

Local Government Pension Scheme - Revised Earnings Bands Applicable From 1st April 2013

The following table gives details of the earnings bands and the rates of employee contribution which must be applied from **1st April 2013**:-

Table 1

<i>Band</i>	<i>Range</i>	<i>Contribution Rate</i>
1	£0-£13,700	5.5%
2	More than £13,701 up to £16,100	5.8%
3	More than £16,101 up to £20,800	5.9%
4	More than £20,801 up to £34,700	6.5%
5	More than £34,701 up to £46,500	6.8%
6	More than £46,501 up to £87,100	7.2%
7	More than £87,100	7.5%

The employee must be allocated to a band and pay the contribution rate specified e.g. an employee earning £25,000 a year would pay a contribution of 6.5% on **all** pensionable earnings; an employee earning £50,000 a year would pay a contribution of 7.2% on **all** pensionable earnings.

The earnings bands are reviewed each April and increased in line with LGPS pensions i.e. they are increased in line with Consumer Price Inflation or CPI.

Part-Time Employee Contributions

The contribution rate for a part-time employee will be determined on the basis of what the person would have earned had they been a **whole-time** employee.

Part-time Employee Example – A person working 18.5 hours a week (50% of whole-time) and earning £10,000 would **not** pay contributions at the 5.5% rate. Their contribution rate would be determined by the notional earnings of an equivalent whole-time worker i.e. if this person had worked 37 hours a week they would have earned £20,000 and their contribution rate would be 5.9% i.e. they would pay £10,000 x 5.9% = £590.00 a year in employee contributions.