

# Teachers' Pension Scheme

## 2024/01

**Who should read:**

- Members
- Chief Executives
- Directors of Education
- Directors of Finance
- HR Managers
- Payroll Managers
- Teachers' Unions and Representatives

**Action:** For information**Subject:** Public Service Pension Indexation and CARE Scheme Revaluation 2024**Date:** 9 February 2024**The purpose of this circular is to:**

- **Notify employers of the increase to public service pensions with effect from 8 April 2024**
- **Notify employers of the pension increase for mandatory and discretionary compensation payments paid to retired teachers**
- **Advise that the rate to be used for the annual revaluation of Career Average Revalued Earnings (CARE) benefits accrued in the Scottish Teachers' Pension Scheme 2015 for active members is 8.3%**
- **Update employers on the employee pay banding for 2024/25**

**Public Service Pensions Indexation**

Public service pensions in payment, together with those that are deferred for payment at a future date, are indexed annually based on the annual change in the Consumer Prices Index (CPI) measured as at the previous September.

In the 12 months to September 2023, CPI was 6.7%. As a result, an increase of 6.7% from 8 April 2024 is to be applied for either pensions in payment or deferred pensions.

The UK Government expects to lay the Pensions Increase (Review) Order 2024 in March 2024.

**Pensions Increase for mandatory and discretionary compensation payments paid to retired teachers**

For pensions which began before 26 March 2023 the increase is 6.7%. For pensions which began on or after 26 March 2023, the increases are as follows:

| Period                               | Pensions increase |
|--------------------------------------|-------------------|
| 26 March 2023 to 23 April 2023       | 6.70%             |
| 24 April 2023 to 23 May 2023         | 6.14%             |
| 24 May 2023 to 23 June 2023          | 5.58%             |
| 24 June 2023 to 23 July 2023         | 5.03%             |
| 24 July 2023 to 23 August 2023       | 4.47%             |
| 24 August 2023 to 23 September 2023  | 3.91%             |
| 24 September 2023 to 23 October 2023 | 3.35%             |
| 24 October 2023 to 23 November 2023  | 2.79%             |
| 24 November 2023 to 23 December 2023 | 2.23%             |
| 24 December 2023 to 23 January 2024  | 1.68%             |
| 24 January 2024 to 23 February 2024  | 1.12%             |
| 24 February 2024 to 23 March 2024    | 0.56%             |

## CARE Scheme Revaluation

The Scottish Teachers' Pension Scheme 2015 Regulations were made under the Public Service Pension Act 2013 (the Act). The Scottish Teachers' Pension Scheme 2015 (STPS 2015) is a Career Average Revalued Earnings (CARE) scheme and Section 9 of the Act deals with the annual "in-service" revaluation of CARE scheme benefits, preserving their value in line with rises in the cost of living. The SPPA website provides further information on the principles of CARE scheme revaluation.

The STPS Regulations provide for annual revaluation by reference to changes in prices. For active members this is at the rate of CPI plus 1.60%; for deferred members the rate of CPI included in any Pension Increase (Review) Order.

Section 9(2) of the Act requires the change in prices used for revaluation to be such percentage increase or decrease as is specified in an order made by HM Treasury. The Public Service Pensions Revaluation (Prices) Order 2024 will fulfil that requirement in relation to prices and reflects the change in CPI of 6.7% in the 12 months to September 2023. The Chief Secretary to the Treasury has issued a [written statement](#) to this effect, with the Public Service Pensions Revaluation Order 2024 coming into force on 8 April 2024.

**As a result of the increase for CPI, the in-service revaluation for the STPS 2015 in respect of 2023/24 will be 8.3%.**

## Employee Contribution Pay Banding 2024/25

Employee contribution rates are currently subject to [Consultation](#). Once the outcome of the Consultation is known, a further circular will be issued to confirm employee contribution rates from 1 April 2024.

## Any questions?

Please contact [SPPAPolicy@gov.scot](mailto:SPPAPolicy@gov.scot) if have any enquiries about this circular.

## SPPA Policy

9 February 2024