

SCHEDULE 3

Regulations 18 and 27

Employees' and employers' contributions

Interpretation

1. In this Schedule—

- (a) “contribution period” is to be construed in accordance with regulation 128(4) (actuarial review);
- (b) “the initial contribution period” means the contribution period determined under TPR 1997 (referred to in Part G of those Regulations as the “relevant period”) which is current when these Regulations come into force;
- (c) “the net contribution rate” for any contribution period is the aggregate of the percentage specified for that period under regulation 128(4) and any percentage specified for that period under regulation 128(7) less any percentage specified for that period under regulation 128(8).

Employees' contributions

2.—(1) The percentage rate of employees' contributions is determined in accordance with this paragraph unless paragraph 3 applies.

(2) The percentage rate for the initial contribution period is 6.4%.

(3) The percentage rate for each subsequent contribution period is the net contribution rate for that period less the percentage rate of employers' contribution (determined in accordance with paragraph 4) for that period.

3.—(1) This paragraph applies, in relation to each contribution period after the initial contribution period, where the Secretary of State has made a determination such as is referred to in regulation 128(9) and where this paragraph applies the percentage rate of employees' contributions shall be determined in accordance with sub-paragraphs (3) to (5).

(2) In this paragraph—

a “slice” of contributable salary means the part of an employee's contributable salary which either falls below the lowest threshold amount or exceeds one threshold amount but does not exceed the next highest threshold amount (or, where there is only one threshold amount, that part of an employee's contributable salary which either falls below or exceeds that threshold amount);

“threshold amount” means any threshold amount (as defined in regulation 128(9)) specified in the determination referred to in sub-paragraph (1).

(3) Where this paragraph applies the Secretary of State is, having regard to the recommendations contained in the report of the scheme actuary, to determine a percentage rate of employees' contributions for each slice of contributable salary.

(4) Where the Secretary of State has made a determination such as is mentioned in regulation 128(9)(a), the percentage rate of each employee's contributable salary is that determined under sub-paragraph (3) for the highest slice of that employee's contributable salary.

(5) Where the Secretary of State has made a determination such as is mentioned in regulation 128(9)(b) the percentage rate of each employee's contributable salary is determined by applying the percentage rate of employees' contributions determined under sub-paragraph (3) for each slice of contributable salary to the relevant slice of the contributable salary of the employee in question.

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Employers' contributions

4.—(1) The percentage rate of employers' contributions is determined in accordance with this paragraph.

(2) The percentage rate for the initial contribution period is 14.1%.

(3) The percentage rate for subsequent contribution periods shall be determined in accordance with sub-paragraphs (4) to (8).

(4) For the purposes of this regulation the element appropriate for cost sharing in relation to any contribution period is that part of the difference between the net contribution rate for that period and the net contribution rate for the previous period determined by the Secretary of State in relation to each contribution period, and in making such a determination the Secretary of State shall secure that—

- (a) changes in demographic assumptions and differences between assumptions made in the previous actuarial review under regulation 128 about the values of any items and the actual values of those items are included in the element appropriate for cost sharing, and
- (b) any reduction in the net contribution rate arising from the fact that the normal pension age for —
 - (i) a 2007 or later entrant, or
 - (ii) a person with mixed service, (except in circumstances described in regulation 48 (3) (a) to (c))

is 65, is not included in the element appropriate for cost sharing.

(5) In relation to any contribution period the Secretary of State shall also calculate separately the part of the difference between the net contribution rate for that period and the net contribution rate for the previous period which is not appropriate for cost sharing (“the unshared element”) and the Secretary of State shall then—

- (a) determine the part of the unshared element which is appropriate for the employer contribution cap, and
- (b) calculate separately the part of the unshared element which is not appropriate for the employer contribution cap.

(6) In sub-paragraphs (7) and (8)—

X is the element appropriate for cost sharing determined pursuant to sub-paragraph (4),

Y is the part of the unshared element which is appropriate for the employer contribution cap, determined pursuant to sub-paragraph (5)(a), and

Z is the part of the unshared element which is not appropriate for the employer contribution cap, calculated in accordance with sub-paragraph (5)(b), and X, Y and Z may be positive or negative depending on whether there is an increase or a decrease.

(7) In the formula in sub-paragraph (8) A is the lesser of B and $C+Y+1/2X$ where—

- (a) B is—
 - (i) for the contribution period immediately after the initial contribution period, 14, and
 - (ii) for each subsequent contribution period, the value which B had for the previous contribution period together with the value of Z which applied in determining the percentage rate for the previous contribution period, and
- (b) C is—
 - (i) for the contribution period immediately after the initial contribution period, 14.1,

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- (ii) for the next contribution period, the amount which would have been the percentage rate for the previous contribution period if it had been calculated as $14.1+Y+1/2X+Z$, and
 - (iii) for each subsequent contribution period, the amount which would have been the percentage rate for the previous contribution period if it had been calculated as $D+Y+1/2X+Z$, where D is the amount which would have been the percentage rate for the contribution period before the previous contribution period calculated in accordance with this sub-paragraph..
- (8) The percentage rate for each contribution period is $A+Z$.

Supplemental

5. Any determination made by the Secretary of State under paragraphs 3 or 4(4) or (5) is to be made—
- (a) after consultation with such representatives of local authorities and of teachers and with such representatives of other persons likely to be affected by the proposed determination as appear to the Secretary of State to be appropriate, and
 - (b) with the consent of the Treasury.

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Changes and effects yet to be applied to :

- Sch. 3 para. 1 omitted by [S.I. 2013/275 reg. 5\(2\)](#)
- Sch. 3 para. 2(3) omitted by [S.I. 2013/275 reg. 5\(3\)\(c\)](#)
- Sch. 3 para. 3 omitted by [S.I. 2013/275 reg. 5\(3\)\(d\)](#)
- Sch. 3 para. 4(3)-(8) omitted by [S.I. 2013/275 reg. 5\(3\)\(e\)\(ii\)](#)
- Sch. 3 para. 5 omitted by [S.I. 2013/275 reg. 5\(3\)\(f\)](#)
- Sch. 3 para. 1(b) substituted by [S.I. 2012/673 reg. 11\(2\)](#)
- Sch. 3 para. 2(2) substituted by [S.I. 2012/673 reg. 11\(3\)](#)
- Sch. 3 para. 2(2) Table substituted by [S.I. 2013/275 reg. 5\(3\)\(b\)\(ii\)](#)
- Sch. 3 para. 4(2) substituted by [S.I. 2014/2651 reg. 23\(b\)](#)
- Sch. 3 para. 2(2) Table substituted by [S.I. 2014/424 reg. 8](#)
- Sch. 3 para. 2(1) words omitted by [S.I. 2013/275 reg. 5\(3\)\(a\)](#)
- Sch. 3 para. 2(2) words omitted by [S.I. 2013/275 reg. 5\(3\)\(b\)\(i\)](#)
- Sch. 3 para. 4(2) words omitted by [S.I. 2013/275 reg. 5\(3\)\(e\)\(i\)](#)
- Regulations restricted by [S.I. 2023/871 reg. 30](#)

Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- Sch. 2 Pt. 1 para. 2(aa) inserted by [S.I. 2012/979 Sch. para. 28\(2\)\(b\)](#)
- Sch. 2 para. 2(ab) inserted by [S.I. 2014/2651 reg. 22\(a\)](#)
- Sch. 2 para. 26 inserted by [S.I. 2014/2651 reg. 22\(b\)](#)
- Sch. 2 Pt. 1 para. 14A inserted by [S.I. 2014/424 reg. 7](#)
- Sch. 2 para. 22(m) inserted by [S.I. 2019/1134 reg. 14](#)
- Sch. 2 para. 3A inserted by [S.I. 2021/805 reg. 10\(b\)](#)
- Sch. 2 para. 2(ab) inserted by [S.I. 2014/2651, reg. 22\(a\) \(as substituted\) by S.I. 2021/805 reg. 2\(2\)](#)
- Sch. 2 para. 26 inserted by [S.I. 2014/2651, reg. 22\(b\) \(as substituted\) by S.I. 2021/805 reg. 2\(2\)](#)
- Sch. 2 Pt. 1 para. 6(a) substituted by [S.I. 2019/1027 reg. 33](#)
- Sch. 3 para. 2(2)-(7) and table substituted for Sch. 3 para. 2(2) by [S.I. 2014/2651 reg. 23\(a\)](#)
- Sch. 5 para. 5(aa) inserted by [S.I. 2019/1134 reg. 16\(1\)\(c\)\(i\)](#)
- Sch. 5 para. 7(1A) inserted by [S.I. 2019/1134 reg. 16\(1\)\(d\)\(ii\)](#)
- Sch. 5 para. 9(ba) inserted by [S.I. 2019/1134 reg. 16\(1\)\(e\)\(i\)](#)
- Sch. 6 Pt. 1 para. 10A inserted by [S.I. 2011/614 Sch. 2 para. 13\(3\)](#)
- Sch. 7 para. 4(2A) inserted by [S.I. 2017/1084 reg. 7\(b\)](#)
- Sch. 7 para. 12(3A) inserted by [S.I. 2017/1084 reg. 7\(c\)](#)
- Sch. 7 para. 6(1A) inserted by [S.I. 2019/1134 reg. 17\(b\)](#)
- Sch. 8 para. 1(2)(h)(ia)(ib) inserted by [S.I. 2019/1458 Sch. 3 para. 115\(3\)\(a\)\(iii\)](#)
- Sch. 8 para. 1(1)(e) substituted by [S.I. 2021/805 reg. 13\(2\)](#)
- Sch. 8 para. 1(1)(b)(ba) substituted for Sch. 8 para. 1(1)(b) by [S.I. 2019/1458 Sch. 3 para. 115\(3\)\(a\)\(ii\)](#)
- Sch. 13 para. 88A substituted for Sch. 13 para. 8 by [S.I. 2014/2651 reg. 29\(a\)](#)
- reg. 2A2B inserted by [S.I. 2014/560 Sch. 3 para. 17](#)
- reg. 2A omitted by [S.I. 2019/1134 reg. 6](#)
- reg. 2A(1) words substituted by [S.I. 2014/3061 Sch. 1 para. 11\(2\)](#)
- reg. 2B omitted by [S.I. 2019/1134 reg. 6](#)

- reg. 2C inserted by S.I. 2014/3061 Sch. 1 para. 11(2)(4)
- reg. 6(1A) inserted by S.I. 2012/2270 reg. 3(a)
- reg. 6(2A) inserted by S.I. 2012/2270 reg. 3(b)
- reg. 6(3A) inserted by S.I. 2012/2270 reg. 3(c)
- reg. 9(4)(c) and word inserted by S.I. 2014/424 reg. 4(b)
- reg. 13(7A) inserted by S.I. 2021/805 reg. 6(6)
- reg. 13A inserted by S.I. 2021/805 reg. 7
- reg. 14A-14H inserted by S.I. 2014/424 reg. 5
- reg. 14A(5) word substituted by S.I. 2014/2651 reg. 5
- reg. 14F(c) words omitted by S.I. 2014/2651 reg. 6(b)
- reg. 14F(c) words substituted by S.I. 2014/2651 reg. 6(a)
- reg. 17(3A) inserted by S.I. 2014/2651 reg. 8(b)
- reg. 17(12)(13) substituted for reg. 17(12) by S.I. 2014/2651 reg. 8(c)
- reg. 27(3) inserted by S.I. 2021/805 reg. 8
- reg. 30(1)(d) and word inserted by S.I. 2014/2651 reg. 9
- reg. 64-64D substituted for reg. 64 by S.I. 2014/2651 reg. 15
- reg. 64B modified by S.I. 2015/601 reg. 31(5)(a)
- reg. 83(3A) inserted by S.I. 2017/1084 reg. 5
- reg. 85(3A) inserted by S.I. 2017/1084 reg. 6
- reg. 87A inserted by S.I. 2019/1134 reg. 8
- reg. 129(2A) inserted by S.I. 2011/614 Sch. 2 para. 10(3)