

POLICY NOTE

THE TEACHERS' SUPERANNUATION (SCOTLAND) AMENDMENT REGULATIONS 2013

SSI 2013/71

The above instrument was made in exercise of the powers conferred by sections 9 and 12 of, and Schedule 3 to, the Superannuation Act 1972. Functions under that Act as regards Scotland have been executively devolved to the Scottish Ministers. The instrument is subject to negative procedure.

Policy Objectives

The Teachers' Superannuation (Scotland) Regulations 2005 (SSI 2005/393 as amended) require members of the Scottish Teachers' Superannuation Scheme (STSS) to pay contributions to the scheme as a condition of membership. Although the Scottish Ministers have responsibility for the STSS, wider policy for occupational pensions is reserved to the UK Government. The 2010 UK Spending Review set out the UK Government's intention to increase members' contribution rates in public service pension schemes by an average of 3.2 per cent of pay by April 2014 with the increases spread across three years. The first increase was applied with effect from 1 April 2012 and also introduced "tiered" contribution rates which reflect that higher earners generally receive larger scheme benefits from final salary defined benefit schemes. Following further consideration of this policy and whether there were any viable alternatives, Scottish Ministers determined to apply the second round of increases. The above instrument makes provision for a single change to the current tiering structure and to apply the second stage of increases to the members' contributions from 1 April 2013.

Consultation

To comply with the requirements of section 9(5) of the Superannuation Act 1972 a formal policy consultation was undertaken from 20 December 2012 to 1 February 2013. Those consulted were all teachers' employers (including all 32 Scottish local authorities), Scottish Colleges and Higher Education establishments, Independent Schools, teachers' unions and relevant Scottish and UK Government Departments. Teachers' unions remain opposed in principle to any increases to members' contributions. 192 responses were received to the consultation and a summary of the consultation responses will be made available on the Scottish Public Pensions Agency's website www.sppa.gov.uk.

Impact Assessments

An equality impact statement is being finalised for this instrument which builds on the assessment undertaken for the first year of members' contribution increases and will be published when finalised.

Financial Effects

The increases, as designed, are expected to raise in the region of an additional £36 million a year for HM Treasury from 1 April 2013. This will add to the additional yields arising from the increases introduced from April 2012.

No Business and Regulatory Impact Assessment has been prepared because no impact on the private or voluntary sector is foreseen.

Scottish Public Pensions Agency
An Agency of the Scottish Government
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