

# The Teachers' Pension Scheme (TPS)

**John Brown**

**DfE**

**LGA Conference**

**London**

**8 October 2019**



# Agenda

- General update
- Valuation
- McCloud
- Pensions Dashboard



# General Update

- **The Teachers' Pensions Schemes (Amendment) (EU Exit) Regulations 2019**
- **The Teachers' Pensions Schemes (Amendment) Regulations 2019**
- **Independent Schools Phased Withdrawal Consultation**
- **Opt outs – recruitment and retention**



# Independent Schools Phased Withdrawal

- Government consultation on allowing the Phased Withdrawal of independent schools from the TPS. [add dates]
- Independent schools not funded for increased costs of TPS employer contribution rate due to change to SCAPE.
- Consultation does not impact other schools as participation is mandatory and the government is funding the increase.
- Consultation closes 3 November.



# Opt-outs – recruitment and retention

- Remain low in the TPS, but we continue to monitor trends.
- Younger, inexperienced teachers most likely to opt-out
- We're working with DfE recruitment and retention teams to ensure that those eligible to be in the scheme understand the TPS is a key part of the overall pay and reward package.



# Valuation

- **Progress since October 2018.**
  - Finalisation of valuation report (except cost-cap) – report was published in April 2019
  - implementation of revised employer rate delayed from April to September 2019 to allow employers more time and for arrangements to be put in place
  - Funding of increased employer pension contributions up to March 2020 (August for Academies) announced in April for most employers other than independent schools and HE.
  - Funding for schools to March amounts to £848m.



# Valuation

- **Funding grants from April 2020**
  - Recent 2019 Spending Round covered the next full financial year to March 2021 confirming the continuation of funding arrangements for eligible establishments.
  - Current method of distributing funding expected to continue up to that date, but will be confirmed at a later date.
  - SR2019 also confirmed funding of £1.5bn, for schools only, up to March 2023.
  - Funding for other sectors post April 2021 to be covered under next full Spending Review.
  - DfE will continue to provide updates on funding arrangements on [GOV.UK](https://www.gov.uk)



# Valuation

- **Member contributions**

- Full review of member contribution structure carried out alongside valuation.
- Review involved TPS Scheme Advisory Board
- After consideration of many options to change, DfE and the SAB recommended to the minister that the existing 6-tiered structure be carried forward.
- The recommendation took account of how that structure was performing, member experience and understanding of the structure and ease of employer administration.
- Recommendation was approved by the minister in April.





# McCloud

- **Implications of McCloud for the TPS**
- **Who is affected?**
- **The Remedy and how it is decided**
- **Timescales**
- **Stakeholder engagement**
- **Likely outcomes – for members and employers**



# Pensions Dashboard

- **What is it?**
- **How will DfE/TP be involved?**
- **Timeline**
- **Effect of McCloud on Public Service Pension Schemes involvement**



# Other work

- **Update on Working Longer Review? (mentioned last year)**
- **GMP equalisation**
- **Opposite sex civil partnerships**



# QUESTIONS

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