

# Pensions: how much do employers contribute?

Past, Present and Pending: HE employer pensions contributions continue to rise

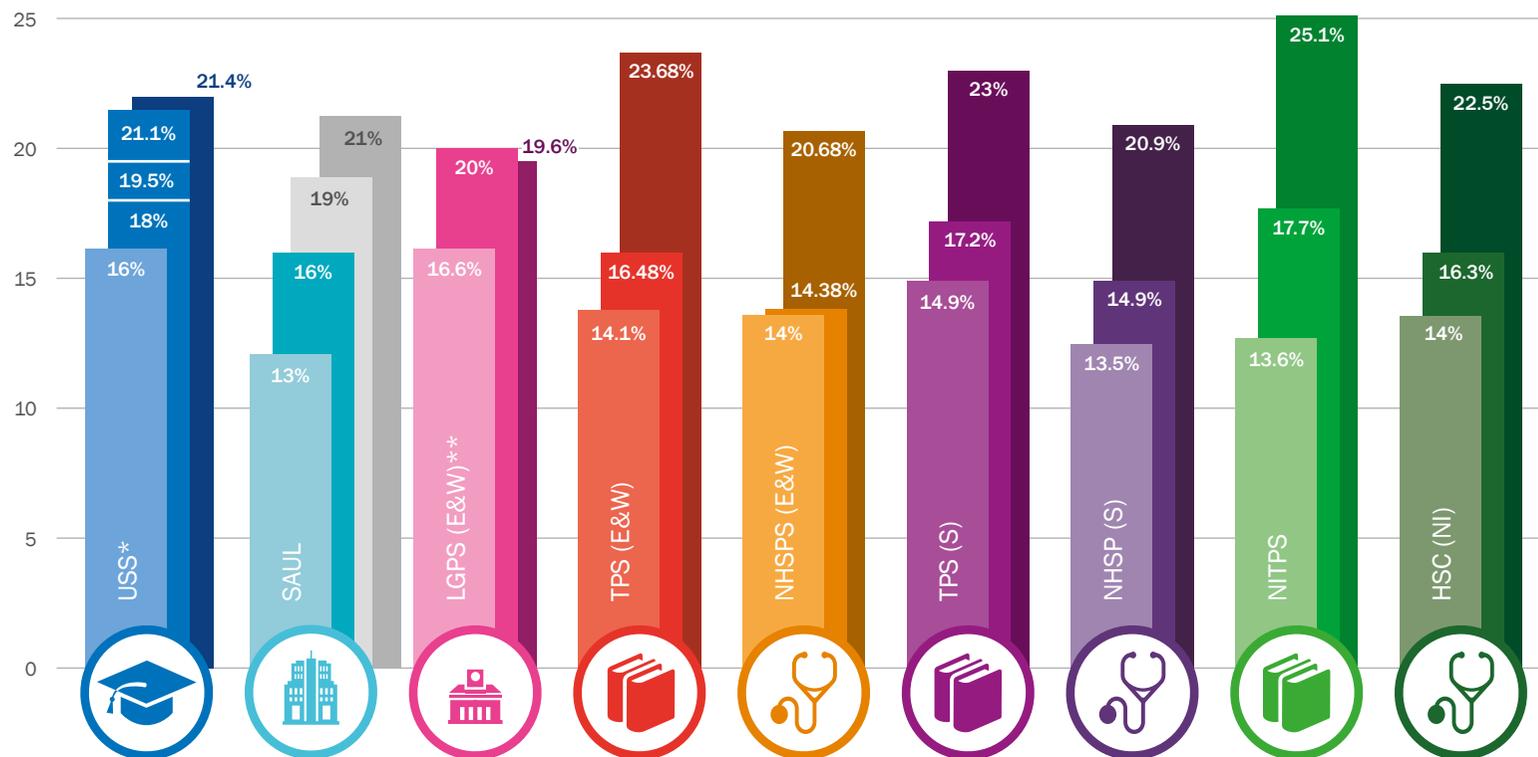
**Example employer contributions in UK HE pensions schemes ranging from 2009 up to 2021/22.**

For each of the schemes the infographic shows the significant employer contributions increases over the last decade.

This is the amount paid by the employer on behalf of every member of the pension scheme and calculated as a percentage of salary.

The contribution rates shown illustrate the total cost to the employer, so include the cost of future service benefits, the cost of funding any past service deficit, plus administration and investment costs.

Employee contributions are payable in addition.



\* With effect from October 2021 the USS contribution rate increased to 21.4%. NB it is possible the contribution rate could change if the agreed JNC proposals change.

\*\* With effect from April 2022 the SAUL employer contribution rate will increase to 19% and will increase again from January 2023 to 21%. In addition, SAUL will introduce a DC feeder scheme for new joiners before they become eligible to join the CARE scheme. The employer contribution rate will be 16% for the DC scheme.

\*\*\* The LGPS contribution rate shown of 19.6% is the median rate paid by HEIs in England & Wales based on UCEA research.

**Notes:** We show historic HE employer contribution rates starting from 2008-09 and current rates which came into effect between 2019-2021. SAUL employer contribution rates will increase from April 2022.

The actual LGPS contribution rate for each HEI is set by each Fund and currently varies from 15% to over 40%.

Many pre-92 HE institutions also run their own local pension schemes which have not been included.

Each scheme has its own rules for defining which parts of salary are deemed as 'pensionable pay'.

**Source:** UCEA, October 2021.