

**LOCAL GOVERNMENT PENSION SCHEME (SCOTLAND)
CIRCULAR SPN/LG No. 4/2016**

- WHO SHOULD READ:**
- The Secretary General**
 - Convention of Scottish Local Authorities**
 - The Chief Executive**
 - Scottish Local Authorities**
 - The Chief Executive**
 - Water Authorities**
 - The Principal Reporter**
 - Scottish Children's Reporter Administration**
 - The Chief Executive**
 - Scottish Environment Protection Agency**
 - The Director General**
 - Strathclyde Passenger Transport Executive**
 - The Clerk**
 - Strathclyde Passenger Transport Authority**
 - The Chief Executive/Director**
 - VisitScotland**
- ACTION:**
- This circular should be brought to the attention of Pension Managers, Superannuation Sections and LGPS Employer Payroll Departments. You may also wish to draw it to the attention of the Directors of Finance and Administration**
- SUBJECT:**
- TIERED CONTRIBUTION RATE SYSTEM
Local Government Pension Scheme in Scotland**
- Version 10 – issued 11 March 2016**

About Circular No.4/2016:-

The purpose of this circular is to notify all interested parties of the release of Version 10 of the guidance on the tiered contribution rate system for the Local Government Pension Scheme in Scotland.

Under regulation 9(3)(a) of The Local Government Pension Scheme (Scotland) Regulations 2014, the earnings ranges used to determine annual contribution rates

are to be increased each year by any increase applied to pensions under the Pensions (Increase) Act 1971, and are to be treated for the purposes of paragraph 3(a) as if they were pensions beginning on 1st April 2014. As communicated in Circular 3/2016, in the 12 months to September 2015, CPI was negative (-0.1%), and no inflationary increase is to be applied from 1 April 2016 for either pensions in payment or deferred pensions, with both remaining frozen at their current level of payment or deferred value. As a result, no inflationary increase is to be applied from 1 April 2016 to the employee contribution bandings for 2016/17.

Please find attached Version 10 of the guidance on the operation of the tiered contribution rate system for the Local Government Pension Scheme in Scotland.

This version replaces version 9 which was issued in March 2015.

Changes to the guidance are as follows:

- Annex C Table 1 - Tiered Contribution Pay Rates. References to 2015/16 have been updated to 2016/17.
- Annex C Table 2 – Look Up Table for 2015/2016. References to 2015/16 have been updated to 2016/17.

Administering Authorities are asked to ensure that Version 10 of the guidance is forwarded to LGPS employers.

Annette Greenslade
Policy Officer, LGPS
11 March 2016

Contact Information:

Should you have any enquiries about this circular, or require further information, please contact Kimberly Linge, Policy Manager, LGPS or Annette Greenslade, Policy Officer, LGPS.

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