**Increase to NEST pension contributions with effect from 6 April 2018**

You may already be aware that employers are required to put individuals who meet certain criteria into a workplace pension scheme and to contribute towards it. This is called automatic enrolment.

The purpose of this communication is to advise that, in line with automatic enrolment legislation, the minimum pension contributions will be increasing with effect from 6 April 2018 and again in April 2019 – this is a legal requirement.

If you are already a member of NEST or if you meet the criteria\* for automatic enrolment from 6 April 2018, your pension contributions will increase in line with the table below:-

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **SQA** **Contribution** | **Your****contribution** | **Tax relief** | **Total****contribution** |
| **Current contribution up to 5/4/18** | 1% | 0.8% | 0.2% | 2% |
| **From 6/4/18 – 5/4/19** | 2% | 2.4% | 0.6% | 5% |
| **From 6/4/19** | 3% | 4% | 1% | 8% |

This means that with effect from 6 April 2018, your pension contribution will increase to 2.4% and will rise again from 6 April 2019 to 4%. SQA’s contribution will also rise in line with the table.

\*If you are over age 22 and under State Pension Age and your earnings exceed the monthly trigger for automatic enrolment, you will automatically be enrolled into NEST. The following link provides the most up-to-date earnings thresholds (please refer to monthly figures in the pay reference period table as SQA operates a monthly payroll).

<http://www.thepensionsregulator.gov.uk/automatic-enrolment-earnings-threshold.aspx>

FAQs on automatic enrolment can be found on the website by following this link:-

<http://www.sqa.org.uk/sqa/63746.html>

If you have any queries regarding the above, please email am@sqa.org.uk