

**SCOTTISH TEACHERS' SUPERANNUATION SCHEME
2014/06**

WHO SHOULD READ: STSS members, Directors of Education, Directors of Finance, HR Managers, Payroll Managers, Teachers' Unions and Representatives.

ACTION: A link to this circular has been sent by e-mail to all stakeholders on SPPA's circulation list and should be circulated widely to all STSS members

SUBJECT: URGENT - CONTRIBUTIONS ON BACKDATED 2013/14 PAY AWARD

The purpose of this circular is to notify employers about how to apply contributions on the backdated 2013/14 pay award

SPPA circular 2013/4 set out how in year pay awards should be treated for the purposes of paying scheme employee contributions. This approach was introduced following a proposal set out in the consultation to increase employee contributions from April 2013 (consultation issued 20 December 2012 to 1 February 2013). SPPA circular 2014/5 also set out reporting requirements for the backdated pay award.

We have contacted a number of payroll teams who are approaching this particular issue differently in relation to the 2013/14 backdated pay arrears. Some have already paid the arrears in March so the 2013/14 rates have been correctly applied, others plan to pay the arrears in April and apply the 2013/14 rates whilst some intend to pay in April using the 2014/15 rates.

The third increase of member contributions came into effect from 1 April 2014 and should be applied to pay due from that date going forward. **The rates introduced from April 2014 apply to pensionable pay from that date going forward and should not be applied to the arrears of pay due for 2013/14 if they happen to be paid after 1 April 2014.**

In calculating the employee contributions due on arrears of pay in respect of 2013/14 the advice in circular 2013/04 should be applied as if the payment was made in March 2014.

So for example for 2013/14 a SNCT pay point 4 teacher who was on pay of £30,465 receives an increase in pay to £30,771 providing arrears of £306. The revised annual rate of pay provides for a contribution rate of 7.9% so this rate should be applied to the £306 arrears.

The pay award also implements a pay increase from 1 April 2014. The revised whole time equivalent pensionable pay from that date should be used to determine the 2014/15 contribution tier going forward.

**Jim Preston
Senior Policy Manager
4 April 2014**



Contact information:

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