

**Schedule of Contributions consultation**  
**Q&A on DC contribution arrangements proposed from 1 January 2024**

Q: What are the new contribution arrangements for the DC section (Investment Builder)?

A: The JNC has recommended a change in the contribution share of the 20% on Salary above the Salary Threshold credited to a members Investment Builder as follows:

<b>DC contribution allocation</b>	<b>Current allocation</b>	<b>New allocation from 1 January 2024</b>
Members	8%	6.1%
Employers	12%	13.9%
Aggregate contribution	20%	20%

*\*Contributions are expressed as a percentage of Salary above the Salary Threshold.*

Q: Why is the DC member and employer contribution share changing?

A: The Rules envisage that a total of 20% of Salary above the Salary Threshold will be credited to members' Investment Builder accounts. With member contributions falling from 9.8% to 6.1% at this valuation, increasing the employer rate to 13.9% would be within the new employer contribution rate of 14.5% and hence allows an overall DC contribution rate of 20% to be maintained.

If the member contribution rate (6.1%) were to be set lower than the amount due to be credited from the member's contribution to the Investment Builder (i.e. the current 8%), then a number of communications and operational issues would need to be addressed, which would put the 1 January 2024 date for introduction of the lower overall contribution rate at risk.

Q: Do employers need to pay more as a result of the change in the DC contribution split?

A: No, the reduced overall employer contribution rate of 14.5% is a uniform rate that covers both the DC and DB section benefits (as well as the expenses of the Scheme including the DC management subsidy).

Q: How might the contribution share change in future, if the overall contribution rate changes?

A: This is a matter for the JNC and they have agreed to consider this prior to March 2026.

15 November 2023