

December 2013

Important Notice for all RCPS Members from Kye Honor, Deputy Head of JSS

As part of the pension reform process the Government is increasing member contributions to the main public service pension schemes by an average of 3.2% of pay over three years from 2012. The Government has now announced the third of these increases. Previous increases were in April 2012 and April 2013; the next increase will take place in April 2014. The Research Councils' Pension Scheme (RCPS) is a 'by-analogy' scheme to the Principal Civil Service Pension Scheme (PCSPS) and as a result any changes made to the PCSPS, including member contribution rates, are automatically applied to the RCPS.

Members of the **classic, premium, classic plus** and **nuvos** schemes will be affected. These increases do not apply to those who earn less than £15,000 (salary and pensionable allowances on a full time equivalent basis).

A table of the increases by pay band and scheme is provided below:

Annual Pensionable Earnings (full-time equivalent basis)	Classic scheme		Premium, Classic Plus and Nuvos schemes	
	Current contribution %	New 2014/15 contribution %	Current contribution %	New 2014/15 contribution %
Up to £15,000	1.50	1.50	3.50	3.50
£15,001-£21,000	2.70	3.00	4.70	5.00
£21,001-£30,000	3.88	4.48	5.88	6.48
£30,001-£50,000	4.67	5.27	6.67	7.27
£50,001-£60,000	5.46	6.06	7.46	8.06
Over £60,000	6.25	6.85	8.25	8.85

NB: Your employer will continue pay the majority of the cost of your Research Councils' Pension Scheme through the employer contribution (currently 26% of pay).

Contributions are deducted from your gross pay before Income Tax is deducted, giving you tax relief. This means, if you pay tax, your take home pay will not be reduced by the full amount of the increase.

In order to see what this might mean for your pension contributions please use the [contributions calculator](#). This can be found at the [Pensions Reform](#) page of the Civil Service Pensions website. You will also find a list of frequently asked questions and answers as well as some case studies on the Pension Reform page.

I recognise that the increased contribution rates will adversely impact most members but your Research Councils Pension Scheme will remain a very effective way to save for your retirement and the benefits will remain far greater than those on offer from most other employers. It is still a very important element of your overall reward package.