

# NHS Pension Scheme (Scotland)

## 2024/09

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

**Action:** Employers to inform scheme members of the updated employee contribution rates from 1 October 2024

**Subject:** Employee contribution rates from 1 October 2024

**Date:** 6 September 2024

**The purpose of this circular is to advise Employers of the employee contribution rates to be applied in the NHS Pension Scheme (Scotland) (NHSPS[S]) from 1 October 2024.**

Key information in this circular:

- Employee contribution rates to be applied from 1 October 2024.
- Guidance on applying employee contributions

### 1. Background

1.1. On behalf of Scottish Ministers, the SPPA published a [consultation response](#) in September 2023 on changes to member contributions in the NHSPS(S).

1.2. The consultation response confirmed a phased implementation of reforms to the member contribution structure over two years starting from 1 October 2023. The changes were necessary to ensure the correct level of contribution income is being received, as required by HM Treasury. The employee contribution structure was also revised to be more suitable for a CARE scheme, while aiming to maximise participation. The detail of those changes was outlined in NHSPS(S) Circular [2023/11](#).

1.3. **The second and final phase of these reforms will be implemented from 1 October 2024, completing the planned adjustments to the member contribution structure.**

1.4. The tables below therefore reflect the adjusted member contribution rates effective from 1 October 2024.

**Table 1** - Used in respect of members in pensionable employment on the last day of the previous scheme year and the first day of that current scheme year.

Column 1 Pensionable earnings band in 2023/2024	Column 2 Contribution percentage rate from 1 October 2024
Up to £13,330	5.7%
£13,331 to £25,367	6.4%
£25,368 to £30,018	7.0%
£30,019 to £37,663	8.7%
£37,664 to £39,497	9.8%
£39,498 to £48,009	10.5%
£48,010 to £51,954	11.2%
£51,955 to £72,656	11.6%
£72,657 and above	12.7%

**Table 2** - This table will apply to any member who starts a new job or whose annual rate of pensionable pay changes during the current scheme year.

Column 1 Pensionable earnings band in 2024/2025	Column 2 Contribution percentage rate
Up to £13,330	5.7%
£13,331 to £25,367	6.4%
£25,368 to £30,018	7.0%
£30,019 to £37,663	8.7%
£37,664 to £39,497	9.8%
£39,498 to £48,009	10.5%
£48,010 to £51,954	11.2%
£51,955 to £72,656	11.6%
£72,657 and above	12.7%

1.4. The contribution tier bandings in Table 2 above are also due to increase in line with the 2024-25 AfC pay award. However, until the pay award is agreed, both tables will have the same tier bandings based on the 2023-24 pay award.

## 2. Information for Employers

2.1. All members move to the new contribution tiers and rates set out in tables 1 and 2 above from 1 October 2024 and will pay contributions based on these tiers.

2.2. **The member's actual pensionable earnings should be used instead of whole-time equivalent earnings.** If the member did not work a full year, the actual earnings should be annualised.

2.3. **Members active in the scheme on the last day of the previous scheme year and the first day of the current scheme year** will have their contribution rate assessed using actual pensionable earnings received during the previous scheme year. For this purpose, their earnings will be assessed against Table 1 above.

2.4. Where a **member started a new job or their contribution rate changed during that preceding year**, pensionable earnings from the date of change should be used to determine the member's contribution rate. Earnings should be annualised, so they are representative of a full year and assessed against Table 1 above.

2.5. Where a member has an **employment change which results in a change in actual pensionable pay, during a current scheme year**, their contribution rate will require to be reassessed. Pensionable earnings for the current scheme year should be annualised to represent a full year. The full year's earnings are then used to see if those earnings fall into a different band and therefore a different percentage rate should apply from the date of change to the end of the scheme year. To assess the applicable rate for the current year, table 2 above should be used. The tiers thresholds in table 2 will be increased once the AfC pay award for 2024/25 is finalised.

2.6. Where members have **concurrent part-time employments with the same employer the earnings should be aggregated**. Earnings from the multiple posts should be added together and the applicable contribution rate allocated based on total pensionable earnings.

2.7. It should be noted, however, that members who hold **concurrent posts with different employers should not currently be aggregated**.

2.8 Further detailed information on applying the correct contribution rate can be found in 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

Please contact [sppapolicy@gov.scot](mailto:sppapolicy@gov.scot) if have any enquiries about this circular.

**SPPA Policy Team**

6 September 2024

## Annex A

### 3. Applying the correct tier for officer members

3.1. 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 actual pensionable earnings in the previous scheme year. If the member did not work a full year the actual earnings should be annualised (see 3.16. below).

3.2. **Part-time staff** should have their contribution tier based on their actual pensionable earnings and not whole-time equivalent earnings.

3.3. For **officer members with concurrent part-time posts with the same employer**, these should be aggregated with the earnings from the multiple posts added together and applicable contribution rate allocated based on total actual pensionable earnings.

3.4. Officer members with pensionable earnings from **concurrent posts with different employers** should not currently be aggregated.

3.5. Members who are classed as **bank workers** are likely to have several stop and start pensionable posts. For each new and subsequent employment estimated actual pensionable earnings for the current year should be used. If unable to estimate annualised actual earnings in this scenario the default rate should be used. This is the tier 2 contribution rate of **6.4%**(this is only for brand new posts as continuing posts should have their contribution rate based on previous year's annualised earnings). If a member takes on a brand new bank post but has a concurrent non-bank post then the contribution rate from the non-bank post would be applied to the new bank post, rather than the default rate.

- If a member with a bank post feels they have overpaid contributions due to being put on a higher contribution rate than their actual pensionable annualised earnings, then a local return of contributions should be made by the employer at the end of the scheme year and the rate adjusted for the following year. The onus is on the member to make their employer aware where they think they have overpaid.
- There is no expectation that employers will need to complete a reconciliation at the end of the year to check for underpaid contributions. In future years, the member's contribution rate will be adjusted and based on the previous year's pensionable pay.

3.6. Where a **member has an employment change which results in a change in actual pensionable pay** within a scheme year, their contribution rate will require to be reassessed. A new contribution rate must be applied from the point of change. This does not include where a pay award is applied to all staff. Examples of a significant change include but are not limited to:

- changes to basic earnings; promotions, step-downs etc.
- end of recruitment & retention allowances
- end of salary protections
- changes to clinical excellence award
- changes to discretionary points / commitment award for clinical staff; and
- planned, long-term changes (those likely to persist for at least 12 months) to allowances

3.7. For **new starters** in the scheme (including staff that have changed jobs, returned to NHS employment after a break) on or after 1 April of the scheme year, their contribution tier will be based on their estimated annualised actual pensionable pay in the current scheme year (see 3.16. below).

3.8. For officer members **changing or starting a new job** within a scheme year, their contribution rate is assessed using their annualised actual pensionable pay in the current scheme year and is assessed against table 2 above. Where there is a need to change a contribution rate, the new rate should be applied from the start of the next pay period.

3.9. Employers must include **unsocial hours payments** in the calculation of member's pensionable earnings.

3.10. The **definition of pensionable pay** has not changed with the introduction of the new tiers/contribution rates. Employers should continue to calculate pensionable pay as normal. Employers must continue to ensure that a member's earnings are only pensionable up to their notional whole-time hours for their role. Any pensionable earnings over a member's whole time equivalent including overtime, bonuses and expenses continue to be non-pensionable.

3.11. As per current guidance, **overtime** in excess of whole-time hours (for example 37 hours for AfC members) for officer members is not pensionable and therefore does not fall under tiered contributions.

3.12 **Overtime for part-time members** counts as pensionable pay up to whole time (for example 37 hours for AfC members), unless the member has taken partial retirement in the previous 12 months. For these members, any additional hours worked above their contractual hours won't count towards pensionable pay during the 12-month period after partial retirement.

3.13. 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.

3.14. Health Boards should note that ancillary employments such as Out of Hours (OOH), Bed Fund and sessional payments (not officer) for principal GPs should be set at a minimum of **9.8%**. This will be corrected to the actual rate by PSD when the GPs annual certificate is processed.

3.15. 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.

3.16. **Estimating annualised earnings** due to a change in earnings or starting a new post

**Actual Pensionable earnings x 365 = Annualised pay**  
**Number of days in period**

- If a member's pay needs to be annualised as they have started part way through the year, then you will need to estimate the pensionable earnings that will be received from the date of commencement to the end of the scheme year, multiply by 365 and divide by the number of days in that period.
- If a members pay needs to be annualised as they have had a change in their earnings, then you will need to estimate the pensionable earnings that will be received from the date of the change to the end of the scheme year, multiply by 365 and divide by the number of days in the period.

## Annex B

### 4. Applying the correct contributions for practitioners and non-GP partners

4.1. **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.

4.2. **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.

4.3. **For the scheme year 2024-25** employers will be required to calculate contributions for practitioners on two different rates. This is because when the member totals up their annual pay, they will need to apportion the income earned up to 1 October 2024 and pay contributions on this based on the member contribution rates before 1 October 2024. On their income earned from 1 October 2024 to the end of the 2024-25 year they will need to pay contributions using the new contribution rates effective from 1 October 2024.

4.4. **Where a practitioner may also be an officer member**, the officer post is assessed separately and allocated its own tiered rate. The practitioner income has no bearing on their officer/practice staff tiered contribution rate, this is ring fenced.

4.5. **A GP's total pensionable income** (practice + GP locum + OOHs + bed fund) must be added together in respect of allocating a tier. 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.

4.6. **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.

4.7. **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. A fixed rate of 6.1% should be used for any 'new' locum posts where the annualised earnings cannot be estimated from 1 October 2023 (Note - This is only for brand new posts as continuing posts should have their contribution rate based on previous year's annualised earnings).



- 4.8. **Where a practitioner has other concurrent practitioner posts** it is the total practitioner income that determines their tiered rate. 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.
- 4.9. **GP locums who are principal practitioners** paid by the Health Board will have their tier provisionally set at a minimum of **9.8%**. OOHs (practitioner income), bed fund and GP locum income will be adjusted at the end of the financial year on receipt of certified earnings.
- 4.10. **GP registrars** are treated as officer members of the scheme; therefore, the tiered contribution rules in respect of officers apply. 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.
- 4.11. **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.
- 4.12. **OOH GPs** who are also principal practitioners should have their contribution set at a minimum of **9.8%** 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 9.8%. Other salaried GP employments need to be considered as the tier should be set based on aggregated practitioner earnings. (Refer to Annex D)
- 4.13. **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 D for this purpose.
- 4.14. **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).
- 4.15. **Assistant dental practitioners** (except dental trainees) should complete form FC21 available on the Practitioners Services website at <https://www.nss.nhs.scot/media/2423/2022-03-11-fc21-superannuation-dec21.pdf> 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.

4.16. **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](#))

4.17. 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.

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

<b>Pensionable earnings source</b>	<b>Type of benefits</b>	<b>How reported</b>	<b>How tier set</b>	<b>Responsibility for allocation of contribution tier</b>
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 9.8%. 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 (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 9.8% 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 9.8%
Part-time specialist	Officer	Health Board to SPPA	Actual pensionable earnings based on previous year's earnings unless a significant in year salary change which will trigger an in-year reassessment (see Annex A above).	Health Board
GP registrar (trainee)	Officer	NHS Education for Scotland to SPPA	Actual pensionable earnings based on previous year's earnings unless a significant in year salary change which will trigger an in-year reassessment (see Annex A).	NHS Education for Scotland
Salaried doctor within hospital	Officer	Health Board to SPPA	Actual pensionable earnings based on previous year's earnings unless a significant in year salary change which will trigger an in-year reassessment (see Annex A above).	Health Board
Salaried dentist within hospital	Officer	Health Board to SPPA	Actual pensionable earnings based on previous year's earnings unless a significant in year salary change which will trigger an in-year reassessment (see Annex A)	Health Board

OOHs provider- officer	Officer	Health Board to SPPA	Actual pensionable earnings based on previous year's earnings unless a significant in year salary change which will trigger an in-year reassessment (see Annex A).	Health Board
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**Annex D**

**6. \*Form applicable to Assistant Practitioner and salaried GP Practitioners**

6.1. 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).

6.2. This form must be given by the employee 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).

6.3. 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 must be sent to all active employers, not sent to SPPA.

6.4. It is a condition of a GP's NHS Pension Scheme membership that practitioners proactively liaise with relevant NHS organisations to ensure they have paid the correct tiered contributions 'across the board'. Failure to comply with the NHS Pension Scheme Regulations may result in pensionable pay provisionally set to zero for the relevant period. It is a legal requirement for practitioners to complete and submit the self-assessment each year.

**Notes for completion**

6.5. 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.

6.6. Employers should enter date of commencement of employment if this takes place after the commencement of the scheme year.

6.7. Employers should enter date of termination of employment if this occurs before the end of the scheme year.

6.8. For the scheme year 2024-25 employers must calculate contributions for practitioners on two different rates. This is because when the member totals up their annual pay, they will need to apportion the income earned up to 1 October 2024 and pay contributions on this based on the member contribution rates before 1 October 2024. On their income earned from 1 October 2024 to the end of the 2024-25 year they will need to pay contributions using the new rates effective from 1 October 2024.

6.9. Employer contribution rate from 1 April 2024 is 22.5%.

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\* Please note this form is under review as part of SPPA's Practitioner Contributions Project

**Part A – to be completed by the member**

**Scheme reference number:**

**Surname:**

**Forename(s):**

**National Insurance number:**

<b>Part B - to be completed by employer</b>			
Name and address of each employer	Estimate of annual earnings 2024-2025	Commence ment 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** .....