

# NHS Pension Scheme England and Wales: Proposed changes to member contributions from 1 April 2022

The Department of Health are consulting on the implementation of a new member contribution structure for the NHS Pension Scheme in England and Wales to take effect from the 1 April 2022.

The consultation will close at 11.45am on the 7 January 2022 and can be viewed at <https://www.gov.uk/government/consultations/nhs-pension-scheme-proposed-changes-to-member-contributions>.

UNISON will be responding and will shortly be organising a series of regional briefings so that we can take your views into account in our response.

## So, what are the main proposals?

1. Moving from contribution rates being based on whole-time equivalent pensionable pay to actual pay
2. Increasing contribution tier boundaries in line with annual AFC pay awards
3. Reducing the number of contribution tiers from 7 to 6
4. Phasing in changes over a 2-year period

## What does it all mean? Who gains and who loses out?

- **Most part-timers will gain** through a change to rates being determined on actual pay rather than whole-time equivalent salary as is currently the case. Effectively meaning that 3 in every 10 current scheme members will pay less than currently.
- **Full-time members earning £47,846 or more will either pay the same or gain**
- **Full-time members earning £70,631 or more will pay less than currently**
- **With a couple of exceptions, full-time members earning less than £47,846 will generally pay more**

Although some of the proposed changes are welcome, we are very concerned about how the costs will be passed onto lower paid scheme members, while the highest earners stand to benefit the most. The government's insistence that the NHS Pension Scheme must deliver a 9.8% yield means that in general lower paid full time scheme members will pay more. This is inequitable at a time when they are also being hit hardest by the NI hike and when the mounting cost of

living has already wiped out the 3% pay award. We believe the government should rethink their approach.

## A breakdown by salary of what it all means

### APRIL 2022

### APRIL 2023 \*

Full-time pay	Contribution increase (before tax) from 1 April 2022	Full-time pay	Contribution increase (before tax) from 1 April 2023
£20,000	0.5% INCREASE	£20,000	0.9% INCREASE
£21,479 - £22,548	<b>0.3% DECREASE</b>	£21,479 - £22,548	<b>0.6% DECREASE</b>
£25,000	0.6% INCREASE	£25,000	1.2% INCREASE
£26,824 – £27,779	<b>0.5% DECREASE</b>	£26,824 – £27,779	<b>1% DECREASE</b>
£30,000	0.5% INCREASE	£30,000	0.5% INCREASE
£35,000	0.5% INCREASE	£35,000	0.5% INCREASE
£40,000	0.5% INCREASE	£40,000	0.5% INCREASE
£45,000	0.7% INCREASE	£45,000	1.4% INCREASE
£47,846 - £54,763	<b>0.9% DECREASE</b>	£47,846 - £54,763	<b>1.8% DECREASE</b>
£54,764 - £70,630	NO INCREASE OR DECREASE	£54,764 - £70,630	NO INCREASE OR DECREASE
£70,631 - £111,376	NO DECREASE	£70,631 - £111,376	<b>1% DECREASE</b>
£111,377 +	<b>1% DECREASE</b>	£111,377 +	<b>2% DECREASE</b>

- April 2023 increase is the total increase from current position

## Current rates against proposed rates

### CURRENT

### PROPOSED (April 2023)

Tier	WTE Pay	Rate	Tier	Actual pay	Rate
1	Up to £15,431	5%	1	Up to £13,231	5.2%
2	£15,432 – £21,477	5.6%	2	£13,232 - £22,548	6.5%
3	£21,478 - £26,823	7.1%	3	£22,549 – £27,779	8.3%
4	£26,824 - £47,845	9.3%	4	£27,780 - £42,120	9.8%
5	£47,846 - £70,630	12.5%	5	£42,121 - £54,763	10.7%
6	£70,631 - £111,376	13.5%	6	£54,764 +	12.5%
7	£111,377 +	14.5%	-	-	-

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