



Government
Actuary's
Department

Transitional Protection Remedy: Analysis to Support the Equalities Impact Assessment (Preliminary) Scottish Teachers' Pension Schemes

DRAFT - November 2021

This report is labelled 'Preliminary' because it assesses only the impact of the 'Prospective Remedy Phase' of the Transitional Protection Remedy. The Prospective Remedy Phase relates to the policy decision to close all legacy schemes to future accrual with effect from 1 April 2022.

A further version of this report, which also covers the impact of the 'Retrospective Remedy Phase' where all members will be provided with a choice of benefits over the remedy period, will follow in due course.

Contents

1. Introduction	3
2. Approach to Assessment	6
3. Equality Impact Analysis: Age	9
4. Equality Impact Analysis: Sex	12
5. Equality Impact Analysis: Other Protected Characteristics	18
Appendix A: Data and Assumptions	20
Appendix B: Compliance and limitations	21

DRAFT

1. Introduction

Purpose

- 1.1. This report is addressed to, and has been prepared at the request of, the Scottish Public Pensions Agency ('SPPA').
- 1.2. The Public Sector Equality Duty ('PSED') was created by the Equality Act 2010 and is supported by the specific duties contained in the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, as amended.
- 1.3. The PSED requires the Scottish Government to assess the impact of applying a proposed new, or revised, policy or practice. Scottish Ministers must have 'due regard' to the need to eliminate discrimination, advance equality of opportunity and foster good relations between people with different protected characteristics when carrying out their activities.
- 1.4. There are nine protected characteristics identified in the Equality Act 2010: (1) sex, (2) age, (3) disability, (4) race, (5) religion or belief, (6) gender reassignment, (7) pregnancy and maternity, (8) sexual orientation, (9) marital or civil partnership status.
- 1.5. **The purpose of this report is to provide analysis, specifically in relation to the Scottish Teachers' Pension Schemes¹, to support SPPA who are acting on behalf of Scottish Ministers, in considering the impact of the policy decision to close all legacy schemes to future accrual with effect from 1 April 2022.**
- 1.6. This is one aspect of the proposed approach to address the age discrimination identified in the 2015 public service pension reforms, referred to as 'Transitional Protection Remedy', or 'McCloud remedy'. A further report will follow in due course, which also covers the policy decision to provide eligible members with a choice of legacy or reformed scheme benefits over the remedy period.

Background

- 1.7. When public service pension reforms were introduced in 2015, the UK Government agreed to allow those closest to their retirement age to stay in their legacy schemes. These arrangements were referred to as transitional protection arrangements.
- 1.8. For the Scottish Teachers' Pension Schemes, this meant:
 - A. All Active members who, as of 1 April 2012, had 10 years or less to their Normal Pension Age (i.e. NPA 60 Scheme members who were aged 50 and over on 1 April 2012, and NPA 65 and Mixed Service Scheme members who were aged 55 and over on 1 April 2012) **would remain in their existing scheme.**

¹ For the Scottish Teachers' Pension Schemes, the legacy schemes are the NPA 60 Scheme and the NPA 65 Scheme, and the reformed scheme is the 2015 Scheme.

B. Active members who, on 1 April 2012, were within 10 to 13½ years of their Normal Pension Age (i.e. NPA 60 Scheme members who were aged between 46½ and 50 on 1 April 2012, and NPA 65 and Mixed Service Scheme members who were aged between 51½ and 55 on 1 April 2012) had limited protection with linear tapering so that for every month of age that they were beyond 10 years from their Normal Pension Age, they lost 2 months of protection.
At the end of the protected period, they would be transferred into the 2015 Scheme.

- 1.9. In this report, members in category A above are referred to as 'Protected' members and members in category B are referred to as 'Tapered Protected' members.
- 1.10. Following a challenge in the Courts, however, it was found that such transitional arrangements were discriminatory on the grounds of age and, for certain schemes, gave rise to indirect sex and race discrimination. Although this judgment was not in relation to the Scottish Teachers' Pension Schemes, the UK Government determined that it had read across to all of the main public service pension schemes across the UK.
- 1.11. To address the discrimination identified, it was announced that:
- In relation to service from 1 April 2015 to 31 March 2022 (known as the 'remedy period'), all eligible members will have a choice between:
 - legacy scheme benefits (benefits in the NPA 60 or NPA 65 Scheme in the Scottish Teachers' Pension Schemes)
 - or
 - benefits equivalent to those available under the reformed scheme (benefits in the 2015 Scheme in the Scottish Teachers' Pension Schemes)
 - There will not be an option to have a combination of benefits in the legacy scheme and the reformed scheme in respect of service over the remedy period.
 - Eligible members were defined as those who were in service on or before 31 March 2012 and still in service on or after 1 April 2015. This includes members who are currently active, deferred or retired and those with a non-disqualifying break in service of no more than five years.
 - Members will be able to make their choice at the point at which they will receive their scheme benefits. Where a member's benefits are already in payment, the choice will be offered as soon as practicable.
 - From 1 April 2022, all members will accrue benefits in their reformed scheme, regardless of age. There will be no further benefits accrued in the legacy schemes from this point.

- 1.12. The [Public Service Pensions and Judicial Offices Bill](#) is the legislative vehicle that sets out the provisions that give effect to the above announcements and it will apply across all schemes in the UK in relation to the Transitional Protection Remedy. This is currently progressing through the UK Parliament. The Equality Impact Assessment ('EqIA') carried out alongside this Bill can be found at the link above.
- 1.13. Scottish Ministers are responsible for making the secondary legislation to amend the Scottish Teachers' Pension Schemes. This secondary legislation will be delivered in two phases:
 - A. *Prospective Remedy Phase (due to be in force for 1 April 2022):*
 - Legacy schemes will close on 31 March 2022 and all members who continue in pensionable service from 1 April 2022 will do so as members of the 2015 Scheme.
 - B. *Retrospective Remedy Phase (planned for Autumn 2022):*
 - From 2022, eligible members will be able to choose to receive legacy pension scheme benefits or benefits equivalent to those available under the reformed pension scheme for service between 2015 and 2022.

Policy to be assessed

- 1.14. **This Preliminary report is intended to support consideration of the impact of the Prospective Remedy Phase (as noted in 1.13 above) but will be updated in due course to consider both the Prospective and Retrospective Remedy Phases of the secondary legislation.**
- 1.15. Further information on our approach to assessing this is provided in chapter 2.

Next steps

- 1.16. Chapters 3-5 consider the potential impact of the proposed measures by reference to the protected characteristics identified in the Equality Act 2010.
- 1.17. We have included commentary on the analysis of the data, which SPPA may wish to use in the preparation of its EqIA. However, it is important to note that **it is for SPPA, acting on behalf of Scottish Ministers, to review this analysis and ultimately determine their view of the assessment of the equalities impact** i.e. have 'due regard' as to whether the policy treats someone less favourably due to a protected characteristic.
- 1.18. We very much welcome input into how to refine this initial analysis, by contributing further perspectives or identifying where there might be additional equality impacts to consider.

2. Approach to Assessment

We have set out below the information we will use as a basis for examining the protected characteristics.

Closing legacy schemes with effect from 1 April 2022

- 2.1. In this report, we have examined the impact of this policy decision on Protected members only. Under the Transitional Protection Remedy, Protected members will now be moved into the 2015 Scheme from 1 April 2022, whereas these members previously had an expectation from the 2015 reforms of continuing in their legacy arrangement after 1 April 2022. In all circumstances, Tapered Protected and unprotected members were expected to accrue benefits in the 2015 scheme from 1 April 2022.
- 2.2. For the avoidance of doubt, closing legacy schemes to future accrual with effect from 1 April 2022 will only impact Protected members **who are still accruing benefits as at 1 April 2022**. Given that Protected members will be at an age at which they can retire on or before 31 March 2022 without any actuarial reduction for early payment applying, it is likely that the vast majority of Protected members will have retired by that point.
- 2.3. At this stage, we are not able to provide the number and characteristics of the Protected members who may still be accruing benefits as at 1 April 2022.
- 2.4. Therefore, as outlined below, we have used the most recent data available to us to consider the impact of the UK Government's policy decision to close legacy schemes to future accrual with effect from 1 April 2022.
- 2.5. It is also worth highlighting that further consideration is being given to the approach in relation to members who request to retire due to ill-health ahead of 31 March 2022, but where this is not granted until after 1 April 2022. We have not analysed this situation specifically in this document, but it may be worth reassessing the protected characteristic of disability further once the approach has been clarified.

Data used

- 2.6. The most recent data available to the Government Actuary's Department (GAD) is that provided by SPPA to GAD for the purposes of the 31 March 2016 actuarial valuation.
- 2.7. The data to be used for the next actuarial valuation, as at 31 March 2020, has not yet been finalised but we can update our assessment to reflect more recent data if and where it becomes available.
- 2.8. The table below sets out the number of Protected members as at 31 March 2016:

	NPA 60 Scheme	NPA 65 Scheme	Mixed NPA 60/65 Service	Total
Protected members in service as at 31 March 2016	15,297	307	596	16,200
<i>Proportion of total number of Protected members</i>	94%	2%	4%	

- 2.9. We have also shown below the total number of active members in the Scheme as at 31 March 2016:

		Number of members	Proportion of the membership (based on number of members)
Eligible for Transitional Protection remedy	<i>Protected members</i>	16,200	21%
	<i>Tapered Protected members</i>	5,839	8%
	<i>Unprotected members</i>	41,818	54%
	Total	63,856	83%
Not eligible for Transitional Protection remedy		13,036	17%
Total		76,892	100%

- 2.10. The table above shows that 21% of the active membership of the scheme as at 31 March 2016 were Protected members.
- 2.11. We acknowledge that this data is at a date which does not reflect the specific point in time at which the measure will come into place. As noted in 2.2, we expect that most of the Protected members identified as at 31 March 2016 will have retired by 1 April 2022, such that much fewer than 21% of the scheme members will be affected. However, since we cannot be sure which Protected members will remain at 1 April 2022, we consider it is appropriate to use the 2016 data for this equality analysis, particularly as there is currently no alternative.
- 2.12. Data on sex and age of the membership of the Scottish Teachers' Pension Schemes was provided to GAD by SPPA for the purposes of the 31 March 2016 actuarial valuation.

- 2.13. For the other protected characteristics under the Equality Act 2010, SPPA does not hold complete or up-to-date data. However, where data for the whole of the teaching workforce in Scotland is available, this has been used as an approximation to the scheme membership.

DRAFT

3. Equality Impact Analysis: Age

This Chapter sets out our analysis of the equality impacts of the policy decision to close the legacy schemes to future accrual with effect from 1 April 2022 on the protected characteristic of age as identified in the Equality Act 2010.

Closing legacy schemes with effect from 1 April 2022

Introduction

- 3.1. As previously outlined, the Courts determined that the transitional protection element of the 2015 public service pension scheme reforms treated those members who were closest to retirement more favourably than younger members, and this amounted to direct age discrimination. Although this judgment was not in relation to the Scottish Teachers' Pension Schemes, the UK Government determined that it had read across to all of the main public service pension schemes across the UK.
- 3.2. The UK Government's policy decision to no longer permit Protected members to accrue benefits in the legacy schemes after 31 March 2022 is one aspect of the approach that is to be taken to address the age discrimination identified. All Tapered Protected and unprotected members would be accruing benefits in the reformed scheme by this point, so this decision only impacts Protected members.
- 3.3. Given this policy decision only impacts Protected members, it is to be expected that those affected will be older than the general scheme population. However, this is deemed necessary to remove the age discrimination that had previously been identified, and to ensure that all members are treated equitably from 1 April 2022.

Analysis: Age

- 3.4. The following table sets out the age profile of all active members in the Scottish Teachers' Pension Schemes, as well as the age profile of the Protected members only, as at 31 March 2016:

Age as at 31 March 2016	Active Membership as at 31 March 2016	Membership with Full Protection as at 31 March 2016
20-24	3%	-
25-29	10%	-
30-34	13%	-
35-39	13%	-
40-44	12%	-
45-49	12%	-
50-54	13%	5%
55-59	14%	56%
60 and above	10%	38%
Total	76,892	16,200

3.5. Percentages shown are to the nearest 1%. Therefore, percentages which are less than 0.5% have not been shown above, but it is noted that excluding these may mean the numbers do not sum to 100%.

3.6. The following table sets out which scheme the 16,200 Protected members as at 31 March 2016 within each age group are accruing benefits in:

Age	NPA 60 Scheme	NPA 65 Scheme	Mixed NPA 60/ 65 Service	Total
50-54	97%	-	3%	5%
55-59	97%	-	3%	56%
60 and above	91%	4%	5%	38%

To be clear, the total percentage shown represents the percentage of the 16,200 fully Protected members as at 31 March 2016 who fall within that age range. The percentages shown under the NPA 60, NPA 65 and Mixed Service columns represent the percentage of fully Protected members in that age group within the respective schemes.

3.7. This analysis identifies that:

- As expected, Protected members are older than the general scheme population.
- A little over one half of Protected members are between ages 55 and 59 as at 31 March 2016.
- At this age range of 55-59, the overwhelming majority of Protected members are accruing benefits in the NPA 60 scheme.

3.8. **Commentary on analysis:**

As illustrated above, Protected members are older than the general active member population. Continuing to provide Protected members with access to the legacy schemes would discriminate against younger members who are not offered this option.

Therefore, applying a policy that removes the provision of potentially favourable treatment to older members compared with others in the scheme is deemed necessary.

DRAFT

4. Equality Impact Analysis: Sex

This Chapter sets out our analysis of the equality impacts of the policy decision to close the legacy schemes to future accrual with effect from 1 April 2022 on the protected characteristic of sex as identified in the Equality Act 2010.

Closing legacy schemes with effect from 1 April 2022

Introduction

- 4.1. In determining that the transitional protection arrangements discriminated on the grounds of age, the Courts also concluded that if older members in a scheme were more likely to be male, providing older members with preferential terms amounted to indirect sex discrimination.
- 4.2. The policy decision to no longer permit Protected members to accrue benefits in the legacy schemes after 1 April 2022 is one aspect of addressing the age discrimination identified and, in turn, the indirect sex discrimination where it too applies.
- 4.3. We have analysed below the split of the Protected members by sex ².

Analysis: Sex

- 4.4. The following table sets out the sex profile of the members in the Scottish Teachers' Pension Schemes, as well as the sex profile of the Protected members:

	Active Membership as at 31 March 2016	Protected members as at 31 March 2016
Males	25%	28%
Females	75%	72%
	76,892	16,200

- 4.5. This analysis identifies that:
 - The percentage of the Protected members who are male is greater than the percentage of the overall scheme population who are male.

² The Equality Act 2010 lists 'sex' as a protected characteristic. Data for the Scottish Teachers' Pension Schemes is also available by sex. However, it is important to note that sex and gender are two different concepts. A person's gender identity is not always the same as the sex assigned to them at birth, and some people may not identify as having a gender or as non-binary. Gender reassignment is also a protected characteristic under the Equality Act 2010, and this is examined in Section 5.

4.6. The following table sets out the percentage of male and female Protected members in each scheme as at 31 March 2016:

	NPA 60 Scheme	NPA 65 Scheme	Mixed NPA 60/ 65 Service	All Protected Members
Males	28%	48%	41%	28%
Females	72%	52%	59%	72%
Total	15,297	307	596	16,200

4.7. This analysis identifies that:

- The percentage of Protected members who are males and accruing benefits in the NPA 60 Scheme is consistent with the overall percentage for all Protected members. This is expected given the high proportion of Protected members who are building up benefits in this scheme.
- The percentages of Protected members who are males and accruing benefits in the NPA 65 Scheme, and of those with Mixed benefits, are higher than the overall percentage for all Protected members.

4.8. **Commentary on analysis:**

Based on the analysis above, Protected members are more likely to be male than the overall scheme population (28% compared to 25%). Continuing to provide Protected members with access to the legacy schemes beyond 31 March 2022 could be deemed to be indirect sex discrimination.

However, the policy decision to no longer permit Protected members to accrue benefits in the legacy schemes after 31 March 2022 aims to remove this indirect sex discrimination.

Analysis: Sex and Age

4.9. We have also set out below the percentage of males in both the overall scheme population and the Protected members only population at each age range:

Age as at 31 March 2016	Active Membership as at 31 March 2016	Membership with Full Protection as at 31 March 2016
20-24	17%	-
25-29	19%	-
30-34	22%	-
35-39	23%	-
40-44	24%	-
45-49	26%	-
50-54	28%	31%
55-59	28%	27%
60 and above	31%	30%

4.10. This analysis identifies that:

- The percentage of the active member population that is male is greater at older ages. Accordingly, the percentage of Protected members who are male is higher than seen in the overall scheme population.
- The percentage of Protected members who are males is broadly consistent with the overall scheme population at the relevant ages.

4.11. **Commentary on analysis:**

- *The above analysis supports the comments in 4.8 that Protected members are more likely to be male*

Analysis: Sex and Earnings

4.12. Moving from a final salary legacy scheme to a career average reformed scheme for future accrual decreases the added benefit of late career pay progression.

4.13. This means that the policy decision to no longer permit Protected members to accrue benefits in the legacy schemes from 1 April 2022 is likely to have a negative impact on those who, in future years, achieve higher salary progression, rather than those with lower salary progression.

4.14. However, it is worth noting that the impact of this is likely to be limited given that:

- For Protected members who continue accruing benefits beyond 31 March 2022, their benefits in the legacy scheme will be calculated based on their 'final salary' when they leave the Scheme, rather than as at 31 March 2022.
- It would seem unlikely that many Protected members would experience significant pay progression after 31 March 2022, given how close they are to their retirement age.

4.15. Across the UK's public service pension schemes, a larger proportion of males reach higher salary bands than females and, therefore, of those who may be negatively impacted by this policy decision, a higher proportion will be male.

4.16. We have set out below the split by pay of members in the overall active member population and the Protected members' population as at 31 March 2016.

Full time Equivalent Salary as at 31 March 2016	Active membership as at 31 March 2016	% of overall active membership **	Protected members as at 31 March 2016	% of Protected membership
£0-19,999	61	-	31	-
£20,000-29,999	10,135	13%	152	1%
£30,000-39,999	45,082	59%	9,431	58%
£40,000-49,999	15,822	21%	4,449	27%
£50,000-59,999	4,301	6%	1,532	9%
£60,000-69,999	809	1%	296	2%
£70,000-79,999	438	1%	180	1%
£80,000-89,999	123	-	66	-
£90,000-99,999	31	-	19	-
£100,000 and above	89	-	43	-
Total	76,892		16,200	

** Percentages shown are to the nearest 1%. Therefore, percentages which are less than 0.5% have not been shown above, but it is noted that excluding these may mean the percentages do not sum to 100%.

4.17. This analysis identifies that:

- The percentage split of members into the various paybands is broadly consistent between both populations.
- The highest proportion of both all active members and Protected members are in the £30,000 to £39,999 payband.

4.18. We have then provided below the proportion of the membership at each payband that is **male** in both populations.

Full time Equivalent Salary as at 31 March 2016	Active membership as at 31 March 2016	Protected members as at 31 March 2016
£0-19,999	15%	-
£20,000-29,999	21%	14%
£30,000-39,999	21%	23%
£40,000-49,999	34%	34%
£50,000-59,999	32%	33%
£60,000-69,999	51%	54%
£70,000-79,999	54%	62%
£80,000-89,999	61%	58%
£90,000-99,999	65%	58%
£100,000 and above	69%	74%

4.19. This analysis identifies that:

- In both the overall active scheme membership and the Protected member only population, higher earners are more likely to be male.
- However, the difference in the percentage of males in the lower paybands compared with the higher paybands in the Protected member population is broadly consistent with the active member population as a whole.

4.20. **Commentary on analysis:**

The above analysis highlights that higher earning Protected members are more likely to be male compared with lower earning Protected members.

Within the group of Protected members, therefore, this remedy could be seen as having a greater effect on males. Looked at in the context of the pension schemes in their entirety, however, the measure is necessary to remove the discrimination identified in McCloud and any impact within the Protected members category is objectively justifiable.

Analysis: Sex and Employment Status

- 4.21. In Scotland, women are more likely to work part-time than men.³ It is therefore worth considering the equalities impact of those who work part-time within this protected characteristic.
- 4.22. The analysis below provides a split of the scheme membership into those working part-time and those not.

	Active membership as at 31 March 2016	All Protected members as at 31 March 2016
Full-time	59%	46% (7,528)
Part-time	41%	54% (8,672)
Total	76,892	16,200

- 4.23. Of those 8,672 Protected members working part-time as at 31 March 2016:

- 6,584 are female (76%).
- 94% are accruing benefits in the NPA 60 scheme only.

- 4.24. This analysis identifies that:

- As at 31 March 2016, the percentage of the Protected members working part-time was **higher** than the percentage of the overall scheme population working part-time.
- Of those Protected members working part-time, the percentage that are female (76%) is broadly consistent with the percentage of the total active population that is female (75%) and the percentage of the Protected member population that is female (72%).

- 4.25. **Commentary on analysis:**

Based on the above analysis, Protected members are more likely to work part-time.

As the percentage of part-timers who are female is consistent with the overall scheme population, it would be difficult to argue that, if there was deemed to be an adverse impact of the policy on part-timers, this amounted to indirect sex discrimination.

³ <https://www.closesthegap.org.uk/content/gap-statistics/>

5. Equality Impact Analysis: Other Protected Characteristics

This Chapter sets out our analysis of the equality impacts of the policy decision to close the legacy schemes to future accrual with effect from 1 April 2022 on the other protected characteristics as identified in the Equality Act 2010.

- 5.1. SPPA does not hold complete or up-to-date data on the other protected characteristics under the Equality Act 2010.
- 5.2. For the remaining protected characteristics, we had hoped to use data for the teaching workforce in Scotland as a whole, rather than pension scheme membership. However, we have been unable to easily locate such data in relation to most of the remaining protected characteristics; we will discuss with SPPA what they might be able to acquire for these purposes.
- 5.3. The proposed changes will apply to all members regardless of these protected characteristics. However, where information is readily available, we have considered the potential impact below.

Disability

- 5.4. There is no available data on this group in relation to the teaching workforce in Scotland or the Scottish Teachers' Pension Schemes membership. Although there is limited data available, if new data indicates that this group may suffer disproportionate adverse effects we will consider the impact further.

Race/Ethnicity

- 5.5. To analyse this protected characteristic, we initially analysed the information here: [Teacher census supplementary statistics - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/teacher-census-supplementary-statistics-2013-2020/pages/1-1-introduction.aspx)
However, it is difficult to compare the 2013 data with that as at 2020 from this source.
- 5.6. The document below compares 2018 data with the 2020 data: [Teaching profession - diversity: annual data report - March 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/teaching-profession-diversity-annual-data-report-march-2021/pages/1-1-introduction.aspx)
- 5.7. This provides an indication of what the characteristics for the scheme membership as a whole might be. At this stage, however, we have no way of knowing if this is reflective of the scheme population as a whole.

- 5.8. The proportion of Scottish teachers from ethnic minority groups has:
- Increased in primary school teachers (1.1% in 2018, 1.3% in 2020).
 - Increased in secondary school teachers (1.8% in 2018, 2.1% in 2020).
- 5.9. This might suggest that Protected members (who must have joined before 1 April 2012) are less likely to be from ethnic minority groups compared with the overall scheme population.

Religion or Belief

- 5.10. Available data on this characteristic in relation to the teaching workforce in Scotland or the Scottish Teachers' Pension Schemes membership is limited. Although there is limited data available, if new data indicates that this group may suffer disproportionate adverse effects we will consider the impact further.

Gender reassignment

- 5.11. Available data on this characteristic in relation to the teaching workforce in Scotland or the Scottish Teachers' Pension Schemes membership is limited. Although there is limited data available, if new data indicates that this group may suffer disproportionate adverse effects we will consider the impact further.

Pregnancy and maternity

- 5.12. Available data on this characteristic in relation to the teaching workforce in Scotland or the Scottish Teachers' Pension Schemes membership is limited. Although there is limited data available, if new data indicates that this group may suffer disproportionate adverse effects we will consider the impact further.

Sexual orientation

- 5.13. Available data on this characteristic in relation to the teaching workforce in Scotland or the Scottish Teachers' Pension Schemes membership is limited. Although there is limited data available, if new data indicates that this group may suffer disproportionate adverse effects we will consider the impact further.

Marriage and civil partnership

- 5.14. Available data on this characteristic in relation to the teaching workforce in Scotland or the Scottish Teachers' Pension Schemes membership is limited. Although there is limited data available, if new data indicates that this group may suffer disproportionate adverse effects we will consider the impact further.

Appendix A: Data and Assumptions

Data

- The analysis in this report is based on the data provided by SPPA to GAD for the 2016 actuarial valuation, as detailed in our note [“Scottish Teachers' Pension Schemes - Actuarial valuation as at 31 March 2016: Report on membership data”](#) of 18 February 2019.
- Whilst comprehensive data was received from SPPA for the 2016 valuation, some aspects of the data were incomplete and/or unreliable for certain elements of our valuation calculations. It was not possible to fully resolve those data issues in the timescale required for the valuation and, therefore, assumptions were required in respect of incomplete and/or unreliable individual member records. Further information on the steps taken to address data issues can be found in the above report.
- Please note that a member has been classed as ‘full-time’ if the part-time proportion provided by SPPA for the purposes of the 31 March 2016 actuarial valuation was recorded as 1 or 100%. All other members have been assumed to be part-time. Please note that rigorous checks were not carried out on the part-time proportions provided.

Appendix B: Compliance and limitations

- This report is intended for the use of the Scottish Public Pensions Agency ('SPPA') for the purposes of analysing the potential impact of the Transitional Protection Remedy. The information and advice in this report should not be relied upon, or assumed to be appropriate, for any other purpose or by any other person. GAD does not accept any liability to third parties, whether or not GAD has agreed to the disclosure of its advice to the third party.
- This report has been carried out in accordance with the applicable Technical Actuarial Standard: TAS 100 issued by the Financial Reporting Council (FRC). The FRC sets technical standards for actuarial work in the UK.

DRAFT