

Tiered contributions

March 2026



Contribution rates in effect from 1 April 2026:

On 1 April 2026, the salary bands applicable to member contributions for the Teachers' Pension Scheme will change in line with inflation.

The contribution tiers from April 2026 apply to eligible active members in the Scheme.

The rates should be applied based on a member's annual salary rate (pensionable earnings excluding overtime) in the pay period, not the full-time equivalent.

The salary structure and contribution rates that will need to be applied from 1 April 2026 – 31 March 2027 are set out in the table below:

Annual Salary Rate for the eligible member	Member contribution rate
Up to £36,198.99	7.4%
£36,199 to £48,727.99	8.9%
£48,728 to £57,776.99	9.9%
£57,777 to £76,572.99	10.5%
£76,573 to £104,413.99	11.6%
£104,414 and above	12%

The employer contribution rate remains at 28.68%, which includes the 0.08% administration levy.

Employer contributions are based on the pensionable earnings paid to the employee in the pay period.

How do tiered contribution rates need to be applied?

The tiered rate of contributions is determined by the annual salary rate.

If a teacher is working full-time, earning £46,000 per year, they'll be required to contribute 8.9% of their pensionable earnings in the pay period.

If a teacher is working part-time, or is a supply or irregular teacher, the annual salary rate is determined by annualising their pensionable earnings in the pay period.

Note that neither overtime nor backdated pay increases are included when determining the annual salary rate.

Where a teacher is a member of the Teachers' Pension Scheme in respect of more than one employment (i.e has two or more part-time jobs or a full-time and a part-time job in the Scheme), the earnings in each employment will determine the contribution rate paid for each particular employment.

Example 1 – Part-time teacher

Walt's a part time teacher. He works 70% of full-time and receives a pro-rata salary.

Walt's actual salary is £1,750 per month. To work out his level of contribution payments you need to calculate Walt's annual salary rate.

As Walt earned £1,750 in any month, his annual salary rate is calculated as follows:

$£1,750 \times 12 = £21,000$ (Annual Salary Rate). Walt will pay a contribution rate of 7.4%.

Example 2 – Mid-month pay rise

If an employee has had a mid-month salary increase, the contribution tier is still determined by what they're paid in the pay period, as set out in the following example:

Keith's a classroom teacher who works full-time and earns £52,000 per year. On 15 September 2026 Keith receives a pay increase to £58,000.

To work out Keith's monthly contribution for September you need to calculate the monthly pay Keith will earn in September:

15 days at £52,000 = £2,136.99 and 15 days at £58,000 = £2,383.56. Total £4,520.55. This produces an annual salary rate of $£4,520.55 \times 12 = £54,246.60$.

This means that Keith will pay a pension contribution for September equal to 9.9% of £4,520.55 i.e. £447.53.

In October, with an annual salary rate of £58,000, Keith's contribution rate will increase to 10.5%.

Example 3 – Backdated pay rise

Backdated pay increases are treated as pensionable earnings in the month they're paid, but aren't included when deriving the annual rate of salary when determining the contribution tier.

The contribution rate is applied against all pensionable earnings – salary and any backdated pay increase.

Helen, who has an annual salary of £41,500, receives a pay rise in September 2026 equal to £2,400. The pay increase of £2,400 is equal to £200 per month.

Due to administrative restrictions the pay increase is not received by Helen until her November 2026 pay.

In November, Helen receives her new monthly salary and the backdated pay increase i.e. £3,658.33 + £400 (new monthly salary plus two months back dated pay award).

To calculate Helen's contributions for November you need to annualise her total pensionable earnings, excluding backdated pay in that month $£3,658.33 \times 12 = £43,900$.

Helen is in the 8.9% contribution band.

For November's pensionable earnings Helen's contribution will be 8.9% of £4,058.33 (£3,658.33 + £400), i.e. £361.19

Example 4 – Maternity leave

Julia is a classroom teacher and works full-time with an annual salary of £54,000. Julia is on a period of maternity leave, receiving half pay (£2,250 rather than her usual £4,500).

Julia's contribution rate will be determined using her usual pay, but the rate will be applied to her actual pensionable earnings in the period.

To work out Julia's monthly contribution you need to annualise her usual pensionable earnings:
 $£4,500 \times 12 = £54,000$.

Julia will be in the 9.9% contribution band and her contributions whilst receiving half pay will be 9.9% of £2,250, i.e. £222.75.

You must continue to report Julia's salary at the usual rate of £54,000 per annum, as she will continue to accrue pension based on the usual pay rather than the actual pay received whilst on pensionable maternity leave.

This applies to all family leave that is in pensionable service: at least half pay or statutory pay.

Please note that for sick leave, if the employee is receiving less than half pay, the leave is not pensionable service and contributions must not be deducted.

Example 5 – Supply Teacher

Tom is a supply teacher who submits his pay claims late; claiming in the same pay period for hours worked in October, November and December 2026.

Tom receives £2,000 for each month, a total of £6,000 paid in the pay period. Tom's annual rate of salary for the pay period will be: $£2,000 \times 12 = £24,000$.

Tom will be in the 7.4% contribution band and his contributions will be 7.4% of £2,000, i.e. £148.

In this scenario employers can, if they choose to, calculate the annual rate of salary and hence contributions on a monthly basis; i.e. three separate calculations for the three months: $£2,000 \times 12 = £24,000$. Tom would be in the 7.4% contribution band and his contributions will be 7.4% of £2,000 for each of the three months, i.e. $£148 \times 3$.

Example 6 – One off salary change in the month

Mary receives a one off payment for acting as Head of Department in June while the Head was ill; her annual salary rate is normally £38,500, which includes a London allowance.

She pays contributions at a rate of 8.9% each month which amount to £285.54.

In June, as a result of her temporary promotion she earned £4,208.33, making her annual salary rate £50,500. Contributions will therefore be deducted at a rate of 9.9% amounting to £416.62, an increase of £116.24.

The Head returned in July so Mary's annual salary rate has reverted to £38,500 so she will pay contributions at a rate of 8.9%, which totals £285.54.

Example 7 – Two or more part-time regular contracts

Marie works 70% at Green School on an annual full-time equivalent salary of £20,000 and also works 10% at Black School where she has an annual full-time equivalent salary of £26,000.

She pays contributions on her employment at Green School at a rate of:

$$£20,000 \times 0.7 = £14,000 = 7.4\%$$

Her monthly salary at Green School is £1,166.66 and her monthly contributions are £86.33.

She pays contributions on her employment at Black School at a rate of:

$$£26,000 \times 0.1 = £2,600 = 7.4\%$$

Her monthly salary at Black School is £216.67 and her monthly contribution when she works at this school are £16.03.

This same scenario applies if Marie has two separate contracts at the same school.

Example 8 – Unpaid leave or strike

Gary has an annual salary rate of £50,000 and usually receives £4,166.67 per month and pays contributions at a rate of 9.9%

$$£4,166.67 \times 9.9\% = £412.50$$

In September he takes 10 days of unpaid leave which means that he earns £2,777.78 This will give him a salary of £33,333.36 meaning that his contribution rate will reduce to 7.4%.

During September he will therefore pay $£2,777.78 \times 7.4\% = £205.66$, a reduction of £206.94.

Example 9 - Leaves mid-month

John leaves service in the middle of the month and it's agreed he'll be paid half his salary for that month. His usual salary is equivalent to £40,000 per year (£3,333 per month), and he normally pays contributions of 8.9% which amounts to £297 per month.

However, in the month he leaves his annual salary rate will be £20,000, meaning that he will receive £1,666 and the contribution rate will be 7.4%

This means that for the month he leaves he will pay contributions of $£1,666 \times 7.4\% = £123$. This is a reduction to his monthly contribution of £174.

Making your employees aware of the change

As an employer of Scheme members it's important that you make employees aware of the contribution changes and what these changes mean to them.

We've produced a factsheet for you to send out to your employees which can be found on our [website](#).

We'd also ask you to direct your employees to our [website](#) for further information relating to contribution changes and Scheme reforms.

Our website includes information about tiered contributions and how they're applied to members, and an interactive calculator which enables a member to work out their monthly contributions.

If any of your teaching staff are considering opting out of the Scheme, it's important that you help them make an informed decision. Please encourage members to ensure that they're fully informed about the benefits of their pension by directing them to our [Member Guides](#).

Alternatively, if members have a specific query relating to their pension, please ask them to [contact us](#).

Annual Audit exercise

The annual audit exercise helps us to ensure that contributions submitted match the contributions that are due. This is required as a record for the audit of Scheme accounts.

- Each April you'll receive an email outlining the amount of contributions you've paid in the previous year
- A copy of the unaudited form must be returned to us by the last working day in May.

For non Local Authorities

- It must be signed by the Officer with financial responsibility and returned to us – if the audit can be completed by this stage no further action will be required
- Please note: the auditor can't be an employee of the establishment.

For Local Authorities

- It must be signed by the Chief Finance Officer – if the audit can be completed by this stage no further action will be required
- Even if the form is returned unaudited it must be signed by the responsible officer.

Unaudited forms

- If the EOYC is returned unaudited, instead of us issuing a second form, you should pass the original copy of the first form to your auditor. The audited form should be returned no later than the last working day in September for non LAs and the last working day in November for LAs
- The audit process gives assurance to the DfE about the accuracy of scheme accounts.

Interest will be charged on any underpayments received after the last working day in September for non LAs and LAs.

For help and support

- Check out our Frequently Asked Questions on our [website](#)
- Attend one of our free [webinars](#)
- Visit our contact options for further details.