

## April 2019 to March 2023 Scheme Specific Employer Contribution Rates

The following table sets out the separate employer contribution rates, which are expressed as a percentage of pay in each scheme.

### Employer contribution rates for 1992, 2006 and 2015 schemes

	1992 Scheme <sup>5</sup> % pay	2006 Scheme <sup>6</sup> % pay	2015 Scheme % pay	Note
Cost of benefits accruing over implementation period	47.0	34.0	35.1	1
Less estimated average member contribution rate	-14.8	-10.8	-12.9	2
<b>Employer rate for benefits accruing over implementation period</b>	<b>32.2</b>	<b>23.2</b>	<b>22.2</b>	
Plus adjustment for past service effects	7.3	7.3	7.3	3
Less allowance for ill-health additional contributions	-2.2	-3.1	-0.7	4
<b>Employer contribution rate payable from 1 April 2019</b>	<b>37.3</b>	<b>27.4</b>	<b>28.8</b>	5
Weighting by projected salary over the implementation period	6.5%	0.1%	93.4%	

### Explanation of employer contribution rates

Note	Explanation
1.	Reflects the benefits and projected membership of each scheme over the <b>implementation period</b> (i.e., April 2019 to March 2023). The weighted average is equal to 35.9% of pensionable pay.
2.	Reflects the contribution rates and salary bands currently set out in the Schemes' regulations and projected membership of each scheme over the <b>implementation period</b> . The weighted average is equal to 13.0% of pensionable pay.
3.	Reflects the deficit as at 31 March 2016 and the difference between the cost of accrual and actual contributions paid between April 2016 and March 2019. The same adjustment has been applied to each scheme.
4.	Reflects the ill-health additional contributions below, the projected membership of the Schemes, and the ill-health retirement assumption, calculated as an average over the <b>implementation period</b> . The weighted average is equal to 0.8% of pensionable pay.
5.	The weighted average is 29.4% of pensionable pay. This equates to the average <b>corrected employer contribution rate</b> of 30.2% of pensionable pay minus the expected average ill-health contributions of 0.8% of pensionable pay.

Where a member has retired with an entitlement to the immediate payment of an ill-health pension, that member's employer must pay an ill-health additional contribution. The Home Office has confirmed they intend that the ill-health additional contribution over the **implementation period** will be as follows:

> **Higher tier ill-health additional contribution:** 4 times pensionable pay (over the last 12 months)

> **Lower tier ill-health additional contribution:** 2 times pensionable pay (over the last 12 months)

<sup>5</sup> Includes special retained members of the 2006 Scheme.

<sup>6</sup> Excludes special retained members.

## Comparison of results with the 2012 valuation

<b>Employer contribution rates</b>	<b>1992 Scheme<sup>7</sup> % pay</b>	<b>2006 Scheme<sup>8</sup> % pay</b>	<b>2015 Scheme % pay</b>
2012 valuation – implementation period April 2015 to March 2019	21.7	11.9	14.3
2016 valuation – implementation period April 2019 to March 2023	37.3	27.4	28.8
Increase from 2012 to 2016 valuations	15.6	15.5	14.5

The scheme specific employer contribution rates have each increased by a similar amount and the main reasons for the increases are the same as those described in section 2 of the [2016 valuation report](#).

An additional increase to the 2015 Scheme rate might have been expected due to the impact of assuming that the accrual rate is improved from 1 April 2019. However, the 2015 Scheme rate calculated at the 2012 valuation was not reduced to allow for the surplus at that valuation (only the rates for the 1992 and 2006 schemes were adjusted) and this relatively higher starting point for the 2015 Scheme rate has broadly offset the impact of assuming that the 2015 Scheme accrual rate is improved in the 2016 calculations.

<sup>7</sup> Includes special retained members of the 2006 Scheme in the 2016 valuation. These members were not present in the 2012 valuation.

<sup>8</sup> Excludes special retained members in the 2016 valuation. These members were not present in the 2012 valuation.