

Chris Megainey  
 Department for Communities and Local Government  
 Fry Building  
 2 Marsham Street  
 SW1P 4DF

6<sup>th</sup> February 2015

Dear Chris

**Local Government Pension Scheme (LGPS) - Employee contributions**

At its meeting of 5<sup>th</sup> February the Cost Management and Contributions Committee of the Shadow Scheme Advisory Board met to review the employee contribution bands in line with our correspondence of 18<sup>th</sup> December 2013 and 31<sup>st</sup> January 2014. Its conclusions were considered at the Board meeting of the 6<sup>th</sup> February.

Following consideration of the potential yields for 2015-16 both with and without the automatic uprating of bands the Board wishes to make the following recommendations:

- (1) That the employee contribution bands are increased in line with regulation 9(4) which if the appropriate increase is confirmed at 1.2% would result in the following table:-

Contribution Table 2015/16		
If your pay is:	You pay a contribution rate of:	
	Main section	50/50 section
Up to £13,600	5.5%	2.75%
£13,601 to £21,200	5.8%	2.9%
£21,201 to £34,400	6.5%	3.25%
£34,401 to £43,500	6.8%	3.4%
£43,501 to £60,700	8.5%	4.25%
£60,701 to £86,000	9.9%	4.95%
£86,001 to £101,200	10.5%	5.25%

£101,201 to £151,800	11.4%	5.7%
£151,801 or more	12.5%	6.25%

- (II) That DCLG is asked to consider an amendment to the regulations to provide that changes made to bands and rates are not based on the sole criteria of CPI indexation.

Yours sincerely



Jeff Houston  
Secretary to the Shadow Scheme Advisory Board

DRAFT