# NHSBSA logoGuidance for GPs who went on reduced pay from 1 October 2022

**NHS Pensions**

**Member factsheet**

## Member contribution rates for leave where pay reduces

NHS Pension Scheme regulations were amended following a Department of Health and Social Care (DHSC) consultation earlier this year. The amended regulations relating to the periods of authorised leave come into effect retrospectively from 1 October 2022.

Where a member’s pay is reduced (for example, if they went on maternity or sick leave) members have previously continued to pay the same tiered contribution rate, because their tiered contribution rate was based on the earnings immediately before the pay was reduced. Their overall contributions reduce because the tiered contribution rate was applied to their reduced pay.

From 1 October 2022, the regulations have been amended so that the member's contribution rate is based on their actual annual pensionable pay. This means a member will pay fewer contributions, but their pension benefits remain the same.

The amended regulations confirm that for practitioner members the tiered contribution rate is based on all practitioner pensionable earnings, including any reduced pensionable earnings a practitioner is treated as having received during an absence from work.

### Example:

Your unreduced annual pay was £70,000.00 and you started sickness absence leave on 1 April 2024. You are paid in full for 6 months (dependent on your employer’s policy).

After 6 months, on 1 October 2024, your pay drops to half-pay for another 6 months.

When your 2024/25 Type 2 medical practitioner self-assessment form of tiered contributions is submitted to determine the correct tier rate for 2024/25, the tier rate is based on the actual pensionable pay you received during the scheme year.

In this example, it would be £52,500 (£35,000 + £17,500) and therefore the tiered contribution rate for 2024/25 would be 10.7%.

Prior to the amendment, the tiered contribution rate would be based on £70,000 and would be 12.5%. Your pension benefits are still calculated based on £70,000 (£52,500 actual pay plus £17,500 deemed pay). Deemed pay is the amount of pay required to bring your pay up to the amount you were receiving before the reduction and is applicable for a maximum period of 12 months.

Your practice should have advised PCSE/LHB if you had been on maternity, paternity, adoption or sick leave.

If you received reduced pay between 1 October 2022 and 31 March 2024, please submit a revised year end certificate. Details on how any overpaid contributions are returned you can be found under the heading ‘overpaid contributions’ on the Type 2 medical practitioner self -assessment of tiered contributions guidance notes found on our website*:* https://www.nhsbsa.nhs.uk/member-hub/information-practitioners-and-non-gp-providers

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[www.nhsbsa.nhs.uk/nhs-pensions](http://www.nhsbsa.nhs.uk/nhs-pensions)