

To: Salaries and Wages
 Human Resources
 Pension Contacts

Circular 01/2022

16 February 2022

At: All Employing Authorities

Dear Colleagues,

Employees' Contribution Rate Bands, Employers' Contribution Rates and Revised Limit for Additional Pension Contributions from 1 April 2022

This Circular has been issued to notify you of the changes to the employees' contribution rate bands for 2022/23 and to remind you of the employers' contribution rates. It also advises of the revised limit for additional pension contributions from 1 April 2022.

1. Employees' Contribution Rate Bands for 2022/23

The Department for Communities has advised that the revised employees' pensionable pay ranges set out below will apply for the year from 1 April 2022.

Band	Pensionable Pay Range	Contribution Rate Main section	Contribution Rate 50/50 section
1	£0 to £15,400	5.5%	2.75%
2	£15,401 to £23,700	5.8%	2.90%
3	£23,701 to £39,500	6.5%	3.25%
4	£39,501 to £48,000	6.8%	3.40%
5	£48,001 to £95,100	8.5%	4.25%
6	More than £95,100	10.5%	5.25%

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 2022/23

The Fund is valued every three years by the Fund's actuary. As part of the March 2019 valuation, the actuary certified the employers' contribution rates for the three years from 1 April 2020. Most employers participate in the main group with a pooled employers' contribution rate. The contribution rates for those employers in the main group for the three-year period are as follows:

	1 April 2020 – 31 March 2021	1 April 2021 – 31 March 2022	1 April 2022 – 31 March 2023
Future service rate as a percentage of payroll	19.5%	19.5%	19.5%

Those employers who are outside of the main group were separately advised of their individual rates and deficit recovery contributions, if applicable. If any employer is not certain of its contribution rate, they are stated on pages 57 – 71 of the [2019 Valuation Report](#).

The percentage employers' contributions and employees' contributions should be deducted through staff payroll and paid over to NILGOSC each month as normal. In addition, where applicable, 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).

The next triennial valuation will take place as at 31 March 2022 and employers' contribution rates for the period from 1 April 2023 to 31 March 2026 will be set following this valuation. It is expected that indicative rates will be available by the end of 2022.

3. Revised limit for Additional Pension Contributions

The Department for Communities has confirmed that the limit for Additional Pension Contributions for the Scheme year beginning on 1 April 2022 has increased to £7,385. The revised limit applies to both members who are paying additional pension contributions and to employer awards of additional pension.

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

Yours sincerely

Zena Kee

Head of Pensions Policy