

## POLICY NOTE

### THE TEACHERS' SUPERANNUATION AND PENSION SCHEME (MISCELLANEOUS AMENDMENTS) (SCOTLAND) REGULATIONS 2023

SSI 2023/190

The above instrument was made in exercise of the powers conferred by sections 9 and 12 of, and schedule 3 of, the Superannuation Act 1972 and sections 1(1) and (2)(d) and 3 of, and paragraph 4(b) of schedule 2 of, the Public Service Pensions Act 2013. The instrument is subject to negative procedure.

**The purpose of this instrument is to make changes to both the Teachers Superannuation (Scotland) Regulation 2005 and the Teachers' Pension Scheme (Scotland) Regulation (no.2) 2014 to introduce "phased withdrawal" for independent schools from the Scottish Teachers' Pension Scheme (STPS).**

#### Policy Objectives

Unlike most employers in the STPS, for whom participation is mandatory, independent schools have the choice of whether to participate. Whilst the schools are free to withdraw from the scheme, if they choose to do so then all active members are immediately withdrawn, becoming deferred members of the scheme and accruing no further pension benefit.

The introduction of Phased withdrawal will allow independent schools to cease enrolling new employees into the STPS whilst protecting the pension rights of currently employed teachers by allowing them to retain scheme membership. At the request of independent schools, the proposal is aimed at helping schools manage finances by controlling pension costs and will allow some schools to remain in the STPS, which would otherwise have left, with the knowledge that, over time, pension costs would reduce through natural staff turnover.

#### Consultation

To comply with the requirements of section 10(4) of the Superannuation Act 1972 a formal policy consultation took place from 6 May 2022 and 29 July 2022. In particular, representatives of Teachers' employers and employees in Scotland, other Scottish Government interests and UK Government departments were consulted. 19 responses to the consultation were received.

As a result of that consultation, it was clear from responses received from independent schools and their representative body that the proposals would go some way to helping schools manage finances in a challenging climate. Scottish Ministers recognise the issues being faced and also that for the option of withdrawing from the STPS is not made lightly. Providing those schools with the option of withdrawing on a phased basis seems reasonable and will, importantly, protect many teachers who are existing members of the scheme. Therefore, the proposals were taken forward as set out in the consultation.

A full list of those consulted is published on the Scottish Government website, it includes:

Association of Head Teacher and Deputes in Scotland  
Pensions Regulator  
Association of School and College Leaders  
Pinsent Masons  
Association of Teachers and Lecturers  
Prudential  
Audit Scotland  
Scottish Autism  
Barnardo's  
Scottish Council of Independent Schools  
Colleges Scotland  
Convention of Scottish Local Authorities  
Scottish Secondary Teachers Association  
East Park  
Scottish Teachers' Scheme Advisory Board  
Educational Institute of Scotland  
Scottish Qualification Authority  
ESM Schools Stòrlann Naiseanta na Gàidhlig  
General Teaching Council Scotland  
Teachers' Pension  
DENI  
Government Actuary's Department  
Teachers' Pension England and Wales  
HM Treasury  
The National Association of Schoolmasters Union of Women Teachers  
KPMG  
University and College Union  
Midland HR  
Voice the Union

### **Impact Assessments**

An equality impact statement in respect of the Teachers' Superannuation and Pension Scheme (Miscellaneous Amendments) (Scotland) Regulations 2023 was prepared and was included in the consultation document, available at: [STPS Phased Withdrawal of Independent Schools Consultation Document.pdf \(pensions.gov.scot\)](#)

### **Financial Effects**

The Minister for Community Wealth and Public Finance confirms that no Business and Regulatory Impact Assessment (BRIA) is necessary as the instrument has no significant financial effects on the Scottish Government, local government or on business.

Scottish Public Pensions Agency  
An Agency of the Scottish Government  
20 June 2023