

## NHS Pension Member Contributions 2022/23 year-end employer guidance

### Submitting your year-end contributions totals

We are aware of the additional pressures that the member contributions changes have caused, particularly around the mid-year change and the ongoing re-assessment of members contribution rates for those who work additional part time/unsocial hours.

To help ease the workload on employers we do not require you to provide a split in contributions within your year-end totals to show contribution rates before and after the changes or notify us of any contribution rate changes throughout the year. We only require the pensionable pay, total contributions paid in the scheme year and the contribution rate that is being paid at the end of the scheme year. All other year end data must also be supplied as normal.

This will mean different things depending on how you normally supply your annual update information to NHS Pensions.

- **ESR** - The requested information will be provided by ESR. There is nothing different required other than to note that we (NHS Pensions) will have already been notified of the mid-year contribution rate for some members.
- **Pensions Online (POL)** – Updates in POL do not need to be split when the contribution rate changes. If you find that a record in the Mid-Year Contribution Rate Changes table already has a contribution rate change stored against it for 2022/23 year, you should select 'delete change' as shown in the image below and enter the contribution information for the full year and the contribution rate at year end.

| Mid Year Contribution Rate Changes ? |             |           |      |           |           |      |                   |                        |  |              |  |                                     |
|--------------------------------------|-------------|-----------|------|-----------|-----------|------|-------------------|------------------------|--|--------------|--|-------------------------------------|
|                                      | Period From |           |      | Period To |           |      | Contribution Rate | Employee Contributions |  | Employee Pay |  | Delete                              |
| 1                                    | 07          | September | 2022 | 30        | September | 2022 | 12.5              | £                      |  | .            |  | <input checked="" type="checkbox"/> |
| 2                                    | Day         | Month     | Year | Day       | Month     | Year | Select...         | £                      |  | .            |  | <input type="checkbox"/>            |
| <div>Add Row</div>                   |             |           |      |           |           |      |                   |                        |  |              |  |                                     |

[Add Row](#)

- Spreadsheets and ASCII – You should enter the total pensionable pay and contributions paid in the scheme year and the contribution rate that is being paid at the end of the scheme year. The Data Management Team will send a prepopulated spreadsheet to the main EA contact for non-POL employers during week commencing the 13 March 2023.

## **Understanding if you need to complete year-end re-banding**

Employers will be required to perform a year end re-banding exercise at 31 March 2023 in preparation for setting the correct contribution tier and rate from 1 April 2023.

This will be done automatically for ESR employers, but all other employers will need to perform the re-banding based on the previous year's actual pensionable pay figure (1 April 2022 – 31 March 2023).

Members who work additional hours/unsocial hours should continue to have their contribution rate re-assessed where an increase/or decrease to their annualised actual pensionable pay causes them to move into a different contribution tier. This will ensure that the member is paying the correct contribution rate each month as described in the payroll requirements.

## **If you're experiencing 0401 errors**

We are aware that following the implementation of the new member contribution rates from 1 October 2022 a number of 0401 errors were created due to an incorrect rate being entered in the ESR system.

Unfortunately, when employers tried to resolve the error there was also an issue in POL (which has now been fixed).

ESR is issuing a communication about this, but we appreciate your continued support in clearing these errors, which will then enable the updates to process successfully onto the member's record. Two thirds of the errors have already been corrected.

## **If you're receiving mid-year contribution rate change notifications**

Please ignore any mid-year contribution rate notifications for 2022/23 you receive as there is no action for you to take and these are in the process of being deleted.

## **Payroll Provider Requirements are being updated**

The member contributions payroll provider requirements are being updated to reflect a further clarification received from the Department of Health and Social Care (DHSC) on the method of annualising monthly pay when additional hours/unsociable hours fluctuate and will be issued shortly.

This clarification is not a change to the requirement to re-calculate on a monthly basis where additional hours/unsociable hours fluctuate. DHSC has made clear in the requirements issued in November 2022 that these re-assessments are a legislative requirement that must be undertaken.

ESR is currently working with the relevant bodies to determine a solution on how this could be managed through ESR, but to assist organisations they have introduced a new analysis report in ESR BI that will compare pensionable pay across two pay periods and flag where a change in contribution rate may be required. All information on this report was issued in User Notice UN3259 - ESR BI Report for Part Time Pension Re-banding Analysis on 25 January 2023.

If you have any queries on the member contributions changes made on 1 October 2022, you can read our [guidance on the top ten employer queries about member contributions](#).