
Teachers' Pension Scheme (England & Wales)

Introduction

1. This Estimate provides for the payments of pensions and lump sum benefits to persons covered by the Teachers' Pension Scheme (TPS). The rules of the scheme are contained in the teachers pension regulations 1997 (as amended). The scheme is an unfunded, contributory, public service occupational pension scheme and applies mainly to teachers employed in schools in England and Wales and their dependants. Provision is made for the refund of contributions to early leavers, and for the payment of and receipt of transfer payments in respect of teachers moving out of and into employment covered by the scheme. The Estimate also includes the increase payable in accordance with the Annual Review orders made under Section 59 of the Social Security Pensions Act 1975 and Section 109 of the Pensions Schemes Act 1993.
2. The Estimate also provides for premature retirement compensation payments made on behalf of employers and for the recovery of costs of those payments from employers.
3. Part of the TPS income consists of actual receipts, e.g. contributions from employers and employees, transfer of payments from other superannuation schemes etc. These are used to meet expenditure on benefits, although in practice there is no correlation between receipts and expenditure.
4. Benefits and contributions are carried to a statutory account and valued quinquennially by the Government Actuary. Any deficiencies revealed in valuations will fall to be met by supplementary contributions, shared between employers and employees over a period of 15 years.

Part I

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	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	-	-	-
Capital	-	-	-
Annually Managed Expenditure			
Resource	10,227,675,000	-	10,227,675,000
Capital	-	-	-
Total Net Budget			
Resource	10,227,675,000	-	10,227,675,000
Capital	-	-	-
Non-Budget Expenditure	-		
Net cash requirement	3,651,494,000		

Amounts required in the year ending 31 March 2014 for expenditure by Teachers' Pension Scheme (England & Wales) on:

Annually Managed Expenditure:Expenditure arising from:

Superannuation allowances and gratuities, and other related expenditure, in respect of teachers and the widows, widowers, children and dependants of deceased teachers, and for premature retirement and compensation payments made to members of the Teachers' Pension Scheme and on behalf of their employers; and associated non-cash items.

Income arising from:

Receipts from employers and employees superannuation contributions; transfer values received; deductions from returns of contributions towards payment in lieu of graduated national insurance contributions equivalent premiums; recovery of contributions equivalent premiums from the state pension scheme; amounts received from employers of teacher's scheme members in reimbursement of the cost of premature retirement compensation payments on their behalf by Capita.

Teachers' Pension Scheme (England & Wales) will account for this Estimate.

			£
	Voted Total	Allocated in Vote on Account	Balance to complete or surrender
Departmental Expenditure Limit			
Resource	-	-	-
Capital	-	-	-
Annually Managed Expenditure			
Resource	10,227,675,000	4,944,188,000	5,283,487,000
Capital	-	-	-
Non-Budget Expenditure	-	-	-
Net cash requirement	3,651,494,000	1,657,554,000	1,993,940,000

Part II: Subhead detail

£'000

2013-14 Plans									2012-13 Provisions	
Resources						Capital			Resources	Capital
Administration			Programme			Gross	Income	Net	Net	Net
Gross	Income	Net	Gross	Income	Net					
1	2	3	4	5	6	7	8	9	10	11
Spending in Annually Managed Expenditure (AME)										
Voted expenditure										
-	-	-	15,715,940	-5,488,265	10,227,675	-	-	-	10,577,939	-
<i>Of which:</i>										
A Pensions and associated payments										
-	-	-	15,715,940	-5,488,265	10,227,675	-	-	-	10,577,939	-
Total Spending in AME										
-	-	-	15,715,940	-5,488,265	10,227,675	-	-	-	10,577,939	-
Total for Estimate										
-	-	-	15,715,940	-5,488,265	10,227,675	-	-	-	10,577,939	-
<i>Of which:</i>										
Voted Expenditure										
-	-	-	15,715,940	-5,488,265	10,227,675	-	-	-	10,577,939	-
Non Voted Expenditure										
-	-	-	-	-	-	-	-	-	-	-

Part II: Resource to cash reconciliation

£'000

	2013-14 Plans	2012-13 Provisions	2011-12 Outturn
Net Resource Requirement	10,227,675	10,577,939	11,709,947
Net Capital Requirement	-	-	-
Accruals to cash adjustments	-6,576,181	-7,139,486	-8,631,258
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-	-	-
New provisions and adjustments to previous provisions	-15,713,692	-15,705,227	-16,592,186
Departmental Unallocated Provision	-	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-	-	-
<i>Adjustment for NDPBs:</i>			
Remove voted resource and capital	-	-	-
Add cash grant-in-aid	-	-	-
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	16,767	90,833	-612
Increase (-) / Decrease (+) in creditors	-24,409	350	36,466
Use of provisions	9,145,153	8,474,558	7,925,074
Removal of non-voted budget items	-	-	-
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-	-	-
Net Cash Requirement	3,651,494	3,438,453	3,078,689

Part III: Note A - Forecast Combined Revenue Account & Reconciliation Table

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	2013-14 Plans	2012-13 Provisions	2011-12 Outturn
Gross Programme Costs	15,715,940	15,708,002	16,597,729
<i>Of which:</i>			
Increases in liability	7,240,340	6,035,150	5,872,204
Interest on scheme liability	8,473,352	9,670,077	10,719,982
Other expenditure	2,248	2,775	5,543
<i>Less:</i>			
Contributions received	-5,440,511	-5,082,304	-4,836,157
Transfers in	-46,263	-46,350	-49,563
Other income	-1,491	-1,409	-2,062
Net Programme Costs	10,227,675	10,577,939	11,709,947
Total Net Operating Costs	10,227,675	10,577,939	11,709,947
<i>Of which:</i>			
Resource DEL	-	-	-
Capital DEL	-	-	-
Resource AME	10,227,675	10,577,939	11,709,947
Capital AME	-	-	-
Non-budget	-	-	-
<i>Adjustments to include:</i>			
Departmental Unallocated Provision (resource)	-	-	-
Consolidated Fund Extra Receipts in the budget but not in the FCRA	-	-	-
<i>Adjustments to remove:</i>			
Capital in the FCRA	-	-	-
Grants to devolved administrations	-	-	-
Non-Budget Consolidated Fund Extra Receipts in the FCRA	-	-	-
Other adjustments	-	-	-
Total Resource Budget	10,227,675	10,577,939	11,709,947
<i>Of which:</i>			
Resource DEL	-	-	-
Resource AME	10,227,675	10,577,939	11,709,947
<i>Adjustments to include:</i>			
Grants to devolved administrations	-	-	-
Prior period adjustments	-	-	-
<i>Adjustments to remove:</i>			
Consolidated Fund Extra Receipts in the resource budget	-	-	-
Other adjustments	-	-	-
Total Resource (Estimate)	10,227,675	10,577,939	11,709,947

Part III: Note B - Analysis of Departmental Income

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	2013-14 Plans	2012-13 Provision	2011-12 Outturn
Voted Resource AME	-5,488,265	-5,130,063	-4,887,782
<i>Of which:</i>			
Programme			
Pensions	-5,488,265	-5,130,063	-4,887,782
<i>Of which:</i>			
A Pensions and associated payments	-5,488,265	-5,130,063	-4,887,782
Total Programme	-5,488,265	-5,130,063	-4,887,782
Total Voted Resource Income	-5,488,265	-5,130,063	-4,887,782

Part III: Note C - Analysis of Consolidated Fund Extra Receipts

No CFER income or receipts are expected in 2013-14, 2012-13 or 2011-12.

Part III: Note D - Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following individuals are responsible for the expenditure within this Estimate:

Accounting Officer: Mr Chris Wormald

Mr Chris Wormald has personal responsibility for the proper presentation of the department's resource accounts and their transmission to the Comptroller & Auditor General, and is also responsible for the use of public money and stewardship of assets.

In discharging these responsibilities, particular regard is given to:

- observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;
- making judgements and estimates on a reasonable basis;
- stating whether applicable accounting standards, as set out in the Financial Reporting Manual (FRM), or an organisation's version of it, have been followed, and explain any material departures in the accounts; and
- preparing the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for regularity and propriety of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are also set out in Chapter 3 of Managing Public Money.

Part III: Note K - Contingent Liabilities

Nature of liability**£'000**

As at March 2012, the following liabilities fell to be met from the estimate:

A very remote contingent liability to make Additional Voluntary Contributions related to pensions. This would be in the unlikely event of default by the private insurance company.	Unquantifiable
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