

Local Government Pensions Committee
Secretary, Lorraine Bennett

LGPC Bulletin 182 – March 2019

This Bulletin sets out the rates and bands applicable from April 2019 for various purposes. Please contact [Rachel Abbey](#) with any comments on the contents of this Bulletin. LGPC contacts can be found at the end of this Bulletin.

Contents

[LGPS contribution bands and employee contribution rates – England and Wales](#)

[LGPS contribution bands and employee contribution rates – Scotland](#)

[The LGPS additional pension purchase limit for 2019/20 in England and Wales](#)

[The LGPS additional pension purchase limit for 2019/20 in Scotland](#)

[The Annual Allowance and Lifetime Allowance limits applicable from 6 April 2019](#)

[Automatic enrolment earnings bands from 6 April 2019](#)

[National Insurance thresholds from 6 April 2019](#)

[Annual Revaluation Order coming into force 1 April 2019](#)

[Annual Pensions Increase from 8 April 2019](#)

[Retail Prices Index \(RPI\)](#)

[Annual GMP increase from 6 April 2019](#)

[The Social Security Revaluation of Earnings Factors Order 2019](#)
(used in the calculation of a Scheme member's Guaranteed Minimum Pension)

[Redundancy payments from 6 April 2019](#)

[Actions for administering authorities.](#)

LGPS contribution bands and employee contribution rates – England and Wales

The table below shows the pay ranges and corresponding employee contribution rates that apply to the LGPS in England and Wales from 1 April 2019.

Contribution table 2019/20			
Band	Actual pensionable pay for an employment	Contribution rate for that employment	
		Main section	50/50 section
1	Up to £14,400	5.50%	2.75%
2	£14,401 to £22,500	5.80%	2.90%
3	£22,501 to £36,500	6.50%	3.25%
4	£36,501 to £46,200	6.80%	3.40%
5	£46,201 to £64,600	8.50%	4.25%
6	£64,601 to £91,500	9.90%	4.95%
7	£91,501 to £107,700	10.50%	5.25%
8	£107,701 to £161,500	11.40%	5.70%
9	£161,501 or more	12.50%	6.25%

Unless the process for allocating the appropriate contribution rate has been automated on the payroll system, employers must determine the appropriate employee contribution rate for each employee from 1 April 2019 and notify this to payroll. Any reductions in pensionable pay due to sickness, child related leave, reserve forces service leave or other absence from work are to be disregarded in determining the appropriate contribution rate.

Information on allocating employees to a band each April and on varying, during the course of a Scheme year, the band to which an employee is allocated can be found in section 10 of the HR Guide and in section 5.1 of the Payroll Guide, both of which can be found on the [guides and sample documents](http://www.lgpsregs.org) page of www.lgpsregs.org.

LGPS contribution bands and employee contribution rates – Scotland

The contribution rates applicable to specified pay bands are set out in [statutory guidance](#) issued by Scottish Ministers. The following pay ranges and employee contribution rates apply to the LGPS in Scotland from 1 April 2019.

Contribution rate	Actual Pay Min	Actual Pay Max	Contribution rate	Actual Pay Min	Actual Pay Max
5.50%	Up to	22,441	8.40%	63,048	64,823
5.60%	22,442	23,843	8.50%	64,824	66,702
5.70%	23,844	25,433	8.60%	66,703	68,694
5.80%	25,434	26,990	8.70%	68,695	70,807
5.90%	26,991	28,049	8.80%	70,808	73,055
6.00%	28,050	29,193	8.90%	73,056	75,450
6.10%	29,194	30,436	9.00%	75,451	78,008
6.20%	30,437	31,788	9.10%	78,009	80,745
6.30%	31,789	33,267	9.20%	80,746	83,681
6.40%	33,268	34,890	9.30%	83,682	86,839
6.50%	34,891	36,652	9.40%	86,840	90,245
6.60%	36,653	37,938	9.50%	90,246	93,928
6.70%	37,939	39,318	9.60%	93,929	97,925
6.80%	39,319	40,801	9.70%	97,926	102,277
6.90%	40,802	42,401	9.80%	102,278	107,034
7.00%	42,402	44,132	9.90%	107,035	112,256
7.10%	44,133	46,010	10.00%	112,257	118,012
7.20%	46,011	48,055	10.10%	118,013	124,391
7.30%	48,056	49,489	10.20%	124,392	131,500
7.40%	49,490	50,576	10.30%	131,501	139,469
7.50%	50,577	51,713	10.40%	139,470	148,467
7.60%	51,714	52,902	10.50%	148,468	158,706
7.70%	52,903	54,147	10.60%	158,707	170,462
7.80%	54,148	55,451	10.70%	170,463	184,100
7.90%	55,452	56,820	10.80%	184,101	200,108
8.00%	56,821	58,259	10.90%	200,109	219,166
8.10%	58,260	59,772	11.00%	219,167	242,236
8.20%	59,773	61,366	11.10%	242,237	270,735
8.30%	61,367	63,047	11.20%	270,736	and above*

Note: For members in the 50/50 section divide the appropriate rate by 2

* Contribution rates will increase beyond 11.2% of pay for higher salaries, but SPPA were not asked to provide bands above 11.2%.

Unless the process for allocating the appropriate contribution rate has been automated on the payroll system, employers must determine the appropriate employee contribution rate for each employee from 1 April 2019 and notify this to payroll. Any reductions in pensionable pay due to sickness, child related leave, reserve forces service leave or other absence from work are to be disregarded when determining the appropriate contribution rate.

Information on allocating employees to a band each April and on varying, during the course of a Scheme year, the band to which an employee is allocated can be found in section 10 of the HR Guide and in section 5.1 of the Payroll Guide both of which can be found on the [guides and sample documents](#) page of www.scotlgpsregs.org.

LGPS additional pension purchase limit for 2019/20 in England and Wales

Regulations 16(6) and 31(2) of the LGPS Regulations 2013 state that the additional pension limit is increased on 1 April each year as if it were a pension beginning on 1 April 2013 to which the Pensions (Increase) Act 1971 applied.

The pensions increase due on 1 April 2019 is that from 9 April 2018 (since the 2019 PI date is 8 April 2019) and so the current additional pension limit of £6,822 is increased by 3% to £7,026 from 1 April 2019.

LGPS additional pension purchase limit for 2019/20 in Scotland

Regulations 16(6) and 30(2) of the LGPS (Scotland) Regulations 2018 state that the additional pension limit is increased on 1 April each year as if it were a pension beginning on 1 April 2015 to which the Pensions (Increase) Act 1971 applied.

The pensions increase due on 1 April 2019 is that from 9 April 2018 (since the 2019 PI date is 8 April 2019) and so the current additional pension limit of £6,565 is increased by 3% to £6,761 from 1 April 2019.

Annual Allowance and Lifetime Allowance limits applicable from 6 April 2019

[The Finance Act 2004 \(Standard Lifetime Allowance\) Regulations 2019 \[SI 2019/29\]](#) amends the Lifetime Allowance limit to £1,055,000 with effect from 6 April 2019.

The Annual Allowance, as defined by the Finance Act 2004 (as amended), remains unchanged at £40,000 for 2019/20.

Automatic enrolment earnings bands

All employers will need to be aware of the earnings bands applicable for 2019/20 for the purposes of the automatic enrolment provisions under the Pensions Act 2008. These are contained [The Automatic Enrolment \(Earnings Trigger and Qualifying Earnings Band\) Order 2019 \[SI 2019/374\]](#) and are reflected in the following tables. It should be noted that the earnings trigger of £10,000 for 2019/20 is unchanged since the 2015/16 year.

2019/20 <i>Earnings</i> **	Age	16 - 21	22 - <SPA*	SPA* - <75
Under lower earnings threshold (£6,136***)		<i>Entitled worker</i>		
Between £6,136*** and £10,000		<i>Non-eligible jobholder</i>		
Over earnings trigger for automatic enrolment (£10,000)		<i>Non-eligible jobholder</i>	<i>Eligible jobholder</i>	<i>Non-eligible jobholder</i>
* <i>State Pension Age</i> ** <i>Earnings</i> : separate contracts treated separately *** To align with National Insurance contributions lower earnings limit				

Pay reference period	Lower earnings threshold pa	Earnings trigger for automatic enrolment
Annual	£6,136.00	£10,000.00
6 months	£3,068.00	£4,998.00
3 months	£1,534.00	£2,499.00
1 month	£512.00	£833.00
4 weeks	£472.00	£768.00
2 weeks	£236.00	£384.00
1 week	£118.00	£192.00

National Insurance thresholds

The relevant NI limits and thresholds for 2019/20, as set out in [The Social Security \(Contributions\)\(Rates, Limits and Thresholds Amendments and National Insurance Funds Payments\) Regulations 2019 \[SI 2019/262\]](#) are shown in the following tables and take effect from 6 April 2019.

Class 1 National Insurance thresholds

Class 1 National Insurance thresholds	2019 to 2020
LEL	£118 per week £512 per month £6,136 per year
Primary Threshold (PT)	£166 per week £719 per month £8,632 per year
Secondary Threshold (ST)	£166 per week £719 per month £8,632 per year
Upper Secondary Threshold (under 21) (UST)	£962 per week £4,167 per month £50,000 per year
Apprentice Upper Secondary Threshold (apprentice under 25) (AUST)	£962 per week £4,167 per month £50,000 per year
Upper Earnings Limit (UEL)	£962 per week £4,167 per month £50,000 per year

Class 1 National Insurance rates

Employee (primary) contribution rates

National Insurance category letter	Earnings at or above LEL up to and including PT	Earnings above the PT up to and including UEL	Balance of earnings above UEL
A	0%	12%	2%
B	0%	5.85%	2%
C	nil	nil	nil
H (Apprentice under 25)	0%	12%	2%
J	0%	2%	2%
M (under 21)	0%	12%	2%
Z (under 21 - deferment)	0%	2%	2%

Employer (secondary) contribution rates

National Insurance category letter	Earnings at or above LEL up to and including ST	Earnings above ST up to and including UEL/UST/AUST	Balance of earnings above UEL/UST/AUST
A	0%	13.80%	13.80%
B	0%	13.80%	13.80%
C	0%	13.80%	13.80%
H (Apprentice under 25)	0%	0%	13.80%
J	0%	13.80%	13.80%
M (under 21)	0%	0%	13.80%
Z (under 21 - deferment)	0%	0%	13.80%

Annual Revaluation Order

LGPS administering authorities should note that the full year increase to be applied at one second after midnight on 31 March 2019 to the career average pension earned up to 31 March 2019 is 2.4%. This is set out in [The Public Service Pensions Revaluation Order 2019 \[SI 2019/455\]](#), which can be viewed on the:

- [Related legislation](#) page of www.lgpsregs.org – LGPS England & Wales, or
- [Related legislation](#) page of www.scotlgpsregs.org – LGPS Scotland

Annual Pensions Increase

LGPS administering authorities and those employers who pay their own annual compensation benefits (relating to an historical award of compensatory added years) should note that the increase to be applied from 8 April 2019 to a qualifying pension which began (ie has a pensions increase date) before 9 April 2018 will be 2.4%. The percentage, and part year percentages, are detailed in [The Pension Increase \(Review\) Order 2019 \[SI 2019/546\]](#) which, together with the appropriate multiplier tables, can be viewed on the:

- [Related legislation](#) page of www.lgpsregs.org – LGPS England & Wales, or
- [Related legislation](#) page of www.scotlgpsregs.org – LGPS Scotland

Retail Prices Index (RPI) Increase

The annual increase that applies to any additional pension purchased under an Additional Regular Contribution contract that commenced between 1 April 2008 and 31 March 2012 is based on RPI in the previous September. The increase that applies on 8 April 2019 is 3.3%.

Annual GMP increase

LGPS administering authorities should note that an increase of 2.4% should be applied:

- From 6 April 2019 to the post 5 April 1988 GMP element of a pension in payment where the individual reached State Pension age (SPa) before 6 April 2016 (assuming additional pension (AP) is not less than GMP), or
- From 6 April 2019 to the post 5 April 1988 GMP element of a pension in payment where the individual reached SPa after 5 April 2016, and
- From 8 April 2019 to the pre 6 April 1988 GMP element of a pension in payment where the individual reached SPa on or after 6 April 2016

This is set out in [The Guaranteed Minimum Pension Increase Order 2019 \[SI 2019/373\]](#) which can be viewed on the:

- [Related legislation](#) page of www.lgpsregs.org – LGPS England & Wales, or
- [Related legislation](#) page of www.scotlgpsregs.org – LGPS Scotland

On 4 January 2019 the LGPS Secretariat published a guide titled 'The application of increases to LGPS pensions in payment'. The guide sets out the Secretariat's understanding of how increases are applied to pensions in payment on and after 6 April 2016 and can be found on the [Guides and sample documents page](#) of www.lgpsregs.org.

The Social Security Revaluation of Earnings Factors Order 2019

LGPS administering authorities may wish to note that [The Social Security Revaluation of Earnings Factors Order 2019 \[SI 2019/376\]](#) (ie the earnings factors used to calculate a Scheme member's GMP) comes into force on 6 April 2019. The percentage increase for the tax year 2019/20 is 2.8% and is based on the measure of the increase in the general level of earnings obtaining in Great Britain. The Statutory Instrument may be viewed on:

- [Related legislation](#) page of www.lgpsregs.org – LGPS England & Wales, or
- [Related legislation](#) page of www.scotlgpsregs.org – LGPS Scotland

Redundancy Payments

[The Employment Rights \(Increase of Limits\) Order 2019 \[SI 2019/324\]](#) comes into force on 6 April 2019. It increases the maximum 'week's pay' for calculating a statutory redundancy payment from £508 per week to £525 per week where the appropriate date falls on or after 6 April 2019. In the case of entitlement to a redundancy payment by virtue of section 135(1)(a) [dismissal by reason of redundancy] or section 135(1)(b) [lay-off or short time] of the Employment Rights Act 1996, the appropriate date means the relevant date as defined by, respectively, sections 145 or 153 of that Act.

Actions for administering authorities

In consequence of some of the items in this Bulletin, administering authorities may wish to update relevant Scheme literature and guides¹ issued to employees and employers participating in their Fund. They may also consider copying this Bulletin to employers in their Fund or bringing the Bulletin to the attention of employers by directing them to:

- the [LGPC Bulletins page](#) of www.lgpsregs.org – LGPS England & Wales, or
- the [LGPC Bulletins page](#) of www.scotlgpsregs.org - LGPS Scotland

Useful Links

[LGA Pensions page](#)

[LGPS members' website](#) – England and Wales

[LGPS 2015 members' website](#) – Scotland

[LGPS Advisory Board website](#) – England and Wales

[LGPS Regulations and Guidance website](#) – England and Wales

[LGPS Regulations and Guidance website](#) – Scotland

[LGPS Discretions](#) lists all the potential discretions available within the LGPS in England and Wales.

[LGPS Discretions](#) lists all the potential discretions available within the LGPS in Scotland.

[Recognised Overseas Pension Schemes](#) approved by HMRC and who agreed to have their details published.

[The Timeline Regulations](#) for Final Salary Scheme

[The Timeline Regulations](#) for Career Average in England and Wales

[The Timeline Regulations](#) for Career Average in Scotland

¹ The standard LGPC leaflets and guides will be updated by the LGPC Secretariat.

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