

TIERED CONTRIBUTIONS – OPTIONS FOR DELIVERING SPECIFIED SAVINGS FROM NITPS IN 2012-13

The Department's proposed member contribution rates for 2012-13 are set out in Section 3 of the consultation launched on 31 October 2011. These rates are based on the rates proposed by the Department for Education for members of the Teachers Pension Scheme in England and Wales. The following supplement has been inserted to the original consultation immediately before Question 1. You are asked to respond to additional questions 1a and if appropriate 1b. The amended consultation and answer booklet are available for download from the website at www.deni.gov.uk

The closing date for the consultation remains 23 January 2012.

Supplement

The Department also wishes to consider variations to the proposed rates set out above which provide additional protection for those teachers at the lower end of the pay scale. Possible variations are set out in tables 1 to 3 below. The table included as part of the draft regulations may be substituted by one of the variations below depending on the outcome of the consultation.

Table 1 – Variation of proposed increases to contribution rates to provide for no increase for those paid below £26k, partial protection for those below £32k.

Lower Salary	Higher Salary	Contribution Rate in 2012-13	Increase (against 6.4%)	Membership*	% of membership
	14,999	6.4%	0.0%	0	0.00%
15,000	25,999	6.4%	0.0%	417	2.23%
26,000	31,999	7.0%	0.6%	1,779	9.53%
32,000	39,999	7.6%	1.2%	9,408	50.37%
40,000	74,999	8.1%	1.7%	7,011	37.54%
75,000	111,999	8.4%	2.0%	58	0.31%
112,000		8.8%	2.4%	3	0.02%

Table 2 - Variation of proposed increases to contribution rates to provide for partial protection for those below £26k and for those below £32k.

Lower Salary	Higher Salary	Contribution Rate in 2012-13	Increase (against 6.4%)	Membership*	% of membership
	14,999	6.4%	0.0%	0	0.00%
15,000	25,999	6.7%	0.3%	417	2.23%
26,000	31,999	7.0%	0.6%	1,779	9.53%
32,000	39,999	7.6%	1.2%	9,408	50.37%
40,000	74,999	8.1%	1.7%	7,011	37.54%
75,000	111,999	8.4%	2.0%	58	0.31%
112,000		8.8%	2.4%	3	0.02%

Table 3 - Variation of proposed increases to contribution rates to provide for no increase for those below £32k. Those earning over £40k will make up the shortfall.

Lower Salary	Higher Salary	Contribution Rate in 2012-13	Increase (against 6.4%)	Membership*	% of membership
	14,999	6.4%	0.0%	0	0.00%
15,000	25,999	6.7%	0.0%	417	2.23%
26,000	31,999	7.0%	0.0%	1,779	9.53%
32,000	39,999	7.6%	1.2%	9,408	50.37%
40,000	74,999	8.2%	1.8%	7,011	37.54%
75,000	111,999	8.6%	2.2%	58	0.31%
112,000		9.0%	2.6%	3	0.02%

* Members on permanent (including part-time) contracts. Excludes Voluntary Grammar Schools.

The model adopted for the NITPS must deliver savings at least equivalent to the savings that would be delivered if the England and Wales model were adopted. Additional protection for lower paid members is therefore offset by higher increases for those higher up the salary band.

Question 1a – Should we adopt the England and Wales proposals or adjust to provide additional protection for lower paid teachers in NI as long as these achieve the required saving for 2012/13?

Question 1b – (If Applicable) If we adjust the England and Wales proposals to provide additional protection for lower paid teachers, which of the variations (1, 2 or 3) is your preferred option?