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Cc: Matthew Davies; Zoe Johnston
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Employer Newsletter
February 2025



2025/26 Employee contribution bands

Below are the new employee contribution bands, which will be effective from **1st April 2025**. They are calculated by increasing the 2024/25 employee contribution bands by the September 2024 Consumer Prices Index (CPI) figure of 1.7% and then rounding down the result to the nearest £100:

Contribution bandings 2025/26		
Actual Pensionable Pay	Main Section	50/50 Section
Up to £17,800	5.50%	2.75%
£17,801 to £28,000	5.80%	2.90%
£28,001 to £45,600	6.50%	3.25%
£45,601 to £57,700	6.80%	3.40%
£57,701 to £81,000	8.50%	4.25%
£81,001 to £114,800	9.90%	4.95%
£114,801 to £135,300	10.50%	5.25%
£135,301 to £203,000	11.40%	5.70%
£203,001 or more	12.50%	6.25%

Please ensure that you apply the above employee contributions bandings from **1st April 2025** and inform your payroll provider accordingly.

REMINDER | Employer meetings

In March 2025, we will be running our bi-annual employer meetings, if you haven't already booked onto these virtual meetings and would like to attend, please contact Daniel Pattingale on Daniel.pattingale@cornwall.gov.uk.

We encourage you to join us, the meetings are scheduled for:

- Thursday 6 March 2025, 10am – 11am
- Friday 7 March 2025, 2pm – 3pm
- Monday 10 March 2025, 12pm – 1pm
- Tuesday 11 March 2025, 10:30am – 11:30am

Strain costs

Members who voluntarily choose to take their pension before reaching their normal pension age may experience a reduction in their benefits. This is because they are accessing their pension earlier and for a longer period. Additionally, both the member and their employer have not made contributions for the expected duration in the scheme.

If a member is over 55 and leaves employment early due to redundancy or business efficiency, they will be entitled to immediate payment of their benefits without a reduction. This means the employer may be required to make an additional payment, known as a strain cost or capital cost. The employer is responsible for covering these costs in accordance with scheme regulations.

Please be careful when providing pension information to members. Recently, some members have mistakenly believed that their pension pot has been significantly increased by their employer, when in fact, the pension has simply been put into payment unreduced.

If you have any questions regarding this process, please contact your Employer Data Officer at employerdata@cornwall.gov.uk

Automatic enrolment earnings 2025/26

The UK Government announced in its [review of the automatic enrolment earnings trigger for 2025/26](#) that it will remain at its current level of £10,000. This is unchanged since the 2014/15 year. This is useful information to know for the purposes of automatic enrolment under the Pensions Act 2008.

TPS excess service

Recent changes to the Teachers' Pension Scheme (TPS) may affect their members who served between April 1, 2015, and March 31, 2022, a period known as the remedy period.

Members affected by this may see their excess service recorded as LGPS membership. The TPS will reach out to impacted employers to explain what comes next. For more details, including timelines and employer requirements, [click here](#). Additionally, the TPS has created a helpful [YouTube video](#) to explain the remedy period.

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