

# Scottish Teachers' Pension Scheme

## Scheme Advisory Board

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C/O SAB Secretariat  
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Rt Hon Steve Barclay MP Chief Secretary to the Treasury  
HM Treasury  
1 Horse Guards Road  
London  
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8 October 2020

### **HM Treasury Consultation - Public service pension schemes: changes to the transitional arrangements to the 2015 schemes**

Dear Mr Barclay

The Scottish Teachers' Pension Scheme Advisory Board (SAB) wishes to make clear its concerns regarding HM Treasury's proposal to redress the 2015 public pensions schemes' unlawfully discriminatory transitional arrangements, which gave full protection to those who were within ten years of the normal pension age (NPA) and either tapered protection or no protection to other members.

The SAB is of the view that the proposed remedy does not address the underlying discrimination faced by members who were not provided with full protection and were moved to the CARE scheme.

It is our view that these members should retain all the benefits of the legacy scheme for the remainder of their public service, including the right to retire at NPA 60, with no detriment to their pensions. The current consultation is narrow and prescriptive in focus and the only choice offered is whether or not an election to apply the proposed remedy is made immediately or is deferred. This is not a remedy which is satisfactory in terms of breadth or depth in that it completely fails to address the increase in NPA to state pension age for existing members of the legacy scheme who were not eligible for full protection.

The Scottish Council of Independent Schools highlight that putting the costs of redress back on to scheme participants will almost certainly see a substantial exodus from the scheme by our schools and teachers. Losing employer and employee contributions, both of which come new to the exchequer - not state funded - can only harm the overall value and purpose of the scheme.

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In addition, the SAB is united in its view that the cost of potential implementation must be borne by the UK Government, not by the scheme itself. This is because the need for the remedy has arisen from a legal judgment against the UK Government, not the Scottish Government, or indeed the Scottish Teachers' Pension Scheme.

Responsibility for the unlawfully discriminatory transitional arrangements lies with UK Government. Consequently, the SAB is firmly of the view that the costs of any remedy should be borne by it and not scheme members or employers. The SAB believes that it is fundamentally unfair to include costs of the remedy when restarting the cost cap mechanism and to include it as part of the 2020 revaluation. The impact of this additional cost on the scheme going forward and on benefits provided to scheme members is likely to be both detrimental and significant and remains a matter of great concern to SAB members.

We call on HM Treasury to reassess how it proposes to redress the discrimination suffered by legacy scheme members not afforded full protection under the 2015 pension reforms and how the cost of this is to be met.

Yours sincerely

D Morris  
SAB Chair on Behalf of the SAB