

**SCOTTISH TEACHERS' SUPERANNUATION SCHEME
08/2015**

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: Pensionable Earnings from 1 April 2015

The purpose of this circular is to provide clarification on the earnings that are pensionable for members of the STPS 2015

Following the issue of Scottish Teachers Superannuation Scheme Circulars 04/2015 and 07/2015, the following provides clarification on pensionable earnings and those amounts not forming pensionable earnings for members who are in the Scottish Teachers Pension Scheme 2015 (STPS 2015)

1. Pensionable earnings for members who are in the STPS 2015 (CARE scheme)

A member's pensionable earnings for any pay period are the total of the following amounts paid to the member by their employer in respect of pensionable service:

- all salary and allowances paid for the performance of the member's contractual duties*
- the amount of any payment in respect of overtime*
- any salary or statutory pay paid while the member is on sick leave, maternity leave, shared parental leave or paternity leave
- an amount equal to any part of the member's salary which the member has given up the right to receive under an accepted salary sacrifice arrangement currently covering child care vouchers, cycles, cyclist safety equipment or a home computer scheme
- the amount of any payment made to the member by way of a bonus under a pay settlement that applies to all employees (or all employees of a particular class or description) at the institute where the member is employed

* For example where a member is paid in addition to their contract for study classes, home tuition, computing development and other development opportunities etc, it is for the employer to decide whether this is paid as part of contractual duties or overtime. [Circular](#)

[07/2015](#) sets out how contributions should be calculated on pensionable pay and overtime.

2. Amounts not forming part of pensionable earnings in the STPS 2015 (CARE scheme)

A member's earnings do not include any of the following amounts paid to the member by their employer:

- any benefit in kind, or the money value of such a benefit **excluding** any residential benefits in kind or a benefit in kind under a salary sacrifice arrangement
- any bonus other than that detailed above
- any allowance paid for travelling or other expenses
- any amount paid for the performance of duties that are not carried out in the course of the member's pensionable service
- any payment in consideration for the loss of, or the agreement to give up the right to, paid leave under the member's contract of employment
- any payment in lieu of notice to terminate the member's contract of employment

Further information can be found in Part 3, Chapter 4 (32), (33), (34), (35) and (36) of [The Teachers' Pension Scheme \(Scotland\) \(No 2\) Regulations](#). This includes details on the application for residential benefits in kind to form part of pensionable earnings.

IMPORTANT NOTE: The above only apply to members who either move to or join the Scottish Teachers' Pension Scheme 2015. This does not apply to members who have protection or tapered protection and remain in the Scottish Teachers' Superannuation Scheme.

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18 March 2015

Contact information:

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