SCOTTISH TEACHERS’ SUPERANNUATION SCHEME
04/2015

WHO SHOULD READ: Chief Executives, HR and Payroll Managers, Teacher’s unions and representatives

ACTION: To read and circulate to interested parties and members of the STSS

SUBJECT: Member contribution rates from 1 April 2015

The purpose of this circular is to confirm member contributions effective from 1 April 2015.

Key information in this circular

From 1 April 2015-

1. The tiered structure and rates for employee contributions are changing.

2. A members actual pay rather than whole time equivalent pay should be used to determine the contribution rate due.

3. These rates apply to members of the existing schemes and those who join or are transferred to the new 2015 Career Average scheme being introduced from 1 April 2015.

1. An addendum consultation was issued on 29 December 2014 which proposed contributions rates under two options. Prior to consultation both options were considered by the Scottish Teachers Pension Scheme Negotiating Group which is the tripartite group which advises on the terms of the Scottish Teachers Superannuation Scheme and includes members representing employers, trade unions and the Scottish Government.

2. Following that consultation, Scottish Ministers considered all of the responses made on the two options and decided to apply the rates as detailed in table below. These rates must be applied from 1 April 2015 (unlike the revised employer contributions notified in SPPA circular 03/2015 which take effect from 1 September 2015).

3. The rates have been set to deliver an average yield of 9.6% from scheme members as required by HM Treasury as part of the scheme valuation. The rates shown in the table below will apply for the period 1 April 2015 to 31 March 2019. To reflect any future salary
increases, the annual pensionable pay rate bands in Column 1 are to be adjusted in line with any increase in the consumer prices index. If an adjustment is required it will be applied from the 1 April for the financial year concerned. SPPA will issue a circular confirming any future changes to the annual pensionable pay rate bands.

### Member contribution rates due from 1 April 2015

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual pensionable pay for the eligible employment</td>
<td>Member Contribution rate from 1 April 2015</td>
</tr>
<tr>
<td>Up to and including £25,999</td>
<td>7.2%</td>
</tr>
<tr>
<td>£26,000 to £34,999</td>
<td>8.7%</td>
</tr>
<tr>
<td>£35,000 to £41,499</td>
<td>9.7%</td>
</tr>
<tr>
<td>£41,500 to £54,999</td>
<td>10.4%</td>
</tr>
<tr>
<td>£55,000 to £74,999</td>
<td>11.5%</td>
</tr>
<tr>
<td>£75,000 and above</td>
<td>11.9%</td>
</tr>
</tbody>
</table>

**Action required**

Employers of members of both the existing and new 2015 Career Average schemes must take action on the basis of this information to ensure that their HR/Payroll systems are updated to manage the revised contribution structure from 1 April 2015.

Please bring the information contained in this circular to the attention of the relevant staff to ensure that the necessary arrangements are in place for the correct contributions to be deducted from members as appropriate and in line with tiered contribution rates when the regulations come into force on 1 April 2015.

In accordance with The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, please ensure that all members who are affected by this change are notified individually in writing.

**Chad Dawtry**

Director of Policy

SPPA

February 2015

Contact Information: Should you have any enquiries about this circular, or require further information, please contact brenda.callow@scotland.gsi.gov.uk

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