

Dear

Important information about changes to the amount that you contribute towards your pension – please keep this letter for reference.

I am writing to inform you that member contribution rates for the Principal Civil Service Pension Scheme will change from 1 April 2014. This means that if you earn over £15,000 a year (on a full time equivalent basis) you will pay more towards your pension. The amount that you will pay depends on your salary and is set out in the tables below.

Please note that pension contributions are taken from your salary before Income Tax is deducted. This means that, if you pay tax, you will not see a reduction in your take home pay by the full amount of the increase (the amount of tax relief that you will receive depends on your individual circumstances).

Members of the **classic** scheme will pay contributions at the following rates, from April 2014:

Annual pensionable earnings (on a full time equivalent basis)	Current classic contribution rate, before tax relief	Classic contribution rate 2014-15, before tax relief
Up to £15,000	1.5%	1.5%
£15,001 - £21,000	2.7%	3.0%
£21,001 - £30,000	3.88%	4.48%
£30,001 - £50,000	4.67%	5.27%
£50,001 - £60,000	5.46%	6.06%
Over £60,000	6.25%	6.85%

Members of **premium, classic plus** and **nuvos** will pay contributions at the following rates, from April 2014:

Annual pensionable earnings (on a full time equivalent basis)	Current premium, nuvos and classic plus contribution rate, before tax relief	Premium, nuvos and classic plus contribution rate 2014-15, before tax relief
Up to £15,000	3.5%	3.5%
£15,001 - £21,000	4.7%	5.0%
£21,001 - £30,000	5.88%	6.48%
£30,001 - £50,000	6.67%	7.27%
£50,001 - £60,000	7.46%	8.06%
Over £60,000	8.25%	8.85%

Your employer will continue to contribute a significant amount towards your pension (an average of 18.9% of pay). Your pension is an important part of the overall benefits offered by your employer; for example, it also provides valuable ill health cover and benefits for dependants in the event of your death.

For more information about the member contribution changes, including Q&A and a calculator which shows you how the 2014 change will affect your take home pay from April, please visit: www.civilservice.gov.uk/pensions/reform. You can also contact the Civil Service Pensions Helpline on 0300 123 1040

I would also like to take this opportunity to remind you of the further changes that will be made to the Civil Service pension scheme arrangements – the introduction of a new scheme in April 2015. The majority of existing members will move into this new arrangement for benefits that are built up from this date.

You should visit the Pensions Reform section of the Civil Service website (www.civilservice.gov.uk/pensions/reform) for the latest information about the new 2015 scheme and what the changes mean for you. Further information will be posted on the website at regular intervals between now and April 2015.

Yours sincerely



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