

**November 2013**

**Proposed Changes to RCPS Employee Pension Contribution Rates**

The Government has recently announced the third consecutive employee pension contribution increases as proposed by the Cabinet Office. These are due to be implemented in April 2014 and follow increases in April 2012 and April 2013 as a result of the review of public services pensions by Lord Hutton. The proposal is to increase employee contributions by 0.6% with exceptions for those earning less than £15,000 (full time equivalent) paying nothing extra and those between £15,001 and £21,000 (full time equivalent) paying 0.3% extra. These changes are in line with the planned increases announced in 2011 where employees would see pension contributions increasing by an average of 3.2% from April 2012 to April 2014.

The proposed changes to contribution rates are as follows:

Annual Pensionable Earnings (full-time equivalent basis)	Classic scheme		Premium, Classic Plus and Nuvos schemes	
	Current contribution rate %	Proposed 2014 contribution %	Current contribution rate %	Proposed 2014 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

The Cabinet Office are consulting with all Civil Service trade unions and staff associations on the proposal to increase pension contributions in April 2014. The Cabinet Office will accept responses to this consultation until 29 Nov 2013. As with the previous two years' increases the Research Council Pension Scheme will follow the amendments that the Principal Civil Service Pension Scheme adopt under the 'by analogy' arrangement of the scheme. RCPS will not be making individual responses to the consultation.

Further information on the proposal can be accessed through the following link:  
<http://www.civilservice.gov.uk/pensions/reform/contribution-increases>

A further communication will be sent once the consultation has concluded.

**Kye Honor**

**Deputy Head of JSS**

[JSS Pension Administration](#)