

To: Chief Executives
 Salaries and Wages
 Human Resources
 Pension Contacts

Circular 3/2018
 20 February 2018

At: All Employing Authorities

Dear Colleagues,

Employees' Contribution Rate Bands and Employers' Contribution Rates from 1 April 2018

This Circular has been issued to advise you of the change to the employees' contribution rate bands for 2018/19 and to remind you of the changes to employers' contributions.

1. Employees' Contribution Rate Bands for 2018/19

The Department for Communities has advised that the employees' pensionable pay ranges set out in Table 1 will apply for the year from 1 April 2018.

Table 1- Employees' contribution rates from 1 April 2018

Band	Pensionable pay range	Contribution rate
1	Up to £14,500	5.5%
2	£14,501 to £22,100	5.8%
3	£22,101 to £36,900	6.5%
4	£36,901 to £44,700	6.8%
5	£44,701 to £88,300	8.5%
6	More than £88,300	10.5%

Please ensure that these rates and ranges are used when assessing individual contribution rates on actual pensionable pay (and not full-time equivalent) for your employees.

2. Employers' Contribution Rates for 2018/19

The Fund is valued every three years by the Fund's actuary. As part of the March 2016 valuation the actuary certified the employers' contribution rates and deficit

recovery contributions for the three years from 1 April 2017. The majority of employers participate in a pooled employers' contribution rate and, in addition, have individual deficit recovery contributions. The contribution rates and deficit recovery contributions for those employers in the main group for the three years are as follows:

Table 2 - Employers' contribution rates from 1 April 2017 to 31 March 2020

	1 April 2017 – 31 March 2018	1 April 2018 – 31 March 2019	1 April 2019 – 31 March 2020
Future service rate as a percentage of payroll	18%	19%	20%
PLUS	PLUS		
Deficit Recovery Contributions (£s)	Individual amount	Individual amount	Individual amount

Those employers who are outside of the main group were separately advised of their individual rates and deficit recovery contributions.

Each employer was sent a letter in 2016/17 advising of its percentage contributions and deficit recovery contributions for each of the three years. Please contact me immediately if you have mislaid your letter.

The percentage employers' contributions and employees' contributions should continue to be deducted through staff payroll and paid over to NILGOSC each month as normal. In addition, the Deficit Recovery Contributions for each year will be invoiced at the beginning of each financial year and should be remitted either as a lump sum at the beginning of the year or in twelve equal instalments on a monthly basis, with payment required in full by the end of the financial year (31 March). Each employer will be required to confirm the percentage employer contribution rate being applied and also the preferred payment option for deficit recovery contributions.

Please do not hesitate to contact the Pensions Development Team or myself if you have any queries.

Yours sincerely



Zena Kee
Pensions Manager