

NHS Pensions - tiered employee contributions from 1 April 2015 to 31 March 2021

Background

The rates shown below were first implemented from 1 April 2015 and were initially set for four Scheme years. However, these rates will continue to remain in place until 31 March 2021.

The table in this factsheet sets out the member contribution rates that apply in both the 1995 and 2008 Sections, as well as the 2015 Scheme.

Introduction

This factsheet sets out details of the contribution rates for members of the NHS Pension Scheme from 1 April 2015 to 31 March 2021.

Important – The contribution rates shown in this factsheet are the latest rates provided by the Department of Health and Social Care. In the event of any change, NHS Pensions will inform all stakeholders and details will be shown on the NHS Pension website at:

www.nhsbsa.nhs.uk/nhs-pensions

The contribution rates shown apply to Officers, Practice Staff, Practitioners, non-GP Providers, pensionable employees of any Direction Body (including those set up under New Fair Deal) or Independent Providers who have access to the NHS Pension Scheme.

The guidance is split into three parts and applies to members of both the 1995 and 2008 Sections and also the 2015 Scheme:

1. Officers, Practice Staff and employees of any Direction Body (including those set up under New Fair Deal) or Independent Providers who have access to the NHS Pension Scheme.
2. Practitioners and non GP Providers.
3. Further guidance.

1. Officers, Practice staff and employees of any Direction Body (including those set up under New Fair Deal) or Independent Providers who have access to the NHS Pension Scheme

Officer Scheme members are salaried employees of a Trust, Foundation Trust, NHS Commissioning Board, NHS England, Local Health Board (LHB), Direction organisations (including those set up under New Fair Deal), or an Independent Provider with access to the NHS Pension Scheme.

Practice staff Scheme members are salaried employees of a GP Practice, Out of Hours Providers (OOHPs), or APMS Contractor who are not GPs or non GP Providers.

(GP Registrars are regarded as Officer Scheme members).

Existing Scheme members (i.e. staff 'in service' on 31 March 2015 and thereafter)

The general basic rule is that a contribution tier for existing Officers and Practice staff Scheme members is set using the previous years' pensionable earnings, Whole Time Equivalent (WTE) for members working part time. This is unless there has been or there is a change in circumstances. Therefore, in 2015/2016 the contribution tier would have been based upon their 2014/2015 full year WTE pensionable pay, **unless** there had been a change in circumstances.

For 2016/2017 Scheme year, the contribution rate would have been based on 2015/2016 pensionable pay, again unless there had been a change in circumstances or there is a change. For 2017/2018 Scheme year, the contribution rate will be based on 2016/2017 pensionable pay. For 2018/2019 they will be based on 2017/2018 pensionable pay. For 2019/2020 they will be based on 2018/2019 pensionable pay and for 2020/2021 they will be based on 2019/2020 pensionable pay.

However, where there is a change in circumstances, including an annual pay increase, employers are required to carry out a reassessment and apply a new contribution rate and apply a new rate, if appropriate based upon the estimated annualised WTE (if part-time) pensionable earnings.

The following table should be used to set the tiered rate.

This table must be used until further notice.

Contribution rates before tax relief (gross)

Tier	Full time pensionable pay used to determine contribution rate	Contribution rate (before tax relief) (gross) from Scheme year 1 April to 31 March
1	Up to £15,431.99	5%
2	£15,432.00 to £21,477.99	5.6%
3	£21, 478.00 to £26,823.99	7.1%
4	£26,824.00 to £47,845.99	9.3%
5	£47,846.00 to £70,630.99	12.5%
6	£70,631.00 to £111,376.99	13.5%
7	£111,377.00 and over	14.5%

New starters (and staff who have changed jobs or ‘stepped down’ etc.) on or after 1 April 2015

The pay bands shown in this table should also be used for new starters and staff who have changed jobs or ‘stepped down’ or who have a change in circumstances on or after 1 April 2015. This includes:

- an individual who is a new starter, or
- an individual who changes jobs (i.e. promotion or demotion), or
- an individual who voluntarily steps down, or
- an individual who is returning to the NHS after a break, or
- an individual whose rate of pay for an existing job changes, including annual pay increases and increments (except in circumstances where there is a change in duties that is unplanned or unlikely to last for 12 months or more).

New starters: If an Officer or Practice staff Scheme member starts a new job (with their current employer or another employer) their contribution rate should be reassessed based on their estimated annual pensionable pay (Notional Whole Time (NWT) for members working part time) and allocated a new contribution rate if applicable. The pay figure to be used is the annualised amount; i.e. the hypothetical pay from 1 April 2015 to 31 March 2016 or 2016/2017, 2017/2018, 2018/2019, 2019/2020 or 2020/21, depending upon when the member starts.

If the member works part time a whole time equivalent annualised pensionable pay figure must be used to determine the tier.

Changing jobs: Anyone who changed jobs in 2015/16, 2016/2017, 2017/2018, 2018/2019, 2019/2020 or 2020/2021, should be treated in the same way as a new starter.

Stepping down: Members who step down into a lower paid job should be treated in the same way as a new starter. This does not affect part timers whose hours may be flexible within the same job; i.e. their hours may fluctuate however their whole time equivalent rate of pay and terms and conditions do not change.

Staff returning: Anyone returning to NHS pensionable employment after a break should be treated in the same way as a new starter.

Rate of pay change: As employers will be aware, a change in pay (other than due to an unexpected change in duties or one unlikely to persist for at least 12 months) should cause an in year reassessment of a members contribution tier. Therefore if a member's original rate has been assessed using their pensionable pay (NWT for part time employees) for say year ending 31 March 2016 and their pay then increases **on or after** 1 April 2016, the reassessment should be carried out and a new rate of contribution applied (if applicable) based on their new estimated annualised pay (NWT for part time employees). The same rule applied for 2015/2016 and will also apply to Scheme years 2017/2018, 2018/2019, 2019/2020 and 2020/2021.

2. Practitioners and non GP Providers

Practitioners are GPs of any type (excluding GP Registrars), General Dental Practitioners, and Ophthalmic Medical Practitioners.

Non GP Providers are 'single-handers', partners or shareholders (including those on a fixed salary) in a GP Practice (or APMS/ sPMS organisation) who are not GPs.

Every GP Practice and APMS Contractor must, before the start of the pension year, inform NHS England (or its agent) or Local Health Board (Wales) of the estimated pensionable income for all the GPs (excluding freelance GP locums) and non GP Providers. This is so that tiered employee contributions can be paid 'on account'.

NHS (GDS and PDS) Dental Practices must notify NHS Dental Services of the estimated pensionable income for all the Providers (i.e. Partners/Contractors) and Performers (i.e. Associates) so that tiered contributions can be paid 'on account'.

Because actual pensionable earnings are not known until year end the tiered rate is provisional at the start of Scheme year and is reviewed at year end.

The provisional tiered rate is based on estimated pensionable pay declared on the return that every medical and dental Practice must provide to the relevant agent of NHS England

or the Local Health Board in Wales prior to the start of the pension year. A GP Practice's return must include the estimated pensionable income for all the GPs (excluding freelance GP locums) and non GP Providers. A NHS dental Practice's return must include the estimated pensionable income for all its General Dental Practitioners and also the NHS Income of those who are non-pensionable.

A GP Scheme member must take account of all their NHS GP income (i.e. Practice + OOHs + CCG) when setting their tiered rate. For example, if the total GP pensionable income is £130,000 (Practice based income of £120,000 + CCG income of £5,000 + OOHs income of £5,000) their tiered rate across all their NHS GP pensionable income is 14.5%.

For Practitioners and non GP Providers who are members of the 1995 or 2008 Section their tiered rate (in a specific Scheme year) is based on their aggregated **actual** pensionable income in that year.

For Practitioners and non GP Providers who are members of the 2015 Scheme their tiered rate (in a specific Scheme year) is based on their **annualised** pensionable earnings in that year if they do not have continuous 2015 Scheme membership during the year. If they do have continuous 2015 Scheme membership their annualised and actual pensionable earnings are the same for the purposes of setting the tiered rate. There is more detailed information regarding the 2015 Scheme 'annualising rules' in the Practitioner webpage of our website.

Where a Practitioner may also be an Officer member (i.e. salaried Clinical Assistant) the Officer post is assessed separately and allocated its own tiered rate.

The following table must be used until further notice.

Contribution rates before tax relief (gross)

	Pensionable earnings	Contribution rate (before tax relief)(gross) from Scheme year 1 April 2015 to 31 March 2016
1	Up to £15,431.99	5%
2	£15,432.00 to £21,477.99	5.6%
3	£21, 478.00 to £26,823.99	7.1%
4	£26,824.00 to £47,845.99	9.3%
5	£47,846.00 to £70,630.99	12.5%
6	£70,631.00 to £111,376.99	13.5%
7	£111,377.00 and over	14.5%

There are some differences for GPs (including Ophthalmic Practitioners) and for General Dental Practitioners outlined in Section 3.

3. Further guidance

The information contained in this part is in alphabetical order for ease of reference.

Agenda for Change (AfC)

AfC is the mechanism that is used to set pay rates and pay increases for the majority of the NHS workforce.

Annual pay awards

If an Officer (or Practice staff) Scheme member receives a pay award **on or after 1 April** it may not affect their contribution rate, however, employers should reassess the tiered contribution rate based on the new estimated annualised pay (notional whole time for part time employees) and apply a new rate if appropriate.

Bank staff

Salaried bank staffs' working patterns mean that they dip in and out of work so it is likely that an estimated annualised whole time equivalent pay figure will have to be used to set the contribution tier.

Changing employments

In respect of Officers and Practice Staff, tiered contribution rates are not portable; i.e. they are not carried between employments. If an Officer or Practice staff Scheme member changes jobs for example during Scheme year 2019/2020 a new tier must be set for the new job based on the estimated annualised pensionable pay. If they are part time a WTE annualised pay figure must be used.

If a Practitioner or non GP Provider changes jobs it will not mean two different tiered rates because their tiered contribution rate is based on their total pensionable income as a Practitioner or non GP Provider for each Scheme year.

Changes in pensionable pay or pensionable allowances

In circumstances where pensionable pay or pensionable allowances change in year, the member's rate of contributions should be reassessed. However, where the member is part time, there is only a need to reassess if the member's notional whole time rate of pay also changes. Therefore, if a member receives an annual pay increase/increment during a

Scheme year **on or after 1 April** employers should reassess the tiered contribution rate) based on the new estimated annualised pay (NWT for part time employees) and apply a new rate if appropriate.

There are two exceptions. There is no requirement to re-assess an Officer or Practice staff member's contribution tier if pensionable pay or pensionable allowances have changed as a result of unplanned changes to the member's duties or as a result of changes to a member's duties that are short term (likely to continue for less than twelve months).

Where an Officer or Practice staff member is placed on temporary promotion for a period of less than twelve months there would not be a need to carry out a reassessment. However, if it is later anticipated during this period that the temporary promotion will last more than twelve months or the temporary promotion period is extended, and this extension will take the temporary promotion period over twelve months, the member's contribution rate should be reassessed. The member's contribution rate should be reassessed at the point at which it becomes known that the temporary promotion will last more than twelve months or from the point the temporary promotion is extended, using the estimated annualised pay (WTE for members working part time). A new rate should then be applied (if applicable)

Once the temporary promotion period comes to an end the rate should be reassessed again.

Where the reassessment results in a different rate of contributions, the new rate should be deducted from the first day of the next pay period immediately following the pay period in which the change is made

Changing tiers in year

Where there is a need to change an Officer's or Practice Staff Scheme member's tiered rate the new rate should commence from the start of the pay period. If the change occurs 'midmonth' apply the new tier from the start of the next pay period.

Concurrent posts

Where an Officer/Practice Staff works part time and has other concurrent Officer/Practice Staff pensionable posts each post is assessed individually (i.e. ring fenced) when setting the tiered rate. The WTE rate of pay must be used to set the tiered rate.

Where a Practitioner has other concurrent Practitioner posts it is their total Practitioner income that determines their tiered rate; they must pension all their eligible Practitioner income.

Where a Practitioner may also be an Officer member (i.e. salaried Clinical assistant) 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.

Non GP Providers can only 'pension' income from one NHS post even if they are involved in several Practices.

Disallowed days

Where an Officer's pensionable pay is reduced due to disallowed days (i.e. strike) their tiered rate is still based on their pensionable pay for the previous year WTE for members working part time).

Employer contribution rate

From 1 April 2017 the Department of Health and Social Care introduced a charge to cover the cost of Scheme administration. The administration charge equates to 0.08% of each active member's pensionable pay. The charge will be collected through the standard employer contribution by increasing the Scheme contribution rate for employers from 14.30% to 14.38%.

From 1 April 2019 the underlying employer contribution rate for employers will change to 20.68% including the 0.08% administration charge. However, in year 2019/2020 employers contribution rate will remain at 14.38% with HM Treasury making up the balance.

Arrangements for 2020/21 will be confirmed in due course.

Scheme employer contribution rate and employee contribution rates are regularly reviewed as part of the normal Scheme valuation process

Freelance GP locums

A GP who is solely a freelance GP locum (i.e. has no other GP posts) will have to reassess their tiered contribution rate at year end. There is further guidance on forms A and B.

General Practitioners (GPs)

A GP's total pensionable income (i.e. Practice + GP Locum + OOHs + Bed Fund + CCG)) **must** be added together in respect of allocating a tier. GPs must pension all their GP income; they cannot 'pick and mix' to avoid going into another tier band.

Where a Practitioner may also be an Officer member (i.e. salaried Clinical Assistant) the Officer post is assessed separately and allocated its own tiered rate.

Please also see Practitioners and non GP Providers section above.

General Dental Practitioners (GDPs)

NHS (GDS and PDS) Dental Practices must notify NHS Dental Services of the estimated pensionable income for all the Providers (i.e. Partners/Contractors) and Performers (i.e. Associates) so that tiered contributions can be paid 'on account'

A part time GDP's actual pensionable pay **is not** converted to a whole time equivalent value for the purposes of setting a tier.

GP Registrars

GP Registrars are afforded Officer Scheme status; therefore the tiered contribution rules in respect of Officers apply.

Late pay awards

Where an Officer's (or Practice Staff's) 2018/2019 pay is used to set their 2019/2020 tier for example and they receive a late pay award in 2019/2020 in respect of an earlier year special rules apply.

These 'late pay rules' do not apply to GPs, GDPs, OMPs, or non GP Providers.

If the late pay award is £150.00 or less the pay can be regarded as 2019/2020 pay for tiered contribution purposes. However, for the purposes of record keeping, the employer must include the late pay on the SD55, SD55e, or AW171.

If the late pay award is more than £150.00 the pay must be credited to the year it relates to for the purposes of tiered contributions. For example if there is a late pay award (not in respect of unsocial hours) of £200.00 paid in year 2019/2020 that actually relates to 2018/2019 the £200.00 must be regarded as 2018/2019 pay and tiered contributions paid at the relevant 2018/2019 rate. For the purposes of record keeping, the employer must include the late pay on the SD55, SD55e, or AW171.

Further examples are below.

Example 1:

Mr Green (an Officer) paid tiered contributions of 5% in 2018/2019 and pays 7.1% in 2019/2020

A payment of £1,000 is made in 2019/2020 of which £500 relates to 2018/2019

The pay is over the threshold and does not relate to unsocial hours

Tiered contributions payable are £500 x 5% and £500 x 7.1%

£500 would be added to 2018/2019 pensionable pay and only £500 included in 2019/2020; i.e. 2018/2019 pensionable pay increases by £500 and 2019/2020 pensionable pay increases by £500, not £1000.00.

Example 2:

Mrs Brown (an Officer) paid tiered contributions of 7.1% in 2018/2019 and 9.3% in 2019/2020

A payment of £200 is made in April 2019; this relates to March 2019 unsocial hours

The unsocial hours pay is over the threshold but is paid within two months; i.e. within the normal claim-to-paid period

Although the tiered contributions payable are £200 x 9.3% (i.e. the 2019/2020 rate) for the purposes of record keeping, the employer must include the late pay on the 2018/2019 SD55, SD55e, or AW171.

Example 3:

Mr Grey (an Officer) paid tiered contributions of 7.1% in 2018/2019 and 9.3% in 2019/2020

A payment of £200 is made in June 2019 (2019/2020) which relates to work performed in 2018/2019

The pay is over the threshold

Tiered contributions are £200 x 7.1%; i.e. the 2018/2019 rate

The £200 must be declared on the 2018/2019 SD55, SD55e, or AW171.

Example 4:

Mrs White (an Officer) paid tiered contributions of 7.1% in 2018/2019 and 9.3% in 2019/2020

A payment of £150 is made in June 2019 (2019/2020) that relates to work performed in 2018/2019

The pay is just on the threshold

Tiered contributions are £150 x 9.3%

However, the £150 must still be declared on the 2018/2019 SD55, SD55e or AW171

Long term fee based GPs

Long term fee based GPs are classed as type 2 medical Practitioners. Therefore they are treated the same as a Salaried GP for tiered contribution purposes. They must complete an annual end of year self-assessment form.

Maternity pay

If an Officer or Practice Staff Scheme member received maternity pay in 2018/2019 and year 2018/2019 was used to set the 2019/2020 tier, the full (unreduced) pensionable pay in 2018/2019 (i.e. the deemed pay) should be used to set the 2019/2020 tier. Please also see 'Changes in pensionable pay or pensionable allowances'.

MHO and Special Class

Mental Health Officers or Special Class Officers are regarded as Officers/Practice Staff for tiered contribution purposes.

New employments/posts

If an Officer or Practice Staff Scheme member starts a new job (with their current employer or another employer) they are given a new tier based on the estimated future pay that will be at a full year's value; i.e. annualised. If they are part time a whole time equivalent annualised pensionable pay figure must be used.

These rules do not apply to GPs, GDPs, OMPs, or non GP Providers.

New starters

An Officer or Practice Staff new starter in 2019/2020 has their tiered rate based on their pay scaled pro-rata to a full year (i.e. 'annualised'). If they are part time the pay used to calculate the tier must be the whole time equivalent rate.

For example, a part time Officer (who works 18.75 hours out of a possible 37.5) started work on 01/06/2019 and their estimated actual pay from 01/06/19 to 31/03/20 was £8,000.00. Their estimated whole time equivalent pay would have been £16,000.00. Their annualised actual pay would have been £9,605.26 (£8,000.00 divided by 304 days x 365 days). Their tier in 2019/2020 would be tier 2 (5.6%) as it would be based on whole time equivalent pay of £19,210.52 (£9605.26 x 2).

These rules do not apply to GPs, GDPs, OMPs, or non GP Providers.

Ophthalmic Medical Practitioners (OMPs)

The OMP tiered contribution rules are broadly the same as for GPs however they are not required to complete an end of year certificate.

Out Of Hours Providers (OOHPs)

OOHPs must ensure that they take into account a GP's global GP income when setting the tiered contributions rate. They must not base the rate solely on the OOHPs income unless the GP has no other GP posts.

Career OOH GPs are regarded as type 2 medical Practitioners and must complete the relevant self-assessment form at year end.

Overtime

In respect of an Officer or Practice Staff scheme member, overtime in excess of whole time hours (i.e. 37.5 or 39 hours) is not pensionable and therefore does not fall under tiered contributions. Any income earned by a part timer in respect of additional hours up to whole time (i.e. 37.5 or 39 hours) is pensionable.

Different rules apply to GPs, GDPs, OMPs, or non GP Providers in Practices or Centres

Part time Officers/Practice staff

Tiered contributions for part time Officers/Practice Staff are based on their WTE rate of pay. For example a member working part-time who actually earned £10k but whose WTE rate of pay was £25k would be on tier 3 (7.1%) when based on their previous years' earnings. Please also see 'Changes in pensionable pay or pensionable allowances'.

For the purpose of determining the contribution rate for a member who works part time and who receives supplements for unsocial hours, the supplement payment is added after the basic notional whole time has been calculated. The supplement payment is kept at its basic rate and does not form part of the notional whole time calculation. By performing the calculation this way the notional whole time is proportionate to a whole time member and both members will pay the same tiered rate of contributions.

Paternity pay

If an Officer or Practice Staff Scheme member received paternity pay in 2018/2019 and year 2018/2019 was used to set the 2019/2020 tiered rate, the full unreduced pensionable pay in 2018/2019 (i.e. the deemed pay) must be used to set the 2019/2020 tier.

Promotion

If an Officer/Practice staff scheme member is promoted they are allocated a new tier based on their new annualised pay rate. If they are part time the tier is based on their whole time (annualised) rate of pay.

These rules do not apply to GPs, GDPs, OMPs, or non GP Providers.

Returnees

Anyone returning to NHS pensionable employment after a break should be treated in the same way as a new starter.

Salaried General Dental Practitioners (GDPs)/Associates

Their tiered contributions are based on their Dental Practice pensionable pay and any other 'fringe' GDP/Associate income. An annualised (i.e. April to March) pay figure is used to set the tier if only a part year is worked.

Salaried GPs

Their tiered contributions are based on their Practice pensionable pay and any other 'fringe' GP income. They must complete a self-assessment form declaring their pensionable income at the end of every pension year.

Salaried Partners/Shareholders in GMS/PMS/APMS

Their 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.

Salary protection

If salary protection ends a new tier must be set based on the new annualised (WTE) pay.

These rules do not apply to GPs, GDPs, OMPs, or non GP Providers.

Salary sacrifice

In circumstances where a member commences a salary sacrifice scheme their contribution rate should be assessed in the same way as a new starter with the tier based on their estimated annualised pay (WTE if they are part time) for that year after deducting the salary sacrifice amount.

The pay sacrificed should not be 'deemed in' when calculating the whole time equivalent as it is not classed as pensionable pay.

Sick pay

If an Officer/Practice Staff Scheme member received half sick pay in 2018/2019, and year 2018/2019 is used to set the 2019/2020 tier for example, the full unreduced pensionable pay (in 2018/2019) must be used to set the tier.

These rules do not apply to GPs, GDPs, OMPs, or non GP Providers.

Step downs

Where an Officer or Practice staff scheme member steps down into a lower paid new job a new tier must be set for the new job based on the annualised (WTE) pay.

This does not affect part timers whose hours may be flexible in the same job, by virtue that their WTE rate of pay will not change.

The 'step down' rules do not apply to GPs, GDPs, OMPs, or non GP Providers because they are mainly self-employed.

Unsocial hours payments (Officers/Practice staff)

If there are short term fluctuations in unsocial hour allowances this will not change the tier subject to the revised allowances being paid promptly; i.e. within the next two monthly payslips.

However if the changes are long term (i.e. moving permanently from night shifts to days) a new tier must be set using the new annualised (whole time equivalent) pay.

If the unsocial hours allowance refers to a previous pension year and exceeds £150.00 the pay must be credited to the year it relates to for the purposes of tiered contributions. Further guidance is at 'Late pay awards' above.

These rules do not apply to GPs, GDPs, OMPs, or non GP Providers.