


UN3189 1 of 3 1st August 2022	Electronic Staff Record Programme USER NOTICE	
<b>Title</b>	Advance Notification of Pay Awards and NHS Pension changes 2022	
<b>Purpose</b>	To advise all ESR Organisations on the planned implementation of the Pay Awards and changes to the NHS Pension Scheme	
<b>Intended Audience</b>	All ESR Organisations	

## SUBJECT

Advance notification of the planned Pay Awards and forthcoming changes to the NHS Pension Scheme.

## DETAIL

### Pay Awards

Following the announcement of the NHS Pay Awards effective from 1<sup>st</sup> April 2022, we are working with the relevant bodies to prepare the Pay Awards for Agenda for Change and Medical & Dental staff.

The Pay Awards are planned to be implemented in ESR Release 54.3 over the weekend commencing 26<sup>th</sup> August 2022, subject to successful development and testing. Full details of the content and downtime requirements will be provided nearer to the release.

### NHS Pension Scheme


Following the Government consultation in respect of the McCloud case, the NHS Pension Scheme is changing on the 1<sup>st</sup> October 2022. From this date, pension contributions will be calculated on actual pensionable earnings instead of WTE. In addition, there will be revised contribution tiers and rates. ESR is to be updated for these changes in Release 55 at the end of September, subject to successful development and testing.

At the end of September, all employees who are members of the NHS Pension Scheme will need to be reassessed to determine their revised contribution rate. This will be done using the date of the most recent permanent change in pay which will be annualised to determine the tier and rate that should be applied. In most cases this is likely to be the date of the Pay Award, however if there has been a change after the 1<sup>st</sup> April, for example an increment on the 1<sup>st</sup> June, the pay would be annualised from the 1<sup>st</sup> June.

The Pension Reassessment Process (Mid-Year process) assesses assignments with certain pay affecting changes such as Pay Awards, increments, etc. and marks the records that have been assessed in the process, even where this has not resulted in a change in contribution

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rate. The information from this process will form part of the assessment that is to be done at the end of September.

With this in mind, it is essential that the Pension Reassessment Process is being run each pay period and in particular in the month that the Pay Award is implemented. Failure to do so, could lead to an incorrect contribution rate being allocated to the assignment record when the assessment is performed by ESR for the October changes.

## ACTION REQUIRED

The Pay Awards impact a high proportion of the employee records held on ESR and will therefore impact payroll processing times throughout the period following implementation.

We advise that a review of planned scheduling is undertaken, this should also allow some contingency for system queues. This is for local consideration only and there is no requirement to provide ESR with revised processing schedules.

The following steps will be required to deliver the Pay Award and pension arrears in the same pay period, and also enable assignments to be assessed for the October pension changes:


1. Process an initial payroll run, **as soon as possible after the release has been applied**, which will pay the new pay rates
2. Run the Pension Banding Assessment process as part of the initial payroll run
3. Rollback the payroll run
4. Run the retro process
5. Process the payroll run as per normal processing

In line with best practice guidance, retro should only be run once per payroll period, as there will be a significant increase in retro processing through September, it advisable that this is adhered to and the above steps followed in the order detailed.

## FURTHER INFORMATION

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An increase in processing times is likely for any payroll related processes and/or reports.

There is likely to be a requirement for an extended runtime for the NHS ESRBI Refresh process, if this is required, it will be formally communicated in the actual release downtime notification.

There is likely to be an increase in employees accessing payslips around pay day, it is therefore recommended to consider early publishing of payslips.

A webinar will be held in August covering the Pay Awards and changes to be made for the NHS Pensions Scheme, details of the date and how to book will be advised in a separate User Notice.

## **NEXT UPDATE**

User Notices containing the detailed Pay Awards will be provided nearer to the implementation of Release 54.3.