


UN3419 1 of 4 13 th March 2024	Electronic Staff Record Programme USER NOTICE	
Title	Pension Rebanding April 2024	
Purpose	To advise on actions required for the April 2024 Pension Rebanding Process	
Intended Audience	ESR Payroll and Pensions Departments	

SUBJECT

Pension Rebanding April 2024.

DETAIL

The Year End Pension Rebanding process is scheduled to run on ESR over the weekend commencing 5th April 2024.


In line with the McCloud Phase 2 contribution rate changes, the NHS Pension employee contribution rates will be amended with effect from the 1st April 2024. The number of tiers will reduce from 11 to 6 and the thresholds will be uplifted, there will be no change to the Employer contribution rate.

The rates will be amended from the 1st April 2024 and the obsolete tiers will be ended with an effective date of the 31st March 2024, during the weekend commencing 5th April 2024.

The revised tiers are as follows:

Tier	Thresholds	Percentage	Eff Date From	
1 (A)	£0 - £13,259.99	5.2	01-Apr-24	
2 (B)	£13,260.00 to £26,831.99	6.5	01-Apr-24	
3 (C)			01-Apr-24	Removed
4 (D)			01-Apr-24	Removed
5 (E)	£26,832.00 to £32,691.99	8.3	01-Apr-24	
6 (F)			01-Apr-24	Removed
7 (G)	£32,692.00 to £49,078.99	9.8	01-Apr-24	
8 (H)	£49,079.00 to £62,924.99	10.7	01-Apr-24	
9 (I)			01-Apr-24	Removed
10 (J)	£62,925.00 to £9999999.99	12.5	01-Apr-24	
11 (K)			01-Apr-24	Removed

The default tier for substantive staff will remain as G – 9.8%, for bank staff this will become B – 6.5%.

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The Year End Pension Rebanding process will assess all assignments who are members of the NHS Pension Scheme as at the 31st March 2024, regardless of whether they have been through a mid-year assessment.

Employees who are currently on the tiers that are being ended will be moved to the relevant existing tier as part of the process. There are a couple of exceptions where this may not be possible:

- The Pension Reband Override NHS element is attached.
- A manual update is made to the tier.


In these cases, the rebanding process will not assess the records or move them to the appropriate existing tier. To prevent pay inaccuracies, the following steps should be undertaken:

- The Pension Reband Override NHS element should be end dated on or before the 30th March 2024 to enable the records to be included.
- We advise users not to make any manual updates with an effective date of the 1st April 2024 to ensure the records are assessed by the process. If a manual update is deemed necessary for this date, the process will not make an assessment and any change to their tier will need to be manually assigned.

In order to remove the tiers that are no longer applicable, then a tidy up exercise will be undertaken. Any active assignments remaining on these tiers for whatever reason post the reband exercise, will be moved to the default tiers. This will include any terminated assignments who have not passed their final process date on 31st March 2024.

For all other employees the process will assess substantive and bank staff as follows:

- Assignments who have been employed for the whole of the tax year, who do not have any changes through the year other than the Pay Award, will be assessed on their actual pensionable pay at the end of the tax year.
- New starters will be assessed from their start date, or the next whole period if a mid-period starter, pensionable pay will be annualised based on the number of complete periods.
- Where there has been a mid-year pay affecting change, this will be assessed from the first full period after the effective date of the change. As above, pensionable pay will be annualised based on the number of complete periods following the change.
- Mid-year changes that may have been affected by the application of late Pay Award arrears, will be assessed on pensionable pay excluding the arrears.

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- Any assignment with the Pension Reband Override NHS element attached on the 31st March 2024 will not be assessed by the process.

Note: In order for mid-year changes to be correctly assessed at Year End, the Mid-Year Rebanding process must have been run for every pay period of the tax year. If there are periods where it has not been run during the year, this may mean some of the mid-year triggers could be missed and lead to unexpected results in the assessment.

The process requires 2 phases to complete:

- 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 5th April 2024 at 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 Year End Mode. As all assignments are being assessed there is not a requirement to run the report in Annual Summary Mode, however users can still do so if required.

In line with NHS Pension Scheme regulations, 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

For those staff on tiers that are due to be ended, where applicable, remove the Pension Reband Override NHS element with a date tracked date on or before 30th March 2024. This should be done before the end of March.

Avoid making any manual updates to the tier on the Pension NHS element with an effective date of the 1st April 2024.

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

Run the NHS Pension Band Allocation Report in Year End Mode, check assessments are as expected and take any corrective action where required.

FURTHER INFORMATION

None.

NEXT UPDATE

None.