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SCOTTISH PUBLIC PENSIONS AGENCY

Superannuation (NHS) Circular No 14 /2008

NHS Employers
NHS Trade Unions and Staff Associations
GP Practices
Direction Bodies

18 August 2008

Dear Colleagues

CHANGES TO MEMBER CONTRIBUTIONS EFFECTIVE FROM 1 AUGUST 2008

This circular contains important information regarding changes to the member pension contribution rates applicable from 1 August 2008 following the 2008/09 Agenda for Change (AfC) pay award of 2.75%.

As a result of this award, all tier contribution thresholds will increase to the values shown below with **effect from 1 August 2008**. This applies to all members of the Scheme regardless of whether or not they are on AfC pay grades.

Tier	Old Tier Values for 2008/09 (Applicable until 31 July 2008)	New Tier Values for 2008/09 (Applicable from 1 August 2008)	Contribution Rate for 2008/09
1	Up to £19,682	Up to £20,224	5%
2	£19,683 - £65,002	£20,225 - £66,789	5% (manual workers) 6.5%
3	£65,003 - £102,499	£66,790 - £105,318	7.5%
4	£102,500 plus	£105,319 plus	8.5%

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The new thresholds should be applied to starters **who join on, or after 1 August 2008.** I apologise for the lateness of the notification and appreciate this may mean that some new starts will have been allocated to the wrong tier and will need adjustment. Hopefully the numbers involved should be minimal. By applying the change from 1 August this will ensure consistency with other UK health pension schemes. As previously detailed in SPPA circulars 2008/4, 4A and 5 new starters should be allocated to the appropriate contribution tier based on their estimated 2008/09 earnings. The revised rates apply to new members from 1 August 2008. Other members will remain unchanged for the financial year 2008/2009.

Information on allocation to contribution tiers for 2009/2010 onwards will be advised in a later circular.

Yours sincerely

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