

Please note that the contribution rates shown in this leaflet may be subject to change following further consultation. Should the rates change, your NHS employer will be notified and they will be asked to ensure you are informed. Details will also be shown on the NHS Pension website at: www.nhsbsa.nhs.uk/pensions

Employers pay the majority of the cost of your pension. Employers currently pay 14% of a member's pensionable pay in the form of scheme contributions.

Future Years

There are also plans to carry out further consultation on employee contribution rises for 2013/14 and 2014/15. However, it is too early to say at this stage what changes will be made.

Please remember that you also have a personal responsibility to ensure that you are paying the correct contribution rate. Further information about NHS Pension Scheme contribution rates can be found at: www.nhsbsa.nhs.uk/pensions



Pensions

NHS Pension Scheme Member Contribution Increases

Important information

It is important that you are aware of the information contained in this leaflet even if you are not a member of the NHS Pension Scheme as it contains details of the revised contribution rates for Scheme members, which will, subject to normal Parliamentary processes, become effective on 1 April 2012 for 2012/13.



Background

The Government has given a commitment to review the long-term affordability and sustainability of public service pensions following a recent review by the Independent Public Service Pensions Commission chaired by Lord Hutton.

The Government accepted Lord Hutton's conclusion that reform was needed and has taken his recommendations as a basis for consultation with public sector workers and trade unions on long-term reform of pension arrangements. These changes are expected in 2015 and further information will be provided to you when available.

Ahead of this longer-term reform, the Commission made clear that there is a rationale for increasing pension scheme member contributions to ensure a fairer distribution of pension scheme costs between taxpayers and members.

This leaflet sets out the planned contribution rates for members of the NHS Pension Scheme, which will, subject to normal Parliamentary processes, be introduced from 1 April 2012. The Department of Health and Welsh Government will hold separate discussions with Trade Unions about changes to contribution rates in respect of 2013/14 and 2014/15 and longer-term reforms to public sector pension schemes.

2012/2013 Contribution Rates before tax relief (gross)

Annual pensionable pay (full time equivalent)	Contribution rate (before tax relief) 2011/12 (gross)	Contribution rate (before tax relief) 2012/13 (gross)	Gross rise in contribution rate (percentage points)
Up to £15,000.99	5.0%	5.0%	0
£15,001.00 to £21,175.99	5.0%	5.0%	0
£21,176.00 to £26,557.99	6.5%	6.5%	0
£26,558.00 to £48,982.99	6.5%	8.0%	1.5
£48,983.00 to £69,931.99	6.5%	8.9%	2.4
£69,932.00 to £110,273.99	7.5%	9.9%	2.4
£110,274.00 and over	8.5%	10.9%	2.4

2012/2013 Contributions after tax relief (net)

NHS Pensions Scheme employee contributions are deducted from gross pay before income tax. Therefore, they normally benefit from significant tax relief so the real cost to a member is less than the headline figures shown. This is shown in the table below:

Full-time 2010/11 pay	2011/12	2012/13		
	Contribution rate after tax relief (net)	Contribution rate net of tax relief (net)	Net rise in contribution rate (percentage points)	Additional cost (£ per month)
£10,000	4.00%	4.00%	0.00	0
£15,000	4.00%	4.00%	0.00	0
£20,000	4.00%	4.00%	0.00	0
£25,000	5.20%	5.20%	0.00	0
£30,000	5.20%	6.40%	1.20	30
£40,000	5.20%	6.40%	1.20	40
£60,000	3.90%	5.34%	1.44	72
£80,000	4.50%	5.94%	1.44	96
£130,000	5.10%	6.54%	1.44	156