

Welcome to the fourth issue of the JSS employer newsletter. Thank you for your feedback, please continue to let us know if there is something you would like to see in future editions.

RCPS Employee Contribution Rates for 2023-24

The RCPS Management Board have approved the RCPS employee contribution rates for 2023-24. The changes from the current arrangement are in the first tier, where the earnings threshold increases from £23,100 to £32,000, and the second tier, which now starts from £32,001.

Please can you instruct your HR and payroll functions or providers to update their systems accordingly.

Table 1: Employee Contribution Rates from 1 April 2023

Annualised Pensionable Earnings	Employee Contribution rate %
Up to and including £32,000	4.60
£32,001 - £56,000	5.45
£56,001 - £150,000	7.35
£150,001 and above	8.05

These continue to mirror the Civil Service Pension Scheme employee contribution rates.

The RCPS employer contribution rate remains at 26%. The mini-ASLC employer contribution rate for members in the Partnership scheme remains at 0.8%.



Spotlight on pension increases and revaluations in 2023

Public Service Pensions in payment and preserved pensions are typically increased by inflation each April, based on the rate of CPI from the preceding September. September 2022 CPI was 10.1%. Therefore, an increase of 10.1% will be applied in April 2023. The Government normally confirm this increase in February.

Added Pension purchased before and during the 2022-23 scheme year, and NuvoS accrued pension will also be uprated (revalued) by 10.1% in April 2023.

If a pension was brought in to pay between April 2022 and March 2023 the increase may be pro-rata.

ADDED PENSION

Members can increase the amount of pension they will be able to draw at retirement through buying Added Pension.

Added Pension can be bought as a lump sum payment or by regular deduction from pay, either as a percentage or fixed amount of deduction.

Added Pension purchases through payroll deduction automatically receive tax relief (the contribution is deducted before tax is calculated).

We have information and calculators on our website:

<http://jsspensions.nerc.ac.uk/members/increasing.asp>

Please circulate the Added Pension Reminder to your staff:

<http://jsspensions.nerc.ac.uk/docs/added-pension-reminder-2023.pdf>

This tells them when they need to send applications to JSS and how much they can buy, both in this scheme year 2022-23 and next scheme year 2023-24.

If a member wanted to buy Added Pension by lump sum this year they need to submit the application form to us by 10 February 2023.

Partial Retirement – Why you need to tell us before earnings change

When an employer agrees that someone can take partial retirement it is on the basis that their pay will reduce by at least 20% through to their final retirement; it is a **permanent change**. Normal annual pay increases do not affect Partial Retirement. However, if an employer awards a new pensionable Allowance or increases the pay, for example if the person moved to a new role, then the partial retirement would need to be reviewed and the pension may be abated (reduced). It is therefore important employers notify JSS before making any pay changes or awarding pensionable allowances to staff who have partially retired. Failure to notify JSS can result in the overpayment of pension benefits, which will need to be recovered.

More information about Partial Retirement: <http://jsspensions.nerc.ac.uk/members/benefits/partial.asp>

Scheme Pension Ages

The normal minimum pension age for most people is 55. This is increasing to 57 from April 2028. There are exceptions to this, e.g. for ill health retirement and schemes that have protected pension ages based on their pension scheme rules. The minimum scheme pension age is 50 for those enrolled in the RCPS before 1 April 2006.

Normal scheme pension ages are: Classic, Classic Plus and Premium – 60, Nuvo – 65.

Compensation in Lieu of Notice (CILON)

Compensation in Lieu of Notice is a payment an employer may wish to give an employee as part of a managed exit where you agree they will not work their notice period. It effectively compensates them for leaving the pension scheme early, for example if their notice period is 3 months then CILON can compensate someone for 3 months of pension accrual they would miss out. JSS have a CILON calculator that employers can use to calculate how much to pay: <http://jsspensions.nerc.ac.uk/docs/calculators/rcps-cilon-calculator-june-2021.xlsm>. Please note that JSS do not pay CILON payments; employers need to process these through normal payroll arrangements.

Pension tax: The Annual Allowance

There is a limit on how much individuals can save into a pension in a tax year. This is called the Annual Allowance, or AA, and the limit is £40,000. If the pension grows by more than £40,000 from one year to the next, they may exceed the limit and must pay a tax charge. If a member's RCPS benefits exceeds the AA JSS will notify them by issuing a Pension Saving Statement with their Annual Benefit Statement.

JSS can be asked to pay the tax charge if it is over £2,000 through the Scheme Pays facility. If someone exceeded the AA for tax year 2021-22 they have until 31 July 2023 to ask for it to be paid through Scheme Pays.

If they opt to pay it direct to HMRC themselves the deadline is 31 January 2023

More information is on our website: <http://jsspensions.nerc.ac.uk/help/tax.asp>

Coming soon: JSS annual customer feedback survey

We will be launching our 2023 customer survey in the next few weeks. Please look out for this and take a moment to share your views on the service we provide.

Members can contact JSS directly

Occasionally we hear from members that didn't know they could contact us directly with questions about their pension or pension benefits. Contact details are on our website: <http://jsspensions.nerc.ac.uk/contact.asp>. We can also meet up with people face to face in our offices or online with Zoom. Please encourage your staff to reach out to us if they have a query about their pension; we are here to help.

Contact JSS

You can visit us in Polaris House, Swindon
<https://goo.gl/maps/3rYFX1BsrTtk3c2TA>
Phone one of the team, our contact details are [here](#)

Email us: memberships@jss.ukri.org

We can also meet with you using Zoom or Teams