

UN3221 1 of 4 30 th September 2022	Electronic Staff Record Programme USER NOTICE	
Title	Pension Rebanding October 2022	
Purpose	To advise on actions required for the October 2022 Pension Rebanding Process	
Intended Audience	ESR Payroll and Pensions Departments	

SUBJECT

Pension Rebanding October 2022

DETAIL

As notified in the Release 55 Guide to Enhancements (RN513), with effect from 1st October 2022, the way that pension contributions are calculated for members of the NHS Pension Scheme is changing. In Release 55, ESR will be updated for revised contribution rates and tiers, and for contributions to be calculated on actual pensionable earnings.

The rates and tiers are being amended as follows:

Pension Band	Pensionable Pay Upper limit	Employee's Contribution	Employer's Contribution
A	£13,246.99	5.1%	14.38%
B	£16,831.99	5.7%	14.38%
C	£22,878.99	6.1%	14.38%
D	£23,948.99	6.8%	14.38%
E	£28,223.99	7.7%	14.38%
F	£29,179.99	8.8%	14.38%
G	£43,805.99	9.8%	14.38%
H	£49,245.99	10.0%	14.38%
I	£56,163.99	11.6%	14.38%
J	£72,030.99	12.5%	14.38%
K	£9999999.99	13.5%	14.38%

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To enable all employees who are members of the NHS Pension scheme and have an active assignment as at the 30th September 2022 to be assessed and allocated the contribution rate in line with the above rates, it will be necessary for the central Pension Rebanding process to be run.

This is the same process that is run in April and will be run in 2 phases.

Users are advised that the first phase of the Pension Rebanding process for October 2022 will commence on Monday 3rd October 2022.

The first phase will assess all employees (substantive and bank) who are members of the NHS Pensions scheme on the 30th September 2022. All assignments will be assessed regardless of any mid-year assessments that have been undertaken through the year.

The process will calculate the annualised actual pensionable pay to determine the contribution rate to be applied. Please refer to the Release 55 Guide to Enhancements (RN513) for details on how the annualised actual pensionable pay is calculated.

- Pay will be assessed on the most recent permanent change in pay.
- In most cases, this will be the effective date of the Pay Award.
- If there is a later change in year, the effective date of change will be used, for example, an increment on the 1st July.

Where Pay Award arrears have been paid in September, they will be included in the actual pensionable pay used for assessment. It will be necessary to check that the correct contribution rate has been applied, a message stating '*Pay affecting change applied after Pay Award effective date - please check banding allocated is correct*' will be noted on the NHS Pension Band Allocation report against affected assignments.

The Pension Rebanding process will use the date of change information from the Mid-Year Reassessment processes to determine the effective date of change.

Note: If the Mid-Year Reassessment process has not been used and there have been changes since the last Year End Reassessment, there is a possibility that an incorrect Pension Band may be allocated.

The initial phase will take one to two days to process, during which time the ESR service will remain fully available.

The second phase of the Pension Rebanding process will apply the revised pension bands to assignments during downtime. The system will be withdrawn on Friday 7th October 2022 at

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18:00 to complete this phase of the process. Details of the exact downtime required will be provided in a separate User Notice.

NHS Pension Band Allocation Report -

When the second phase has completed, the NHS Pension Band Allocation Report should be run in either Year End or Annual Summary Mode to identify the action that has been taken.

The following exceptions should be noted:

Bank Staff -

- Only active members of the NHS Pension Scheme will be assessed.
- If there are no earnings to be assessed, the record will be skipped.
- The calculation to determine annualised actual pensionable pay for Bank staff will only use pay periods where a positive payment has been made. A significant difference in the contribution rate currently being paid and the rate allocated by the reassessment process may be seen. This is as expected due to the change from annualising NWTE to actual pensionable earnings.

Records that will be assessed but need to be checked -

- Mid-period change actioned in a later pay period than the effective date.
- In the pay periods assessed, a period with negative net pay identified.

Records that will not be assessed and will need to be reviewed/adjusted manually -

- Pay affecting change with an effective date after 1st September 2022.
- Negative or no YTD pensionable pay at the 30th September 2022.
- Any assignment with the Pension Reband Override NHS element attached.

It is the responsibility of the organisation to ensure that employees are paying the correct rate of pension contribution. It is therefore essential any changes made by the Pension Rebanding processes are checked and manually amended where required.

ACTION REQUIRED

Assess any effects of the timing of the Pension Rebanding processes described above and make any necessary plans.

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Run the NHS Pension Band Allocation Report in Year End or Annual Summary Mode and take any corrective action.

FURTHER INFORMATION

Where an assignment is to be allocated to a different Pension Band, the Pension Rebanding process will make a date tracked change to the Pension NHS element as at 01-OCT-2022.

Any backdated changes that pre-date the 1st October 2022, will not be assessed by the Mid-Year Reassessment process in any payroll processes going forward, instead they will report as errors. It is advisable to continue to use the process, as the errored records will be identified in the associated output and report to enable a manual assessment to be done.

NEXT UPDATE

None