

This factsheet is designed for the use of the Scottish Teachers' Pension Scheme and can be read in conjunction with the member's guide.

Introduction

The cost of providing the benefits payable from the scheme depends on the amount of the benefits and how long they are payable for. This depends on factors such as salary increases and how long people live.

Contributions to the scheme are estimated by the scheme actuary who performs periodic valuations of the scheme to determine how much needs to be paid to provide the benefits. These costs are shared between employers and scheme members.

As a scheme member you pay a contribution towards your pension based upon the actual amount of your pensionable pay; the more you earn, the higher your contribution rate will be.

There are six rates of member contribution, ranging from 7.2% for the lowest earners to 11.9% for the highest. The contribution rate paid by employers remains at 14.9% to 31 August 2015 and then increases to 17.2% from 1 September 2015. The annual salary rate bands are increased for each financial year if there is a relevant increase in the Consumer Prices Index.



Employer allocation to tiers

From 1 April 2015 contributions and tiers will be based on actual pay. This is a significant change where part-time members will see their contribution rates set by reference to their actual pay.

Please see STSS circulars [2015/04](#), [2015/07](#) and [2015/08](#) for further information about contribution rates and pensionable earnings.

Contribution rates

Member contributions rates due from 1 April 2015

Tier	Actual pensionable pay for the eligible employment	Contribution rate from 1 April 2015
1	Up to and including £25,999	7.2%
2	£26,000 to £34,999	8.7%
3	£35,000 to £41,499	9.7%
4	£41,500 to £54,999	10.4%
5	£55,000 to £74,999	11.5%
6	£75,000 and above	11.9%

*Pensionable pay should be rounded down to the nearest pound

Multiple employments

If you have more than one teaching job each position is treated separately and the contribution rate is determined according to the earnings of that particular job.

Example:

Contract 1 –

Pensionable earnings = £12,500

Contribution rate will be 7.2%

Contract 2 -

Pensionable earnings = £26,250

Contribution rate will be 8.7%

Joining or leaving part way through a year

If you join or leave the scheme part way through a year, the contribution rate will be based on the appropriate tier to the actual annual rate of pensionable pay.

Questions

If you think you are paying the wrong rate of contributions, for example, due to a change in circumstances, contact your employer's payroll department. If you are unclear about any aspect of this factsheet or have a specific question that is not answered by the information above, you can contact us from the contact information given on our website: www.sppa.gov.uk