

# Local Government Pension Scheme Bulletin



## Issue 3 2<sup>nd</sup> February 2021 Member Contribution Bands 2021-2022

I have recently received confirmation that the contribution bands will be increased by 0.5%. This is in line with inflation. Therefore, the bands will be as follows:

Contribution Bandings 1 April 2021 to 31 March 2022		
Actual pensionable pay for an employment	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 £22,900	5.80%	2.90%
£22,901 to £37,200	6.50%	3.25%
£37,201 to £47,100	6.80%	3.40%
£47,101 to £65,900	8.50%	4.25%
£65,901 to £93,400	9.90%	4.95%
£93,401 to £110,000	10.50%	5.25%
£110,001 to £165,000	11.40%	5.70%
£165,001 or more	12.50%	6.25%

### Setting employee rates from April 2021

You will need to review the rates paid by your LGPS membership with effect from 1st April 2021 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 2021 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 – Pensions Manager