

**NATIONAL HEALTH SERVICE PENSION SCHEME (SCOTLAND)  
2015/04**

**WHO SHOULD READ:** NHS HR and Payroll Managers  
 GP Practice Managers  
 Direction Bodies  
 Practitioner Service Division (PSD)  
 Dental Payments

**ACTION:** Employers to implement new employee pension contributions rates from 1 April 2015 and to inform scheme members of the changes.

**SUBJECT:** Employee contribution tiers to be applied from 1 April 2015

**The purpose of this circular is to:**

- To advise Employers of the employee contribution tiers to be applied from 1 April 2015

**Key information in this circular:**

- Employee contribution rates to be applied from 1 April 2015
- The same rates to be applied for existing scheme (1995 and 2008 sections) and new 2015 scheme members
- Current guidance on applying employee contributions continues to apply and is attached for information
- Issuing the information to members

1. The NHS Scotland Framework Document (available on the SPPA website) set out that member contributions for the NHS Pension Scheme (Scotland) from 1 April 2015 would be on a tiered basis and must produce a total yield of 9.8% of total pensionable pay. Following discussions between Trade Unions and Employer representatives the rates agreed were set out in an addendum to the new scheme consultation and consulted on from 16 December 2014 to 11 January 2015. The table below sets out the employee contribution rates and these will apply for the period 1 April 2015 to 31 March 2019.

| <i>Column 1<br/>Pensionable earnings band</i> | <i>Column 2<br/>Contribution percentage rate</i> |
|---|--|
| Up to £15,828                                 | 5.2%   |
| £15,829 to £21,601                            | 5.8%   |
| £21,602 to £27,089                            | 7.3%   |
| £27,090 to £49,967                            | 9.5%   |
| £49,968 to £71,337                            | 12.7%  |
| £71,338 to £111,376                           | 13.7%  |
| £111,377 and above                            | 14.7%  |

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

4. It should be noted that although the employee percentage contribution rates are set for the next four years until the end of March 2019. The earnings bands will however be adjusted to reflect any national pay awards and if this occurs SPPA will issue a further circular.

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

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

7. 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.

8. 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. and also for practitioners.

9. 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.

**10. 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.**

11. 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 applicable to assistant practitioners and salaried GPs

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Annex E – Factsheet for assistant medical practitioners and salaried GPs  
Annex F – Factsheet for other practitioner members  
Annex G- Factsheet for officer members

**Chad Dawtry**  
**Director of Policy**  
**23 February 2015**

**Contact information:**

Should you have any enquiries about this circular, or require further information, please contact: [Sharon.liptrott@Scotland.gsi.gov.uk](mailto:Sharon.liptrott@Scotland.gsi.gov.uk)

**Scottish Public Pensions Agency**  
7 Tweedside Park  
Tweedbank  
GALASHIELS  
TD1 3TE

[www.sppa.gov.uk](http://www.sppa.gov.uk)  
Telephone: 01896 893000

### Applying the correct tiers for officer members

| Column 1<br>Pensionable earnings band | Column 2<br>Contribution percentage rate |
|---------------------------------------|--|
| Up to £15,828                         | 5.2%                                     |
| £15,829 to £21,601                    | 5.8%                                     |
| £21,602 to £27,089                    | 7.3%                                     |
| £27,090 to £49,967                    | 9.5%                                     |
| £49,968 to £71,337                    | 12.7%                                    |
| £71,338 to £111,376                   | 13.7%                                    |
| £111,377 and above                    | 14.7%                                    |

1. 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, whole time equivalent (WTE) pensionable pay as set out in the table.
2. Any **arrears of pay** (above £150) paid in 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. 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.
4. 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.
5. 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 WTE pensionable pay for the current year should be used (similar to treatment of new starters above).
6. Health Boards should note that **ancillary employments** such as OOH, Bed Fund and sessional payments (not officer) for principal GPs should be pensioned from **1 April 2015 at 9.5%**. This will be corrected to the actual rate by PSD when the GPs annual certificate is processed.
7. **Part-time staff** should have their contribution tier based on the WTE full year equivalent pensionable income.
8. Where there is a need to change a tiered contribution rate the **new rate should be applied from the start of the next pay period.**

9. In the case of **concurrent posts** each post is assessed individually in setting the tiered contribution rate.

10. 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.

11. **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.

12. 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 WTE full year equivalent estimated pensionable pay.



## 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.
- 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 GPs 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. However for a GP who starts after 1 April in a scheme year their aggregated pay **is updated to full year** for the purposes of setting a tier and the same applies for a GP who retires mid-year.
- 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 **9.5% from 1 April 2015**. 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. Out of Hours Providers (OOHPs)** must ensure that they take into account a GPs global GP income when setting the tiered contribution rates. They must not base the rate solely on the OOHs income unless the GP has no other GP posts.

**12. Career OOHs GPs** are regarded as assistant practitioners and must complete the relevant certificate at year end.

**13. OOH GPs who are also principal practitioners** should have their contribution set at **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.

**14. Non GP partners** can only 'pension' income from one NHS post as membership is regarded as whole time officer status.

**15. 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 E for this purpose.

**16. 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).

**17. 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.

**18. 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.

**19.** Annex D 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<br>Allocate provisional tier 9.5%.<br>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 salaried GP employed by Health Board | 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 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 (principal practitioner) (paid gross)            | Practitioner | PSD to SPPA             | Actual aggregated earnings for year earned as per final certified earnings       | PSD  |
| OOHs provider (salaried GP/non principal locum)                | Practitioner | Health Board to SPPA    | Aggregated earnings for year earned  | Should be paid gross. If the Health Board treats as officer and pays through payroll, the certificate will show final earnings. Contribution tier will need to be adjusted if necessary at the end of year |
| OOHs IOS based payroll payment - principal practitioner        | Practitioner | Health Board to SPPA    | Aggregated earnings for year earned  | PSD. Provisional tier 9.5% to adjust at end of year as part of processing annual certificate of pensionable earnings   |



|  |              |                                       |  |  |
|--|--------------|---------------------------------------|--|--|
| OOHs provider<br>IOS payroll<br>(salaried GP non<br>principal<br>practitioner) | Practitioner | Health Board to<br>SPPA               | Aggregated earnings for year<br>earned   | If it is not possible for the Board<br>payroll to deduct correct tier due to<br>payroll limitations. This should be<br>highlighted and an adjustment will<br>need to be made at the year end |
| Bed funds  | Practitioner | Health Board to PSD                   | Actual aggregated earnings for<br>year earned as per final certified<br>earnings   | Health Board to provisionally<br>allocate 9.5% then PSD to adjust<br>at end of year  |
| Part-time<br>specialist  | Officer      | Health Board to<br>SPPA               | Whole time/full time equivalent<br>based on previous year's earnings<br>unless a significant in year salary<br>change which will trigger an in year<br>tier change | Health Board   |
| GP registrar<br>(trainee)  | Officer      | NHS Education for<br>Scotland to SPPA | Whole time/full time equivalent<br>based on previous year's earnings<br>unless a significant in year salary<br>change which will trigger an in year<br>tier change | NHS Education for Scotland   |
| Salaried doctor<br>within hospital   | Officer      | Health Board to<br>SPPA               | Whole time/full time equivalent<br>based on previous year's earnings<br>unless a significant in year salary<br>change which will trigger an in year<br>tier change | Health Board   |
| Salaried dentist<br>within hospital  | Officer      | Health Board to<br>SPPA               | Whole time/full time equivalent<br>based on previous year's earnings<br>unless a significant in year salary<br>change which will trigger an in year<br>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 |
|-----------------------|---------|----------------------|--|--------------|





SCOTTISH PUBLIC PENSIONS AGENCY

## Form applicable to Assistant Practitioner and salaried GP Practitioners

Member's estimated salary details for the purpose of setting level of pension scheme contribution from 1 April 2015.

**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 and a copy returned to SPPA by 1 May 2015. 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).

### Part A (to be completed by member)

Pension scheme reference number:

Scheme year commencing 1 April 201

Name:

National Insurance Number:

### Part B (to be completed by employer)

| Name and address of each employer                       | Estimate of annual earnings 2015-16 | 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 member)

### 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.

Signature of member ..... Date .....

### 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 (1 April)
3. Employers should enter date of termination of employment if this occurs before the end of the scheme year (31 March).
4. Table of contribution rates

| Tier | Pensionable earnings | Contribution rate |
|------|----------------------|-------------------|
| 1    | Up to £15,828        | 5.2%              |
| 2    | £15,829 to £21,601   | 5.8%              |
| 3    | £21,602 to £27,089   | 7.3%              |
| 4    | £27,090 to £49,967   | 9.5%              |
| 5    | £49,968 to £71,337   | 12.7%             |
| 6    | £71,338 to £111,376  | 13.7%             |
| 7    | £111,377 and above   | 14.7%             |

Pensionable earnings should be rounded down to the nearest pound.

5. Employer contribution rate from 1 April 2015 is 14.9%.

## What pension contributions will I pay from 1 April 2015?

### 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 2015.

#### Pensionable earnings contribution tier rate

| Tier | Pensionable earnings | Contribution rate |
|------|----------------------|-------------------|
| 1    | Up to £15,828        | 5.2%              |
| 2    | £15,829 to £21,601   | 5.8%              |
| 3    | £21,602 to £27,089   | 7.3%              |
| 4    | £27,090 to £49,967   | 9.5%              |
| 5    | £49,968 to £71,337   | 12.7%             |
| 6    | £71,338 to £111,376  | 13.7%             |
| 7    | £111,377 and above   | 14.7%             |

2. Pensionable earnings should be rounded down to the nearest pound.
3. The above contribution rates will be applicable for the next 4 years from 1 April 2015 to 31 March 2019 however the pensionable earnings band may change in line with any national pay award.
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 E to circular SPPA 2015/04) 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.

7. 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.

6. If you require any further information please contact the practitioners team at SPPA by email [nhspractitioner@scotland.gsi.gov.uk](mailto:nhspractitioner@scotland.gsi.gov.uk) or by phone 01896 893000.



## What pension contributions will I pay from 1 April 2015?

### A factsheet for practitioner members in the NHS Pension Scheme (Scotland)

1. From 1 April 2015 NHS scheme members will pay contributions as per the table below.

| Tier | Pensionable earnings | Contribution rate |
|------|----------------------|-------------------|
| 1    | Up to £15,828        | 5.2%              |
| 2    | £15,829 to £21,601   | 5.8%              |
| 3    | £21,602 to £27,089   | 7.3%              |
| 4    | £27,090 to £49,967   | 9.5%              |
| 5    | £49,968 to £71,337   | 12.7%             |
| 6    | £71,338 to £111,376  | 13.7%             |
| 7    | £111,377 and above   | 14.7%             |

Pensionable earnings should be rounded down to the nearest pound.

2. The above contribution rates will be applicable for 4 years from 1 April 2015 to 31 March 2019 however the earnings bands may be adjusted to reflect any national pay awards.

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

4. Practitioner members pay contributions at the rate in column 3 based on their total current year practitioner earnings from all sources which falls into the relevant band in column 2.

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

6. There is a calculator on the SPPA website where you can see what these changes mean for you. For more detailed information please see employers circular 2015/04 also available on the website. If you have any enquiries about which contribution rate you are paying please contact [Practitioner Services Division](#) of NHS National Services.

## What pension contributions will I pay from 1 April 2015?

### A factsheet for officer members (including practice staff who are not practitioners)

1. From 1 April 2015 NHS pension scheme members will pay contributions at the rate in column 3 based on their previous year's whole time equivalent pensionable earnings which fall in the relevant banding in column 2 of the table below.

| Tier | Whole time equivalent pensionable earnings | contribution percentage rate |
|------|--|------------------------------|
| 1    | Up to £15,828                              | 5.2%                         |
| 2    | £15,829 to £21,601                         | 5.8%                         |
| 3    | £21,602 to £27,089                         | 7.3%                         |
| 4    | £27,090 to £49,967                         | 9.5%                         |
| 5    | £49,968 to £71,337                         | 12.7%                        |
| 6    | £71,338 to £111,376                        | 13.7%                        |
| 7    | £111,377 and above                         | 14.7%                        |

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

3. The above contribution rates will be applicable for 4 years from 1 April 2015 to 31 March 2019 however the earnings bands may be adjusted 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 2015/03 available on the SPPA website.