Pension Providers for Review

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Prepared by: David Richards (Clerk/ RFO)

See table below for a comparison of the three pension providers identified:

Provider	**LGPS - Peninsula Pensions**	***NEST**	**The Peoples Partnership**
Type	Defined Benefits/ Career Average	Money Purchase/ Investment	Money Purchase/ Investment
Default Relief at Source/ Net Pay (Note 1)	Net pay	Relief at Source	Relief at Source
Set Up Cost	Unknown	None	£500.00
Employee Contributions (Note 2)	5.50% (subject to earnings – Note 3)	5.00%	5.00%
Employer Contributions (Note 2)	17.90%	3.00%	3.00%
Total Contributions	23.40%	8.00%	8.00%
Administration expectation	Complex/ Difficult	Easy	Easy

* **Nest** is the workplace pension scheme set up by the government. It's free for employers and easy to set up.

NOTE 1:

Relief at Source vs. Net Pay Arrangements

- **Relief at Source:** Contributions come out *after* tax, and the pension provider reclaims the 20% basic tax relief for you.
- **Net Pay:** Contributions are deducted from your pay *before* income tax is calculated. With this method, you automatically receive full tax relief at your highest marginal rate, but you get no relief if you don't pay tax.

Note 2:

Under the UK's automatic enrolment rules for the **2026/27 tax year**, the minimum total contribution to an employee's workplace pension is **8% of their qualifying earnings**, where the employer must pay a minimum of **3%** and deduct a remaining **5%** from the employee's pay (which usually includes tax relief).

Your Minimum Contribution Requirements
The table below outlines the standard minimum statutory breakdown based on the **8% total rule**:

Contributor	Statutory Minimum Rate	Payroll Note / Tax Relief Impact
Employer Pay	**3%**	Paid entirely by the employer on top of the worker's salary.
Employee Deduction	**5%**	**4%** is deducted from the employee if using "Relief at Source". **5%** is deducted from the employee if using "Net Pay Arrangement".
Total Minimum	**8%**	The combined minimum total that must enter the pension pot.

Note: Employers are legally allowed to contribute more than 3%. If you choose to contribute the full 8%, the employee does not have to pay anything.

Note 3:

LGPS Employee Pension contribution pay bands from 1 April 2026

Actual Pensionable Pay	You Pay a Contribution of
Up to £18,400	5.50%
£18,401 to £29,000	5.80%
£29,001 to £47,300	6.50%
£47,301 to £59,800	6.80%
£59,801 to £84,000	8.50%
£84,001 to £119,100	9.90%
£119,101 to £140,400	10.50%
£140,401 to £210,700	11.40%
£210,701 or more	12.50%