

09 February 2011

Circular 02/2011

To: Salaries and Wages Departments
 Human Resources Departments
 Pensions Contacts

Dear Colleagues

Employee Contribution Rate Bands and Employer Contribution Rates from 1 April 2011

Employee Contribution Rate Bands

The Department of the Environment has confirmed that Pensions Increase for the 2011/12 year will be 3.1%.

Contribution bands for employees have been increased accordingly and the revised bands which apply from 1 April 2011 are shown below.

Band	Range	Contribution rates
1	£0 - £12,900	5.5%
2	£12,901-£15,100	5.8%
3	£15,101 -£19,400	5.9%
4	£19,401 -£32,400	6.5%
5	£32,401 -£43,300	6.8%
6	£43,301 -£81,100	7.2%
7	More than £81,100	7.5%

Please ensure that these bands are used when assessing individual contribution rates for your employees.

Employees with protected manual rights (i.e. employed in a manual capacity at 31 January 2003) should now move to the rate that applies in the table above or 6.5% - whichever is less.

Employer Contribution Rates

As advised in Circular 10/2010, the actuary has estimated the contribution rate for standard employers as shown in the table below.

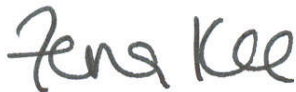
2011/12	2012/13	2013/14
18%	19%	20%

If you have been informed that your authority will have an individually assessed contribution rate, the table will not apply.

We are still awaiting the Rates and Adjustments Certificate from the actuary which details the final results of the triennial valuation. Once this certificate is received, we will be able to confirm contribution rates for all employers.

If you have any questions regarding the content of this circular, please contact either myself or any member of the Pensions Development Team.

Yours sincerely



Zena Kee
Pensions Manager