

NHS Pension Schemes

2025/07

Who should read:	NHS HR and Payroll Managers GP Practice Managers Direction Bodies Practitioner Services Division (PSD) / Dental Payments
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 2025-26
Date:	3 July 2025

The purpose of this circular is to advise Employers of the employee contribution tier thresholds for 2025-26

Key information in this circular:

- Employee contribution pay bandings to be applied for 2025-26
- 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 [2025-26 and 2026-27 AfC pay award](#) was agreed on 16 May 2025. The average pay award for NHS AfC staff is 4.25% from 1 April 2025. Therefore, with exception of the upper threshold of the lowest contribution tier, the earnings thresholds for each tier 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.

Pensionable earnings band in 2024/2025	Contribution percentage rate from 1 April 2025
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%

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.

Pensionable earnings band in 2025/2026	Contribution percentage rate
Up to £13,330	5.7%
£13,331 to £27,899	6.4%
£27,900 to £33,015	7.0%
£33,016 to £41,423	8.7%
£41,424 to £43,440	9.8%
£43,441 to £52,803	10.5%
£52,804 to £57,140	11.2%
£57,141 to £79,910	11.6%
£79,911 and above	12.7%

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

SPPA Policy Team

3 July 2025

Annex A**Information for Employers**

1. Further detailed information on applying the correct contribution rate can be found in [NHS Circular 2025/04](#).
2. **There is no requirement to reassess all 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 starts a new job or 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 will apply retrospectively from 1 April 2025.
 - a. **For AfC staff** - There is no need to reassess the contribution rate for AfC staff who started a new employment or experienced an employment change between 1 April 2025 and the implementation of the pay award. This is because their salary increase matches the uplift in the contribution tier thresholds, allowing them to stay in the same tier as initially assigned.
 - b. **For non-AfC staff** - Members who began or changed their employment during the period between 1 April 2025 and the implementation of the pay award will need to have their contribution rate reassessed according to the new Table 2. This is necessary since the timing and amount of their pay increase may not correspond with the AfC pay uplift. Had the new Table 2 been applied from 1 April 2025, it may have resulted in a different tier placement and an altered contribution rate.