

January 2013

Important Notice for all RCPS Members from Ian Maxwell, Head of JSS

Dear colleagues,

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 announced the further increases to the contribution rates that some civil servants will pay to their Civil Service pension from April 2013. 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	
	Current contribution rate %	New 2013 contributions %	Current contribution rate %	New 2013 contributions %
Up to £15,000	1.50	1.50	3.50	3.50
£15,001 - £21,000	2.10	2.70	4.10	4.70
£21,001 - £30,000	2.70	3.88	4.70	5.88
£30,001 - £50,000	3.10	4.67	5.10	6.67
£50,001 - £60,000	3.50	5.46	5.50	7.46
Over £60,000	3.90	6.25	5.90	8.25

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 that can be found at the pensions reform section of the Civil Service website at the following address <http://www.civilservice.gov.uk/pensions/reform/contribution-increases> .

At the same section of the website you will also find a document with some frequently asked questions and answers, and some case studies.

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.