



St Ives Town Council

Twinned with Stadtallendorf

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PENSION CONTRIBUTION POLICY

PENSION CONTRIBUTIONS

Following the introduction of new pension regulations with effect from 1 April 2014 a tiered basic employee contribution rate is applied.

Contribution rates will therefore be deducted from salary based on the following table:

Band	Range	Contribution rate
1	£0 - £13,500	5.5%
2	£13,501 - £21,000	5.8%
3	£21,001 - £34,000	6.5%
4	£34,001 - £43,000	6.8%
5	£43,001 - £60,000	8.5%
6	£60,001 - £85,000	9.9%
7	£85,001 - £100,000	10.5%
8	£100,001 - £150,000	11.4%
9	£150,000 or more	12.5%

Part Time Employees

Part time employees will pay a percentage equivalent to their actual annual salary.

Multiple Employments

Where an employee has more than one post, the contribution band will be assessed in respect of each post. For example an employee could hold two posts and the contribution rate might be different in respect of each job.

Review of Deduction Rates

The Town Council will review the deduction rates on an annual basis as well as at other times if there are significant contractual changes.

Determining Contribution Rate

The Town Council will determine an employee's contribution rate for each job on 1 April each year based on his/her annual pensionable pay.

Cost of Living Pay Increase

An employee's contribution rate is reassessed after the cost of living pay award is implemented. The pay award may take an employee from one contribution band to a higher contribution band. The new contribution rate is applied to any back pay that is paid and to the employee's annual pensionable pay going forward.

Reassessing Contribution Rate

An employee's contribution rate will be reassessed in the following situations:

- Increase in annual pensionable pay (reassessed from the date of the increase)
- Decrease in annual pensionable pay (reassessed from the date of the decrease)

The new contribution rate is applied to any back pay that is paid and to the employee's annual pensionable pay going forward. The new contribution rate is not applied retrospectively, ie no further deductions will be made/refunded for pay that has already been received.

If an employee's pay has been paid in error, and this error has resulted in him/her paying a higher or lower rate than the pension contributions payable will be adjusted at the same time that the over/underpayment of salary is adjusted. In these circumstances the adjustment will apply to the whole of pensionable pay not just the arrears being paid/re-funded.

Additional Contributions

It is possible to make additional contributions before Income Tax is collected by

- Additional percentage
- Regular instalments
- Lump sum

Added Years Contracts

It is possible for an employee to top up their pension by purchasing Added Years. If employees have existing Added Years contracts they can continue to pay the additional contributions.

Policy Review

This policy will be reviewed on an annual basis.

Responsible Officer	Town Clerk	Date effective from	May 2008	Review date	March 2017
Author	Town Clerk	Date last amended	May 2014		