Contribution percentage rate in 2021/2022
Up to £20,605	5.2%
£20,606 to £24,972	5.8%
£24,973 to £31,648	7.3%
£31,649 to £64,094	9.5%
£64,095 to £89,731	12.7%
£89,732 to £119,560	13.7%
£119,561 and above	14.7%

Pensionable earnings should be rounded down to the nearest pound.

2. The earnings bands in column 1 are adjusted each year to reflect any national pay awards.

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

4. Practitioner members pay contributions at the rate in column 2 based on their total current year practitioner earnings from all sources which fall into the relevant band in column 1.

5. For more detailed information please see employers circular 2021/05 available on the [SPPA website](#).

Annex G**What pension contributions will I pay from 1 April 2021?****A factsheet for officer members (including practice staff who are not practitioners)**

1. From 1 April 2021 NHS pension scheme members will pay contributions at the rate in column 2 based on their previous year's whole time equivalent pensionable earnings which fall in the relevant banding in column 1 of the table below.

Column 1 Pensionable earnings band in 2020/2021	Column 2 Contribution percentage rate in 2021/2022
Up to £20,605	5.2%
£20,606 to £24,972	5.8%
£24,973 to £31,648	7.3%
£31,649 to £64,094	9.5%
£64,095 to £89,731	12.7%
£89,732 to £119,560	13.7%
£119,561 and above	14.7%

2. Pensionable pay should be rounded down to the nearest pound.
3. The earnings bands are adjusted each year to reflect any national pay awards.
4. In general the amount you will pay will be based on your previous year's earnings.
5. If you were employed part-time the amount is uprated to the whole time equivalent pay for that post.
6. If you change jobs during the current year or have a promotion or step down to a lower paid job your contribution rate will be reset in line with your new pay band.
7. For more detailed information please see SPPA circular 2021/05 available on the [SPPA website](#).