

To: Chief Executives
 Salaries and Wages
 Human Resources
 Pension Contacts

Circular 1/2017
 23 January 2017

At: All Employing Authorities

Dear Colleagues,

Employees' Contribution Rate Bands and Employers' Contribution Rates from 1 April 2017

This Circular has been issued to advise you of the change to the employees' contribution rate bands for 2017/18 and to remind you of the changes to employers' contributions.

1. Employees' Contribution Rate Bands for 2017/18

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 2017.

Table 1- Employees' contribution rates from 1 April 2017

Band	Pensionable pay range	Contribution rate
1	Up to £14,100	5.5%
2	£14,101 to £21,500	5.8%
3	£21,501 to £35,900	6.5%
4	£35,901 to £43,400	6.8%
5	£43,401 to £85,800	8.5%
6	More than £85,800	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 2017/18

The Fund is valued every three years by the Fund's actuary. As part of the March 2016 valuation the actuary will certify 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 from this valuation will, in

addition, have individual deficit recovery contributions. This is in line with the recent consultation on the Funding Strategy Statement.

The contribution rates and deficit recovery contributions for those employers in the main group for the next three years will be as follows:

Table 2 - Employers' contribution rates from 1 April 2017

	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 have already been advised of their individual rates and deficit recovery contributions.

At this stage, every employer should have received a letter advising of its percentage contributions and deficit recovery contributions for each of the next three years. Please contact me immediately if you have not been notified.

From 1 April 2017, 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.

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

Yours sincerely



Zena Kee
Pensions Manager