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Scottish Teachers' Superannuation Scheme consultees

www.sppa.gov.uk

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stsspensionreform@scotland.gsi.gov.uk

27 November 2014

Dear Colleague

The Teachers' Pension Scheme (Amendment) (Scotland) Regulations 2015.

I enclose for any comments that you have, a draft of the Teachers' Superannuation (Scotland) Amendment Regulations 2015 and a short commentary on the proposed changes. I would be grateful if you would distribute this letter and attachments as widely as possible. A brief commentary on the proposed amendments is set out in the attached Annex.

This Consultation will run from 27 November 2014 to 4 January 2015

You can respond to this consultation on line via the following link:

https://www.surveymonkey.com/s/STSS_Consultation_2014

Alternatively you may complete the Consultation Response Form attached at Annex C which can be submitted electronically to stsspensionsreform@scotland.gsi.gov.uk or by post to the following address:

STSS Consultation (2015 Reform Amendments)
SPPA Policy
7 Tweedside Park
TWEEDBANK
Galashiels
TD1 3TE

A printable Consultation Response Form is available via the following link:

http://www.sppa.gov.uk/index.php?option=com_content&view=article&id=714&Itemid=546

A copy of the consultation documentation is also available on the Agency's website at:

<http://www.sppa.gov.uk/Documents/STSS/STSS%20Useful%20Resources/Consultations/2014/consultation2/teachers%20regulations.pdf>



We intend to publish a summary of consultation responses in due course and would like to be able to include any response you make in that summary. However, if you ask us not to publish your response to this consultation, we will regard it as confidential, and we will treat it accordingly.

Respondents should also be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and will have to respond appropriately to any relevant request made to the SPPA under that Act for information concerning this consultation exercise.

Yours faithfully



Chad Dawtry
Director of Policy



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Scottish Secondary Teachers' Association

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National Association of Schoolmasters/Union of Women Teachers

Association of Headteachers and Deputies in Scotland

School Leaders Scotland

University and College Union

Association of Teachers and Lecturers

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BACKGROUND

In 2010, the UK Government gave a commitment to review the long-term affordability and sustainability of public service pension schemes. Although Scottish Ministers have executive powers to make and amend regulations covering the Scottish Teachers' Superannuation Scheme (STSS) overall occupational pensions policy remains reserved to Westminster.

Lord Hutton of Furness was commissioned to conduct a fundamental structural review of public service pension provision and his recommendations were considered by the UK Government. These were subsequently reflected in the Public Service Pensions Act 2013 which sets out the new public service pensions landscape which introduces reformed schemes from 1 April 2015.

From April 2012 negotiations through the Scottish Teachers' Pension Scheme Negotiating Group (STPSNG) commenced using as a benchmark the reformed scheme for the Teachers' Pensions Scheme for England and Wales. Due to the constraints on scheme design arising from the development and introduction of the Public Service Pensions Act 2013 it was not possible to achieve a distinctly Scottish specific teachers' pension scheme. As a result, in December 2013, the benchmark scheme design was applied in Scotland.

On 20 December 2013, SPPA consulted on the first tranche of the regulations needed to introduce the reform scheme from 1 April 2015 and provide the necessary protections available to eligible scheme members. The second tranche of regulations were issued for consultation on 6 November 2014. The enclosed draft regulations build on the previous regulations making provisions for transfers and abatement coming into force from 1 April 2015 for The Teachers' Superannuation (Scotland) Regulations 2005, reflect the introduction of same sex marriages in Scotland, same sex couples living together and the continuation of marriage where scheme member acquires new legal gender which is effective from 1 January 2015. Further details are provided in the brief commentary below.

Please note that both employee and employer contribution rates due from 1 April 2015 have still to be finalised. The employee contribution rates remain subject to further discussion with the (STPSNG) and the employer contribution along with the employer cost cap will be set by the 31 March 2012 valuation which is due to conclude shortly and both will be inserted into the regulations when confirmed.



COMMENTARY ON THE TEACHERS' PENSION SCHEME (SCOTLAND) AMENDMENT REGULATIONS 2014

Paragraph 3

This paragraph sets out amendments to reflect the introduction of marriage of a same sex couple and a same sex couple living together. Where reference is made to civil partnership, a person in a civil partnership or civil partners, this is to be also read as marriage of a same sex couple. Provision is also made for a scheme member acquires a new legal gender. Provision in regulation A3 makes reference to civil partnership to be read as including a reference to marriage of same sex couples, therefore buy back provision is appropriate in Schedule 6, Part IIA.

Paragraph 4

In line with proposals for the 2014 regulations, this increases the timescale for active members from 12 months to 24 months for ill health applications thus extending the timescales for a teacher to receive an enhancement. This allows for slow to develop or hard to diagnose conditions.

Paragraph 5

This amendment substitutes the entirety of regulation G – Transfer Values. As part of the negotiations for 2015 public sector pension reform the rules of Club transfers have been reviewed by HM Treasury and the Cabinet Office (which maintains the memoranda for how the club arrangements will operate). The arrangements for club transfers in the Scottish Teachers' Pension Scheme 2015 are based on the revised Club rules and are set out in the first tranche of reform regulations consulted on in December 2013.

Club transfers will continue to have to be applied for within 12 months of joining the new club scheme, but in line with the rules on gaps in service which determine scheme protections being maintained. From 1 April 2015 a club transfer will not be possible where there has been a gap in service of more than 5 years between the member leaving the previous club scheme and joining the new one. Members in that position will, however, be able to pursue a transfer on non-club terms.

These time limits mean that it will not be possible to maintain the current special arrangements which apply between existing teachers' pension schemes in Scotland, Northern Ireland, England and Wales (known as the Comparable United Kingdom Schemes (CUKS)). CUKS like Club transfers provide service on transfer on a day for day basis but a transfer can be requested up to normal pension age. Similar arrangements known as Comparable British Service (CBS) cover the teacher schemes in the Channel Islands and the Isle of Man. Those members who are currently able to request a CUKS or CBS transfer will be able to do so up to and including 31 March 2017 on the existing rules. Any election to transfer rights after 31 March 2017 will be subject to the new club rules and the 12 month time limit will then apply.

Overall, the new club arrangements will allow teachers in the comparable scheme to transfer their benefits in line with other public service workers in a way that enables them to consolidate and protect their pension saving effectively, albeit in future they will have to make the application to do so within twelve months of joining the new scheme. It aims to maintain the current approach that members transferring service retain the value of the service already accrued in the transferring scheme. Extending the timescales to 31 March 2017 for CUKS and CBS transfers will ensure that those who have moved between the schemes and have not yet decided to transfer under these terms have additional time to do so.



Provision is also made within this amendment for the payment and acceptance of bulk transfer values.

Paragraph 6

This amendment replaces and clarifies regulation E18. This makes provision to allow for pension from the career average arrangements to be taken into account in the calculation of abatement for final salary pension.

Paragraph 7

Makes provision for reference change.

Paragraph 8

This amendment allows for the insertion of definitions in respect of transfers in Schedule 1

Paragraph 9

The amendments to Schedule 12 are due to Section G being amended.



CONSULTATION RESPONSE FORM

SCOTTISH TEACHERS SUPERANNUATION SCHEME

CONSULTATION ON THE DRAFT TEACHERS' PENSION SCHEME (SCOTLAND)

AMENDMENT REGULATIONS 2014

(please complete and return to the address at the end of the form to ensure that we handle your response appropriately).

1. Name/Organisation

Organisation Name

Title

Surname

Forename

2. Postal Address

Postcode

Phone

Email

3. Permissions - I am responding as... (please complete either sections (a), (b) and (d) or sections (c) and (d):

Individual or **Group/Organisation**

(a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

Please state yes or no: _____

(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

Please state yes to one of the following:

Yes, make my response, name and address all available *or*

Yes, make my response available, but not my name and address *or*

Yes, make my response and name available, but not my address

(c) The name and address of your organisation **will be** made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your **response** to be made available?

Please state yes or no:

(d) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Please state yes or no:



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ABOUT YOU

I am responding ...

- as a scheme member
- on behalf of an Employer Organisation
- on behalf of a Trade Union/Staff Association
- other (please specify)

What is your gender?

- I am female
- I am male

I am employed as...

- a primary school teacher (local authority)
- a secondary school teacher (local authority)
- a head teacher or depute head teacher (local authority)
- an educational psychologist
- a lecturer in further or higher education
- a teacher in an independent school
- I'm retired
- other (please specify)

What is your working pattern?

- I work part-time
- I work full- time
- Not applicable



CONSULTATION COMMENTS

Please use this space to provide comments on any of the planned amendments.

Comments:

Please e-mail your response to stsspensionsreform@scotland.gsi.gov.uk or send via mail to:

STSS Consultation (2015 reform)
SPPA Policy
7 Tweedside Park
Tweedbank
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The closing date for receipt of comments is **Sunday 4th January 2015.**



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