

The Scheme Valuation

July 2026



What is it?

As an unfunded public service pension scheme, the Teachers' Pension Scheme is reviewed every four years by the Government Actuary's Department (GAD). This is known as the Scheme Valuation.

The purpose of the Scheme Valuation is to assess the total cost of the Scheme and its ability to provide benefits to its members. As part of this, it's assessed whether the cost control mechanism needs to be triggered.

The Department for Education also checks whether the required contribution yield is being delivered by the member contribution tier model. Where necessary, adjustments are made to contribution tiers to ensure this is met going forward.

At the end of the Scheme Valuation, the appropriate employer/employee contribution rates are determined.

How does it work?

Data is collected about the Scheme which allows GAD to answer the following:

- Is there enough money to cover the cost of the benefits built up to date?
- Is the contribution rate sufficient to cover benefits likely to build up in future?

Once scheme data is collected, it's analysed, appropriate assumptions are made, and any necessary changes identified and applied as part of the result of the Valuation.

When will the changes be applied?

These changes will apply from 1 April 2027.

Scheme valuation changes

Employer contribution rate

The valuation has determined that the employer contribution rate should reduce from 28.6% to 17.6% of pensionable pay (this does not include the administration levy). This is to meet the present and projected cost of benefits for members.

This will not affect the level of benefits members are building up in the Scheme.

Member benefits from the Teachers' Pension Scheme are determined in accordance with the Scheme rules and member's service. The valuation ensures that sufficient funding is available to meet these commitments.