

Contribution Pay Bands from 1 April 2021

Every April employee contribution pay bands are reviewed in line with cost of living to take account of inflationary increases. The bands are adjusted in line with the Consumer Price Index (CPI) rate of inflation at September of the previous year.

The table below sets out the contribution bands effective from 1 April 2021. These are based on the pay bands for the previous year increased by the September 2020 CPI figure of 0.5%, with the result rounded down to the nearest £100.

Contribution Bands

| Band | Pensionable Pay 2021/22 | Contribution Rate Main Scheme | Contribution Rate 50/50 Section |
|------|-------------------------------|-------------------------------|---------------------------------|
| 1 | Up to £14,600 | 5.50% | 2.75% |
| 2 | Above £14,600 up to £22,900 | 5.80% | 2.90% |
| 3 | Above £22,900 up to £37,200 | 6.50% | 3.25% |
| 4 | Above £37,200 up to £47,100 | 6.80% | 3.40% |
| 5 | Above £47,100 up to £65,900 | 8.50% | 4.25% |
| 6 | Above £65,900 up to £93,400 | 9.90% | 4.95% |
| 7 | Above £93,400 up to £110,000 | 10.50% | 5.25% |
| 8 | Above £110,000 up to £165,000 | 11.40% | 5.70% |
| 9 | Above £165,000 | 12.50% | 6.25% |

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Employers will have to reassess contribution rates for each scheme member based on their pensionable pay at 1 April 2021.

Any reductions in pensionable pay due to sickness, child related leave, reserved forces service leave or other absence from work will be disregarded when assessing/reviewing the appropriate band/contribution rate.

Members on 'zero hours' contracts or variable hour's contracts, etc. will require an assumption to be made of the pensionable pay for the Scheme year.

Part-Time Employees

For part time members, the contribution rate assessment is to be made by reference to **actual pay**.

Multiple Employments

If you have more than one employment you will have each job assessed separately when determining the contribution rate for each job.

Movements between Contribution Bands

Once the initial pay band and contribution rate has been determined, employers are required by the regulations to reassess the appropriate band and rate each April, and are permitted by the regulations to review the appropriate band and rate where there is a change in a member's employment, or a material change which affects pensionable pay in the course of a financial year.