

NHS Pension Schemes

2023/02

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

Action: Employers to note there is **no change** to the contribution tier bandings from 1 April 2023

Subject: No change to employee contribution tiers from 1 April 2023

Date: 24 March 2023

The purpose of this circular is to advise employers that there is no change to employee contribution pay bandings from 1 April 2023.

Key information in this circular:

- Employee contribution pay bandings from 1 April 2022 will continue to apply for 2023/24

Background

1. The SPPA published a consultation on 24 January 2022 entitled, [NHS Pension Scheme \(Scotland\): proposed changes to member contributions from 1 April 2022](#). The consultation sought views on the reform of the member contribution structure from April 2022 and proposed the following changes to the structure:
 - Change members' contribution rates so that they would be based on actual pensionable pay instead of members' notional whole-time equivalent pay
 - Rebalance contribution rates by reducing the highest contribution tiers and narrowing the range of contribution rates.
 - Change to the approach of increasing tier boundaries in line with annual AfC pay awards
 - Phase in the member contribution structure over 2 years
2. The consultation closed on 27 February 2022 and SPPA published a [consultation response](#). The consultation response confirmed that **the introduction of the reforms is postponed from 1 April 2022**. This delay was to reflect the immediate pressures on the take-home pay of NHS staff.

3. Scottish Ministers continue to consider the impact of cost-of-living pressures and the timing of these changes. Therefore, the **changes to the overall structure remain postponed** and the current percentage contribution rates and bandings in the current contribution table will continue.

4. Therefore, table below, effective from 1 April 2022, will remain in place:

Column 1 Pensionable earnings band in 2022/2023	Column 2 Contribution percentage rate from 1 April 2023
Up to £21,614	5.2%
£21,615 to £25,981	5.8%
£25,982 to £32,914	7.3%
£32,915 to £66,017	9.5%
£66,018 to £92,423	12.7%
£92,424 to £123,147	13.7%
£123,148 and above	14.7%

5. There is no change to the way the table is applied. The amount of pensionable earnings must be rounded down to the nearest whole pound.

6. 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.

7. More detailed guidance is set out in the previous [circular 2022/04](#)

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

SPPA Policy Team
24 March 2023