

# NHS Pension Schemes 2024/10

**Who should read:**

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

**Action:**

Employers to use revised contribution tier thresholds for members whose contribution rate is based on earnings in the current scheme year.

**Subject:**

Employee contribution tiers 2024-25

**Date:**

10 October 2024

**The purpose of this circular is to advise Employers of the employee contribution tier thresholds for 2024-25**

Key information in this circular:

- Employee contribution pay bandings to be applied for 2024-25
- Guidance on applying changes to Table 2 for members whose contribution rate is based on earnings in the current scheme year

## 1. Background

1.1. SPPA published a [consultation response](#) in September 2023 on the reform of member contributions in the NHSPS(S). The response confirmed that the contribution tier thresholds would be increased annually in line with a single pay award, using the annual average Agenda for Change (AfC) pay award.

1.2. **The [2024-25 AfC pay award](#) was agreed on 24 September 2024. The average pay award for NHS AfC staff is 5.5% from 1 April 2024. Therefore, the contribution tiers thresholds in Table 2 (below) are increased by that amount.**

1.3. Table 2 is used to set the contribution tier for members who start a new job or for members who have an employment change, which results in a change in actual pensionable pay, during the current scheme year.

1.4. **Table 1 is unchanged and is used for members in pensionable employment on the last day of the previous scheme year and the first day of the current scheme year.** Their contribution rate is based on actual pensionable earnings for the previous scheme year. There will be no change for the majority of members.

**1.5. Further information for employers on applying the revised contribution tier thresholds can be found in Annex A below.**

**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.

<b>Column 1 Pensionable earnings band in 2023/2024</b>	<b>Column 2 Contribution percentage rate from 1 October 2024</b>
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 pensionable pay changes, as a result of an employment change, during the current scheme year.

<b>Column 1 Pensionable earnings band in 2024/2025</b>	<b>Column 2 Contribution percentage rate</b>
Up to £13,330	5.7%
£13,331 to £26,762	6.4%
£26,763 to £31,669	7.0%
£31,670 to £39,734	8.7%
£39,735 to £41,669	9.8%
£41,670 to £50,650	10.5%
£50,651 to £54,811	11.2%
£54,812 to £76,652	11.6%
£76,653 and above	12.7%

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

**SPPA Policy Team**

10 October 2024

**Annex A**

**Information for Employers**

1. The contribution rates contained in the tables were updated following the introduction of the second phase of contribution reforms from 1 October 2024. **Further detailed information on applying the correct contribution rate can be found in [NHS Circular 2024/09](#).**
2. **There is no requirement to reassess members' contribution tiers as a result of the pay award.** For members in pensionable employment on the last day of the previous scheme year and the first day of the current scheme year. Their contribution rate will remain set, based on actual pensionable earnings for the previous scheme year, using Table 1.
3. The revised Table 2 should only be used where a member has an **employment change which results in a change in actual pensionable pay, during a current scheme year**, and their contribution rate requires to be reassessed.
4. **The revised Table 2 should only be used for reassessments which happen after the pay award.** There is no requirement to reassess the contribution rate for members who were new starts or had an employment change in the period between 1 April and 30 September 2024.
5. As the 2024-25 AfC pay award is being backdated, **pay arrears will require to be backdated to the period in which they were paid.** Therefore, as they were due to be paid before the contribution tables changed on 1 October 2024, the previous contribution rates should be applied to the pay arrears for the period 1 April to 30 September 2024. The previous rates are found in the tables in [NHS Circular 2024/03](#).