



Scottish Public
Pensions Agency
Buidheann Peinneanan
Poblach na h-Alba

Scottish Teachers' Pension Scheme:

Consultation on

The Scottish Teachers' Superannuation and Pension Scheme (Miscellaneous Amendments) (Scotland) Regulations 2023

About This Consultation

This consultation document seeks views on draft amendments designed to allow for the phased withdrawal of independent schools from the Scottish Teachers' Pension Scheme (STPS). The purpose of phased withdrawal is to enable independent schools to continue participating in the STPS for existing members while reducing the financial pressures, which may be faced by some, as a result of any increases to the employer contribution rate.

Duration of Consultation

Extensive consultation on this policy was undertaken in 2022. This short technical consultation will run for a period of two weeks commencing on 27 April 2023 and ending on 11 May 2022.

How to respond

Please use the consultation response form and once completed send to sppapolicy@gov.scot before midnight on the closing date.

Alternatively, responses can be posted to:

STPS: Independent Schools Phased Withdrawal Consultation
SPPA,
Tweedside Park
Tweedbank,
Galashiels, TD1 3TE

Further information

If you are unable to access an electronic version of the document, please write to the above address and a paper copy will be provided.

Data Protection Statement

The Scottish Public Pensions Agency (SPPA) is an executive Agency of the Scottish Government and forms part of the legal entity of the Scottish Ministers (Framework Document).

This framework of statutory powers and responsibilities, as agreed with the Scottish Ministers, enables SPPA to undertake the role of data controller for the processing of personal data which is provided as part of your response to the consultation. Any response you send us will be seen in full by SPPA staff dealing with the issues which this consultation is about or planning future consultations.

The process allows informed decisions to be made about how SPPA exercises its public function.

Where SPPA undertakes further analysis of consultation responses then this work may be commissioned to be carried out by an accredited third party (e.g. a research organisation or a consultancy company). Any such work will only be undertaken under contract. SPPA use Scottish Government standard terms and conditions for such contracts which set out strict requirements for the processing and safekeeping of personal data.

In order to show that the consultation was carried out properly, the SPPA intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response.

If you do not want your name or address published, please tell us this in writing when you send your response. We will then redact them before publishing.

You should also be aware of our responsibilities under Freedom of Information legislation.

If your details are published as part of the consultation response, then these published reports will be retained indefinitely. Any of your data held otherwise by SPPA will be kept for no more than three years.

Under the data protection legislation, you have the right:

- to be informed of the personal data held about you and to access it
- to require us to rectify inaccuracies in that data
- to (in certain circumstances) object to or restrict processing
- for (in certain circumstances) your data to be 'erased'
- to (in certain circumstances) data portability
- to lodge a complaint with the Information Commissioner's Office (ICO) who is the independent regulator for data protection.

For further details about the information the SPPA holds and its use, or if you want to exercise your rights under the GDPR, please refer to our Privacy Policy in the first instance or contact:

Agency Data Protection Officer
Scottish Public Pensions Agency
7 Tweedside Park
Tweedbank
GALASHIELS
TD1 3TE

Tel: 01896 892 469

Website: <https://pensions.gov.scot/>

The contact details for the Information Commissioner's Office are:

Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Tel: 01625 545 745 or
0303 123 1113

Website: <https://ico.org.uk>

Introduction

- 1.1. This is a technical consultation on draft amendments to deliver the policy to allow independent schools to withdraw from the Scottish Teachers' Pension Scheme on a phased basis.
- 1.2. On behalf of the Scottish Ministers, the Scottish Public Pensions Agency (SPPA) undertook a [consultation](#) between 6 May 2022 and 29 July 2022 on proposals to allow for the “phased withdrawal” of employers from the Scottish Teachers' Pension Scheme (STPS). SPPA published the [response](#) to this consultation in January 2023.
- 1.3. Under existing regulations, a school that participates in the STPS must enrol all eligible teachers into the scheme. Should the school wish to cease being a participating employer in the STPS, they must do so in full, meaning all active members would have benefits preserved in the scheme, and given access to alternative provision. Phased withdrawal would allow participating employers to cease enrolling new employees into the STPS whilst allowing existing members to retain their membership of the scheme. The consultation sought views on the merits of the Scottish sector having access to a provision in line with that introduced in England and Wales in August 2021.
- 1.4. Having taken into account the views of the independent schools sector and other stakeholders, SPPA set out in the Scottish Government's response to the consultation that amendments would be made to the scheme to deliver this policy. The Scottish Teachers' Superannuation and Pension Scheme (Miscellaneous Amendments) (Scotland) Regulations 2023 will deliver these changes.
- 1.5. In introducing these changes, the Scottish Government recognises it has no vires to determine the overarching legal or financial framework for public service pensions. Decisions on the methodology and assumption by which scheme valuations are undertaken and employer contribution rates set are a matter for Westminster. Scottish Ministers maintain a full commitment to public service pensions that are affordable, sustainable and fair and a strong view that the STPS is a valuable part of the reward and remuneration package for teachers in Scotland. The features of the scheme make active membership of it a valuable recruitment and retention tool, and the benefits earned over the course of a teacher's career will provide protection and valuable benefits payable for life during retirement.
- 1.6. Pension provision offered to teachers in the independent education sector is ultimately a decision for the boards of independent schools. However, the Scottish Government hopes that for the above reasons full consideration is given to the implications of withdrawing from the scheme, either in full or on a phased basis.

This should include full consultation with teaching staff well in advance of any option of phased withdrawal being taken up.

1.7. Following this consultation, Scottish Ministers will bring forward the changes and lay them before the Scottish Parliament in June 2023. SPPA will draft supporting guidance on the process that schools should undertake in exercising this option. Schools that opt for a phased withdrawal may allow existing teaching staff to remain members of the STPS, whilst providing new recruits with suitable alternative pension provision. Scottish Ministers believe that all current teaching staff should be permitted access, so that teachers who have currently opted out of the scheme should be provided with the opportunity to re-enrol, and teachers currently on longer term non-pensionable leave should retain access upon their return to employment.

Draft Regulations

2.1. The amendments broadly align with similar changes introduced in England and Wales, and are made to both the Teachers Superannuation (Scotland) Regulation 2005 (“the 2005 regulations”) and the Teachers’ Pension Scheme (Scotland) Regulation (no.2) 2014 (“the 2014 regulations”).

2.2. The amendments introduce a new category of “accepted school” employer described as an “accepted phased withdrawal school”. Regulations 2 to 6 amend the 2005 Regulations to enable any accepted school, which is an independent school that participates in the scheme under the 2005 regulations, which previously had to cover all teaching staff, to limit coverage to staff employed, or absent on limited grounds, as at a date agreed by the Scottish Ministers, following application on behalf of the school. Regulations 7 and 8 make similar amendments to the 2014 regulations in relation to accepted schools that participate in the pension arrangements covered by those Regulations.

Consultation process

3.1. This short technical consultation will run from 27 April 2023 to 11 May 2023.

Consultation Question

4.1. Interested stakeholders are asked:

Do the draft amendments deliver the policy intention to allow independent schools to withdraw from the Scottish Teachers’ Pension Scheme on a phased basis?