

The SSTA disagrees with the proposition that any Teacher, either now or in the future, should have their Minimum Pension Age Increase from 55 to 57.

1. Are there any specific considerations that should be taken into account regarding the government's proposed framework for the increase to the NMPA?

There is no justification for this proposition as the state pension age and an individuals preferred retirement age are separate decisions.

As Public Sector Pension Schemes apply an actuarial adjustment to those retiring early there is no extra burden on the public purse if individuals decided to retire early.

We would argue that the government should be examining schemes to encourage members of the Public Sector Pensions to continue working as opposed to imposing mandatory legislation to force on going service.

The restriction being proposed will have a detrimental impact on public sector employees.

2. Are there any particular issues that the government should consider in the way NMPA is defined in pension scheme rules?

When the Government previously increased the state pension age it offered safeguarding of benefits for certain occupations. There is an argument that this was discriminatory as whilst it was supposed to apply to certain occupations, in certain Public Sector schemes, it applied across all scheme members despite their roles or occupations.

We would urge the government not to make the same mistake regarding discrimination or restricting members rights further as to when they can choose to retire.

3. The government proposes that the protected pension age will apply to all the member's benefits under the scheme (if the conditions for a protected pension age are met), not just those benefits built up before 2028. Are there any other alternative options or issues the government should consider around the treatment of accrued and future pension savings?

The SSTA argues against any further increases applying to the Minimum Pension Age both for existing teachers and new teachers coming into the profession. Once again, the government risks discriminating against new and old members of the Teachers' Pension Scheme.

As stated above if a scheme member exercises their right to retire early the scheme applies an actuarial adjustment to those benefits to ensure that there is no extra burden on the public purse.

4. Are there any issues associated with schemes informing members who meet the conditions of their rights to a protected pension age?

The SSTA argues against any further increases applying to the Minimum Pension Age both for existing teachers and new teachers coming into the profession.

It is the schemes responsibility to inform its members of any conditions and rights that apply to them and any changes that are being proposed. This needs to be done in a manner that is clear and not mis-leading.

5. Are there any implications the government should consider by not requiring that all scheme benefits must be crystallised on the same day as a condition for a protected pension age?

As stated, the SSTA argues against any further increases applying to the Minimum Pension Age both for existing teachers and new teachers coming into the profession.

Due to changes imposed by the Government on Public Sector Pension Schemes many members now have several Public Sector schemes even though they have retained the same job. These new schemes all have different rules as has been highlighted by the changes in their names, accrual rates, normal pension ages etc. Therefore, they are separate pension schemes and should be regarded as such.

All members should retain their rights under the rules of the individual schemes and have the ability to exercise those rights separately or together. There should therefore no requirement for members to have to crystallise all scheme benefits on the same day.

The point in question is highlighted by the following.

If a member has Pension A with a normal pension age of 60 and Pension B with a normal pension age of their state pension age and they decide to retire at the age of 55 they will have differing actuarial adjustments applying to their benefits. By imposing “same day crystallisation” it can be argued that the government is financially disadvantages the member of the scheme by forcing this rule if, for example, the member of the scheme intended to keep working under such benefits as phased retirement.

Secondly if the member started in, for example, the NHS pension scheme and moved to the Teachers’ Pension scheme, whilst retaining their deferred benefits in the NHS scheme, the two schemes would be treated separately, and same day crystallisation would not apply. The same argument applies to those members of the Public Sector Pension schemes who have been forced to change schemes. These are classed as new schemes as discussed above and as such same day crystallisation would not apply.