

# NHS Pension Scheme 2025/01

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

**Action:** For information

**Subject:** Public Service Pensions Indexation and CARE scheme revaluation 2025

**Date:** 19 February 2025

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

- **Notify employers of the increase to public service pensions with effect from 7 April 2025.**
- **Advise of the rate to be used for the annual revaluation of Career Average Revalued Earnings (CARE) benefits accrued in the NHS Pension Scheme (Scotland) 2015 for active members**

## Public Service Pensions Indexation

Public service pensions in payment, together with those that are deferred for payment at a future date, are indexed annually based on the annual change in the Consumer Prices Index (CPI) measured as at the previous September.

In the 12 months to September 2024, CPI was 1.7%. As a result, an increase of 1.7% is to be applied from 7 April 2025 for pensions in payment, and deferred pensions.

The UK Government expects to lay the Pensions Increase (Review) Order 2025 in March 2025.

## CARE Scheme Revaluation

The NHS Pension Scheme (Scotland) Regulations 2015 were made under the Public Service Pensions Act 2013 (the Act). The NHS Pension Scheme (Scotland) 2015 is a Career Average Revalued Earnings (CARE) scheme, and Section 9 of the Act deals with the annual “in-service” revaluation of CARE scheme benefits, preserving their value in line with rises in the cost of living. The SPPA website provides [further information](#) on the principles of CARE scheme revaluation.

The NHS Pension Scheme (Scotland) Regulations 2015 provide for annual revaluation by reference to changes in prices. For active members this is at the rate of CPI plus 1.5%; for deferred members, it is the rate of CPI included in any Pension Increase (Review) Order.

Section 9(2) of the Act requires the change in prices used for revaluation to be such percentage increase or decrease as is specified in an order made by HM Treasury. The Public Service Pensions Revaluation Order 2025 will fulfil that requirement in relation to prices and reflects the change in CPI of 1.7% in the 12 months to September 2024. The Chief Secretary to the Treasury has issued a [written statement](#) to this effect, with the Public Service Pensions Revaluation Order 2025 coming into force on 1 April 2025.

**As a result of the increase for CPI, the in-service revaluation for the NHS Pension Scheme (Scotland) 2015 in respect of 2024/25 will be 3.2%.**

### **Employer Contribution Rate for 2025/26**

The employer contribution rate for 2025/26 will be 22.5%

### **Any questions?**

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

### **SPPA Policy**

19 February 2025