

## Indexation in the England and Wales Teachers' Pension Scheme

It has become clear recently that, for some teachers, pay freezes have a detrimental impact on the indexation of their pension. The key problem is that, in the final salary section of the Teachers' Pension Scheme (TPS), no pay increase means that there is flat pensions indexation during that period of time for the purpose of calculating the 'best three years in ten' average salary factor. This is used in the Method B calculation of the average salary factor and is explained in more detail at: <https://www.teacherspensions.co.uk/members/planning-retirement/calculating-benefits.aspx>.

The TPS will not use Method B to calculate the average salary factor for every teacher and not every teacher will have final salary scheme service when they come to retire. For example, if you started teaching on or after 1 April 2015, you will have no final salary scheme service and are unaffected by this issue. However, the impact of flat pensions indexation can be detrimental for those teachers who are affected, and the NASUWT, together with other teacher unions, is seeking to ensure that no teacher or school leader has a flat salary in 2021/22.

This can be achieved by using the recruitment and retention payment and leadership pay flexibility provisions in the School Teachers' Pay and Conditions Document (STPCD) to provide all teachers and school leaders with a salary uplift of at least £1 in 2021/22.

If you would otherwise have a flat salary in 2021/22 (i.e. you are not receiving pay progression or a salary increase through promotion), has your school confirmed that you will be receiving a £1 uplift to your salary? If not, the NASUWT advises that you contact your headteacher to ask for this.

The issue of TPS indexation will be discussed at NASUWT local association meetings, together with other key issues which are of vital interest to teachers. For details of these, please contact your NASUWT Local Secretary.



E-mail: [advice@mail.nasuwt.org.uk](mailto:advice@mail.nasuwt.org.uk)  
Website: [www.nasuwt.org.uk](http://www.nasuwt.org.uk)