



Local Government Pensions Committee  
Secretary, Lorraine Bennett

## **LGPC Bulletin 248 – Annual update March 2024**

This bulletin sets out the rates and bands that apply from April 2024 for various purposes. Please email [rachel.abbey@local.gov.uk](mailto:rachel.abbey@local.gov.uk) with any comments about the contents of this bulletin. You can find LGPC contacts at the end of this document.

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## 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 2024.

**Table 1: Employee contribution bands England and Wales 2024/25**

Band	Actual pensionable pay for an employment	Main section contribution rate for that employment	50/50 section contribution rate for that employment
1	Up to £17,600	5.50%	2.75%
2	£17,601 to £27,600	5.80%	2.90%
3	£27,601 to £44,900	6.50%	3.25%
4	£44,901 to £56,800	6.80%	3.40%
5	£56,801 to £79,700	8.50%	4.25%
6	£79,701 to £112,900	9.90%	4.95%
7	£112,901 to £133,100	10.50%	5.25%
8	£133,101 to £199,700	11.40%	5.70%
9	£199,701 or more	12.50%	6.25%

Employers must determine the employee contribution rate for each employee from 1 April 2024 and inform payroll. The process for allocating contribution rates may have been automated on the payroll system. Employers must ignore any reduction in pensionable pay due to sickness, child related leave, reserve forces service leave or other absence from work when setting the employee contribution rate.

An employer may decide to change an employee's contribution rate during a Scheme year if their pay changes. You can read more about allocating an employee to a contribution rate each April and when their pay changes in section 10 of the HR guide and section 5.1 of the Payroll guide. You can find both guides on the [Employer guides and documents](http://www.lgpsregs.org) page of [www.lgpsregs.org](http://www.lgpsregs.org).

## Employee average contribution rates – Scotland

Employers must determine the contribution rate for each of their employees and councillors. When doing so, the employer must have regard to statutory guidance. In an annex to the guidance, the Scottish Public Pensions Agency (SPPA) sets out the average contribution rates. On 12 March 2024, SPPA published the average contribution rates to be used from 1 April 2024 ahead of publishing the 2024/25 version of the statutory guidance. The rates are shown in Table 2 below. SPPA expects to publish the statutory guidance shortly.

**Table 2: Average contribution rates Scotland 2024/25**

<b>Contribution rate</b>	<b>Actual pay minimum £</b>	<b>Actual pay maximum £</b>
5.5%	0	27,794
5.6%	27,795	29,531
5.7%	29,532	31,500
5.8%	31,501	33,396
5.9%	33,397	34,705
6.0%	34,706	36,122
6.1%	36,123	37,659
6.2%	37,660	39,333
6.3%	39,334	41,162
6.4%	41,163	43,170
6.5%	43,171	45,355
6.6%	45,356	46,947
6.7%	46,948	48,654
6.8%	48,655	50,490
6.9%	50,491	52,470
7.0%	52,471	54,612
7.1%	54,613	56,936
7.2%	56,937	59,466
7.3%	59,467	61,247
7.4%	61,248	62,593
7.5%	62,594	64,000
7.6%	64,001	65,471
7.7%	65,472	67,011
7.8%	67,012	68,626
7.9%	68,627	70,320
8.0%	70,321	72,101
8.1%	72,102	73,974
8.2%	73,975	75,946
8.3%	75,947	78,027
8.4%	78,028	80,225
8.5%	80,226	82,550
8.6%	82,551	85,014
8.7%	85,015	87,630
8.8%	87,631	90,412
8.9%	90,413	93,377
9.0%	93,378	96,542
9.1%	96,543	99,929

<b>Contribution rate</b>	<b>Actual pay minimum £</b>	<b>Actual pay maximum £</b>
<b>9.2%</b>	99,930	103,563
<b>9.3%</b>	103,564	107,471
<b>9.4%</b>	107,472	111,686
<b>9.5%</b>	111,687	116,244
<b>9.6%</b>	116,245	121,191
<b>9.7%</b>	121,192	126,577
<b>9.8%</b>	126,578	132,465
<b>9.9%</b>	132,466	138,926
<b>10.0%</b>	138,927	146,051
<b>10.1%</b>	146,052	153,945
<b>10.2%</b>	153,946	162,742
<b>10.3%</b>	162,743	172,606
<b>10.4%</b>	172,607	183,741
<b>10.5%</b>	183,742	196,413
<b>10.6%</b>	196,414	210,962
<b>10.7%</b>	210,963	227,840
<b>10.8%</b>	227,841	247,652
<b>10.9%</b>	247,653	271,238
<b>11.0%</b>	271,239	299,789
<b>11.1%</b>	299,790	335,058
<b>11.2%</b>	335,059	and above*

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

For members in the 50/50 section, divide the appropriate rate by two.

Employers must determine the average contribution rate for each employee (including for councillors) from 1 April 2024 and inform payroll. The process for allocating contribution rates may have been automated on the payroll system. The employer must ignore any reduction in pensionable pay due to sickness, child related leave, reserve forces service leave or other absence from work when setting the employee contribution rate.

An employer must review an employee's or councillor's average contribution rate during a Scheme year if there is a permanent material change to the terms and conditions of their employment that affects their pensionable pay.

When SPPA publish the 2024/25 version of the statutory guidance, you will be able to access it on [the SPPA circulars and guidance](#) page of [www.scotlgpsregs.org](http://www.scotlgpsregs.org) or on

the [LGPS circulars page](#) of [www.pensions.gov.scot](http://www.pensions.gov.scot). You can also find more information in section 10 of the HR guide and section 5.1 of the Payroll guide. Both guides are available on the [Employer guides and documents](#) page of [www.scotlgpsregs.org](http://www.scotlgpsregs.org).

## **Additional pension limit for 2024/25 in England and Wales**

Regulations 16(6) and 31(2) of the LGPS regulations 2013 state that the additional pension limit increases 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 increase due on 1 April 2024 is the increase that applied on 10 April 2023, as the 2024 increase does not take effect until 8 April 2024. The additional pension limit of £7,579 that applied in 2023/24 is increased by 10.1% to £8,344 from 1 April 2024.

## **Additional pension limit for 2024/25 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 2024 is that from 10 April 2023, as the 2024 increase does not take effect until 8 April 2024.

The additional pension limit under regulation 16(6) of £7,294 is increased by 10.1% to £8,030 from 1 April 2024.

The additional pension limit under regulation 30(2) of £5,612 is increased by 10.1% to £6,178 from 1 April 2024.

## **Annual allowance limits**

There are no changes to the annual allowance limits in 2024/25:

- standard annual allowance is £60,000
- money purchase annual allowance is £10,000
- adjusted income for the tapered annual allowance is £260,000
- minimum tapered annual allowance is £10,000.

**Table 3: Tapered annual allowance (AA) limits**

	<b>Definition</b>	<b>Limit in 2024/25</b>
Threshold income	Broadly, taxable income	£200,000
Adjusted income	Threshold income plus pension input amount	£260,000
Minimum AA	If AA is tapered, the minimum AA that can apply	£10,000

### **Lump sum limits from 6 April 2024**

The lifetime allowance will be abolished from 6 April 2024. There will still be a limit on the amount of tax-free lump sum a member can take.

The maximum pension commencement lump sum (PCLS) an LGPS member can take will be the lowest of:

- 25% of the capital value of their benefits crystallising
- their available lump sum allowance
- their available lump sum and death benefit allowance.

### **Lump sum allowance (LSA)**

As of 6 April 2024, members have an LSA of £268,275.

The LSA is used up when a member takes payment of a PCLS or a non-taxable uncrystallised funds pension lump sum (UFPLS) from 6 April 2024.

The LSA is also reduced where the member crystallised benefits before 6 April 2024.

The LSA is increased if a member holds a valid lifetime allowance protection.

Members will have to pay tax at their marginal rate on any lump sum that exceeds their available LSA.

### **Lump sum and death benefit allowance (LSDBA)**

The LSDBA is set at £1,073,100. It is the total amount of relevant tax-free lump sums that can be paid to or in respect of a member. From 6 April 2024, the member uses up available LSDBA if any of the lump sums listed below are paid to or in respect of them:

- pension commencement lump sum
- the tax-free element of an UFPLS
- serious ill health lump sum

- any authorised lump sum death benefit.

The LSDBA is also reduced where the member crystallised relevant benefits before 6 April 2024.

The member's available LSDBA is increased where they hold valid lifetime allowance protection.

### Automatic enrolment earnings bands

Employers will need to know the earnings bands that apply for 2024/25 for the purposes of automatic enrolment under the Pensions Act 2008. The Government announced in its [review of the automatic enrolment earnings trigger for 2024/25](#) that the earnings trigger will remain at its current level of £10,000. This is unchanged since the 2014/15 year. The tables below show the position for the 2024/25 year.

**Table 4: Automatic enrolment (AE) earnings bands 2024/25**

Earnings*	Age 16-21	Age 22 to <SPA**	Age SPA** to <75
Under lower earnings threshold (£6,240)	Entitled worker	Entitled worker	Entitled worker
Between £6,240 and £10,000	Non-eligible jobholder	Non-eligible jobholder	Non-eligible jobholder
Over earnings trigger for automatic enrolment (£10,000)	Non-eligible jobholder	Eligible jobholder	Non-eligible jobholder

\* Earnings: separate contracts are treated separately

\*\* State Pension Age

**Table 5: AE earnings bands per period**

Pay reference period	Lower earnings threshold	Earnings trigger for automatic enrolment
Annual	£6,240.00	£10,000.00
6 months	£3,120.00	£4,998.00
3 months	£1,560.00	£2,499.00
1 month	£520.00	£833.00
4 weeks	£480.00	£768.00
2 weeks	£240.00	£384.00
1 week	£120.00	£192.00

## National Insurance (NI) thresholds

The Government has published [PAYE tax and NI limits and thresholds for 2024/25](#). The limits are also set out in [The Social Security \(Contributions\) \(Limits and Thresholds, National Insurance Fund Payments and Extension of Veterans Relief\) Regulations 2024](#) [SI 2024/249].

## Annual Revaluation Order

The full year increase to be applied at one second after midnight on 6 April 2024 to the career average pension earned up to 31 March 2024 is 6.7%. This is set out in [The Public Service Pensions Revaluation Order 2024](#) [SI 2024/290]. You can view the Order on the:

- [Related legislation \(England and Wales\)](#) page of [www.lgpsregs.org](http://www.lgpsregs.org), or
- [Related legislation \(Scotland\)](#) page of [www.scotlgpsregs.org](http://www.scotlgpsregs.org).

[The LGPS \(Scotland\) \(Amendment\) Regulations 2024](#) changed the annual revaluation date for active LGPS pension accounts in Scotland from 1 to 6 April. The changes are backdated to 31 March 2023.

## Annual Pensions Increase

LGPS administering authorities must increase a qualifying pension from 8 April 2024. Employers who pay their own annual compensation benefits, which relate to historical awards of compensatory added years, must also increase qualifying pensions from 8 April 2024.

The increase that applies to a pension that began (ie has a pensions increase date) before 24 April 2023 is 6.7%. The percentage and part year percentage increases are detailed in [The Pensions Increase \(Review\) Order 2024](#) [SI2024/331]. You can find the Order and the multiplier tables on the:

- [Related legislation \(England and Wales\)](#) page of [www.lgpsregs.org](http://www.lgpsregs.org), or
- [Related legislation \(Scotland\)](#) page of [www.scotlgpsregs.org](http://www.scotlgpsregs.org).

## Retail Prices Index (RPI) Increase

The annual increase that applies to any additional pension purchased under an Additional Regular Contributions contract that started between 1 April 2008 (2009 in Scotland) and 31 March 2012 is based on RPI in the previous September. The increase that applies on 8 April 2024 is 8.9%.



## Annual GMP increase

An increase of 3% should be applied on 6 April 2024 to the post-5 April 1988 GMP element of a pension in payment.

Some members will be entitled to a further increase to the post-5 April 1988 GMP on 8 April 2024 under the Pensions Increase (Review) Order 2024 if they reached State Pension age after 5 April 2016. If the Pensions Increase date is 23 April 2023 or earlier, a further increase of 3.7% is due to bring the total increase on the post-5 April 1988 GMP to 6.7%. The increase on 8 April 2024 is 3.7% of the post-5 April 1988 GMP in payment on 5 April 2024. The same increase will apply to the post-5 April 1988 GMP on 8 April 2024 if the individual reached State Pension age before 6 April 2016 and AP is less than GMP, ie paragraphs 3 to 6 of the HMT Direction on section 59A of the Social Security Pensions Act 1975 apply.

If the individual reached State Pension age after 5 April 2016, a 6.7% increase applies on 8 April 2024 to the pre-6 April 1988 GMP element of the pension in payment. A pro-rata increase will apply if the member's PI date is after 23 April 2023. The same increase will apply to the pre-6 April 1988 GMP on 8 April 2024 if the individual reached State Pension age before 6 April 2016 and AP is less than GMP, ie paragraphs 3 to 6 of the HMT Direction on section 59A of the Social Security Pensions Act 1975 apply.

You can find a link to the 2021 HMT Direction on section 59A of the Social Security Pensions Act 1975 on the Government webpage providing [guidance on indexation of public service pensions](#).

The post 5 April 1988 GMP increase is set out in [The Guaranteed Minimum Pension Increase Order 2024](#) [SI2024/243]. You can view the Order on the:

- [Related legislation \(England and Wales\)](#) page of [www.lgpsregs.org](http://www.lgpsregs.org), or
- [Related legislation \(Scotland\)](#) page of [www.scotlgpsregs.org](http://www.scotlgpsregs.org).

You can find out more about how increases are applied to pensions in payment in the Pensions Increase Technical guide published by the LGPC. You can find the guide on the:

- [Administrator guides and documents \(England and Wales\)](#) page of [www.lgpsregs.org](http://www.lgpsregs.org), and
- [Administrator guides and documents \(Scotland\)](#) page of [www.scotlgpsregs.org](http://www.scotlgpsregs.org).

## The Social Security Revaluation of Earnings Factors Order

[The Social Security Revaluation of Earnings Factors Order 2024](#) [SI 2024/284] comes into force on 6 April 2024. The earnings factors are used to calculate a Scheme member's GMP. The percentage increase for the tax year 2024/25 is 7.6%. The increase is based on the increase in the general level of earnings in Great Britain. You can view the Statutory Instrument on the:

- [Related legislation \(England and Wales\)](#) page of [www.lgpsregs.org](http://www.lgpsregs.org), or
- [Related legislation \(Scotland\)](#) page of [www.scotlgpsregs.org](http://www.scotlgpsregs.org).

## Redundancy payments

[The Employment Rights \(Increase of Limits\) Order 2024](#) [SI2024/213] comes into force on 6 April 2024. It increases the maximum week's pay for calculating a statutory redundancy payment from £643 to £700 per week if the appropriate date is after 5 April 2024. In the case of entitlement to a redundancy payment by virtue of section 135(1)(a) of the Employment Rights Act 1996 (dismissal by reason of redundancy), the appropriate date means the relevant date as defined by section 145 or 153 of that Act.

## Actions for administering authorities

Administering authorities may wish to update Scheme literature and guides for employees and employers to reflect the updates in this bulletin. The LGPC leaflets and guides will be updated in the coming weeks. Administering authorities may also wish to send this bulletin to Scheme employers, or direct them to the:

- [LGPC bulletins page \(England and Wales\)](#) of [www.lgpsregs.org](http://www.lgpsregs.org), or
- [LGPC bulletins page \(Scotland\)](#) of [www.scotlgpsregs.org](http://www.scotlgpsregs.org).

## Other information

### Useful links

[LGPS member website \(England and Wales\)](#)

[LGPS member website \(Scotland\)](#)

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

[LGPS Advisory Board website \(Scotland\)](#)

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

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

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

[The Timeline Regulations for the current scheme in England and Wales](#)

[The Timeline Regulations for the current scheme in Scotland](#)

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