



Chris Heaton-Harris
Member of Parliament for Daventry
House of Commons, London SW1A 0AA
Tel: 020 7219 7048

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Dear Constituent,

Thank you for contacting me about teachers' pensions contributions.

First of all, I should like to pay tribute to teachers across my constituency for the vital work that they do in educating our children. I also want to reassure you that I appreciate the role played by the UK's independent schools, with many having long histories and the best having world-wide reputations for excellence.

I understand your concerns regarding the impact which changes in teachers' pension contribution rates could have, particularly for independent schools.

Having held a public consultation on the changes, the Government confirmed that it would not fund the increased employer contribution costs for independent schools.

However, I understand Ministers have been looking at other means of potentially mitigating some of the risks identified and will consult further on such measures.

The proposed changes to TPS contribution rates result from a valuation, which is required for all unfunded public sector pension schemes every four years. A significant factor affecting employer costs is the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate, which helps determine the cost today of providing pensions into the future. Following changes in long-term forecasts for our country's GDP, under the mechanism for determining the SCAPE rate, this discount rate was reduced in order to ensure that costs continue to be adequately provided for. This has resulted in the change to employer contributions for the TPS.

I hope this response has provided a measure of reassurance and clarity, and I will continue to monitor this issue closely.

Thank you again for taking the time to contact me.

Yours faithfully,

CHRIS HEATON-HARRIS MP
MEMBER OF PARLIAMENT FOR DAVENTRY

Website: www.heatonharris.com