

Independent Schools Bulletin – Summer Term 2021

Your Pension

Teaching is an incredibly demanding and challenging profession, never more so than over the last 12 months. The quality of the educational provision which children and young people receive is directly related to teachers receiving a fair and appropriate pay and conditions framework. The NASUWT makes no apology for arguing that teachers should be fairly rewarded, and a key element of this is that all teachers should have an entitlement to the England and Wales Teachers' Pension Scheme (TPS).

The TPS is a defined benefits (DB) public service pension scheme, which gives teachers certainty over the level of their pension and enables them to plan for retirement, knowing what their pension will be on the date at which they take it. In this respect, the TPS is very different from a private sector defined contributions (DC) scheme, where the level of contributions are defined, but not the benefits, and the value of the DC pension pot can go down as well as up.

Teachers in the TPS can use the calculators on the Teachers' Pensions website to forecast the value of their pension, which are available at: <https://www.teacherspensions.co.uk/members/calculators.aspx>. In the TPS, all administration costs are met by employers rather than by teachers, which is not the case in many alternative DC pension schemes for teachers.

The TPS has over 702,000 serving teacher members in pensionable service.¹ The TPS pays out pension benefits to over 729,000 members and their dependants.² All state-funded schools and colleges are legally obliged to be part of the TPS, but independent schools can decide whether to join or not, and are known as 'accepted bodies' in the TPS. A large number of independent schools are TPS accepted bodies and the latest data from the TPS indicates that there are 994 accepted independent schools in the scheme.

The NASUWT is concerned that some independent schools have decided to leave the TPS since January 2019 and have opted for a DC alternative pension for their teachers. However, some independent schools which were not in the TPS in January 2019 have also joined the TPS since this date.

Data provided by the Department for Education (DfE), the scheme manager for the England and Wales TPS, further indicates that, even though some teachers in independent schools have left the TPS because their schools have left the TPS, this is a small minority. Since February 2019, 7,707 teachers have left the TPS because they work in independent schools which have left the TPS, whereas 56,608 TPS members continue to teach in independent schools which have remained in the TPS. The average number of teachers in independent schools which have remained in the TPS is also higher than the average number of teachers in independent schools which have left the TPS.

¹ TPS Annual Report and Accounts 2019-20, page 5.

² Ibid, page 6.

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The NASUWT is also concerned about a policy followed by the DfE known as 'independent schools phased withdrawal', which enables independent school accepted bodies to close the TPS to new employees from 1 September 2021 onwards. The NASUWT has made it clear to the DfE that it believes this policy to be discriminatory, not least because future teachers, who have not yet started in the profession, will find themselves cut off from the TPS in independent schools which become phased withdrawal schools.

The NASUWT has made it clear to independent schools that, by retaining all their teachers in the TPS, and by rejecting the complete withdrawal and phased withdrawal options, they will have a recruitment and retention advantage over those independent schools which withdraw from the TPS.

If your school does propose withdrawal from the TPS, please do contact your NASUWT local secretary and National Executive Member via your NASUWT School Representative (if there is an NASUWT Representative in your school). Your local secretary or National Executive Member will outline the support to you, which the NASUWT can provide to retain the TPS as an entitlement for all teachers in your school.

A series of myths are circulating in the independent schools sector about the TPS. These are the answers to the myths:

- **Myth 1** – Independent schools will have to pay an exit payment if they do not leave the TPS immediately but decide to do so in the future, because of a penalty clause which the DfE is planning to introduce.
- **The truth** – The TPS does not have exit payments and there are no plans to bring these in in the future.
- **Myth 2** – Independent schools have to leave the TPS immediately because employer contributions will be increasing very soon.
- **The truth** – There will be no change in the employer contribution rate in the TPS until 1 April 2024 at the earliest. The rate will be determined by the next TPS valuation, which has not yet taken place. In addition, the Government has not yet published the directions which determine how the valuation will be conducted. It is impossible to forecast the employer contribution rate at this stage.
- **Myth 3** – The TPS is in difficulties and pension savings are not secure.
- **The truth** – Pension savings in all public service pension schemes are underwritten by the Government, which makes them the safest form of pension savings. In contrast, pension savings in private sector DC pension schemes can go down as well as up, or the pension scheme could even fail to pay any pension at all. The TPS has £196 billion in assets and 702,000 serving teacher members contributing to the scheme, alongside their employers.

The NASUWT is happy to meet with members in independent schools to expand on these issues and outline the key benefits of TPS membership for teachers. If you wish for this on behalf of NASUWT members in your school, please ask your NASUWT School Representative to contact your local secretary or National Executive Member, or make contact yourself if you do not currently have an NASUWT School Representative.

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Your Pay

The NASUWT is campaigning, and taking action where appropriate, for a substantial above-inflation increase for all teachers in 2021/22. In addition, inflation is forecast to increase over the next 12 months, and teachers who do not receive a sufficient pay increase will therefore see their living standards fall.

The Westminster Government has announced a public sector pay freeze for 2021/22, which would apply to all qualified teachers. The NASUWT is currently campaigning and organising against this policy, which does not apply in Wales as teachers' terms and conditions in Wales are devolved to the Welsh Government. Furthermore, the Westminster Government's pay policy does not apply to any independent schools, and the public sector pay freeze should not be used as a justification for withholding a pay increase from independent school teachers in 2021/22.

Becoming an NASUWT Representative

At NASUWT Annual Conference 2021, held over Easter, many NASUWT Representatives testified as to how rewarding it had been to take on the role of NASUWT School Representative. NASUWT School Representatives receive free training from the NASUWT to enable them to become the effective voice of NASUWT members at work. If your school does not have an NASUWT Representative, and you wish to carry out this valuable role, please do not hesitate to contact your NASUWT local secretary and National Executive Member for further details, or access the following information about becoming involved with your Union: <https://www.nasuwt.org.uk/being-involved/become-active.html>. NASUWT National Executive Members and local secretaries can be contacted at: <https://www.nasuwt.org.uk/contact-us.html>.

Recruit a Friend

The Recruit a Friend Scheme (T&Cs) rewards existing NASUWT members who recruit friends and colleagues to join them in the Union. The rewards, which come in the form of Love2Shop vouchers, rise incrementally in value for every member recruited.

You will receive vouchers to the value of £10, £15 or £20, depending on the number of members you recruit between 1 January 2021 and 31 December 2021. For example, if you recruit three members, you would receive £40 worth of vouchers, made up of £10 for the first member and two x £15 for the second and third recruit.

Invite your friends and colleagues to join, and if they become members between 1 January 2021 and 31 December 2021, you will receive rewards in the form of Love2Shop vouchers, which can be spent at over 20,000 stores, restaurants and attractions throughout the UK.

All new members receive free membership for the first 12 months. Additional details about the benefits of joining the NASUWT are available at: <https://www.nasuwt.org.uk/why-join.html>.



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