

LOCAL GOVERNMENT 2020



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Pensions Bulletin

INFORMATION FOR EMPLOYERS

2020 – 2021 Contribution Bands and assessment

I have recently received information that the contribution bands are due to be revised by 1.7%. This is in line with inflation. Therefore the bands will be as follows:

Contribution Bandings 1 April 2020 to 31 March 2021

Pensionable pay	Main Scheme Contribution rate paid by member	50:50 Scheme Contribution rate paid by member
Up to £14,600	5.50%	2.75%
£14,601 to £22,800	5.80%	2.90%
£22,801 to £37,100	6.50%	3.25%
£37,101 to £46,900	6.80%	3.40%
£46,901 to £65,600	8.50%	4.25%
£65,601 to £93,000	9.90%	4.95%
£93,001 to £109,500	10.50%	5.25%
£109,501 to £164,200	11.40%	5.70%
£164,201 or more	12.50%	6.25%

I will circulate confirmation of the bands as soon as this has been received.

Setting employee rates from April 2020

You will need to review the rates paid by your LGPS membership with effect from 1st April 2020 and re-allocate where appropriate. You will be aware that the band is based on a member's **ACTUAL** pay received. To comply with the scheme rules the employer must use the expected pay in April 2020 and to estimate any other pensionable payments expected to be earned in the year in order to set the rate.

Re-banding during the year

Once the initial band is set for contributions the employer is required to review the band during a scheme year should the employee have a material change in contractual pay (e.g. as a result of a promotion, pay award or contractual hours change) and re-band where relevant.

Employer rates and 50/50

Please note that the employer contribution rates do not similarly reduce when members are in the 50/50 Scheme.

Regards

Ian Howe Pension Manager