



Department
for Education

Mathematics early-career payments: administration of payments

Government consultation response

August 2018

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Introduction

Mathematics early-career payments are being offered to teachers completing their initial teacher training (ITT) in the 2018 to 2019 academic year. In addition to a £20,000 bursary or £22,000 scholarship during ITT, eligible teachers will receive early-career payments of £5,000 each (or £7,500 each in selected local authorities) in their third and fifth year of teaching. Together these payments comprise a “phased bursary” which DfE is piloting to assess its impact on recruitment and retention, compared to the upfront bursary offered to other trainee teachers.

This consultation invited those who will be involved in offering and delivering the mathematics early-career payments for their views on how they will be administered. It covered the eligibility criteria for the payments, the proposed payment process, and the proposed approach to Income tax, National Insurance and pension contributions.

The consultation was conducted through an online survey which was launched on 16 July 2018 and closed on 30 July 2018. The consultation was publicised in the Department for Education’s (DfE) Teacher Recruitment Bulletin on 16 July, which is circulated to schools involved in initial teacher training (ITT) and ITT providers.

Question analysis

Question 1.1

Are you a school leader, teacher, or initial teacher training provider, or do you hold another position within the education sector?

	Total	Percent
School leader	0	0%
Teacher	2	100%
Initial teacher training provider	0	0%
Other	0	0%

Question 1.2

If other, please provide further details.

	Total	Percent
Free text responses	0	0%

Question 2

Do you have any comments on the proposed eligibility criteria?

	Total	Percent
Free text responses	2	100%

One respondent commented that teachers in sixth-form colleges should also be eligible. The respondent also suggested that all mathematics teachers in both schools and sixth-form colleges should be eligible for the mathematics early-career payments, regardless of the year in which they completed initial teacher training (ITT). The respondent believed that the payments will not work, but stated that all mathematics teachers should be eligible if they are to be offered.

The other respondent warned that the impact on career changers should be considered when making any changes to ITT financial incentives. The respondent stated that ITT bursaries are very effective in enabling people to change career, and that offering

payments after qualification whilst reducing the bursary paid during ITT could compromise the ability of career changers to complete ITT.

Government response

The Government does not have any plans to offer mathematics early-career payments to all teachers in schools or Further Education (FE) settings. Mathematics early-career payments are being offered to those completing postgraduate secondary mathematics ITT in the 2018 to 2019 academic year as part of the phased bursary pilot. This cohort of teachers will receive a slightly lower bursary during training (compared to the £26,000 bursary available for other high priority subjects) but will then be eligible for the early-career payments of £5,000 each (or £7,500 each in selected local authorities) when teaching. For this reason the early-career payments form part of the financial offer for trainee teachers only.

The phased bursary is being piloted for mathematics trainee teachers to test its impact on recruitment and retention, compared to the upfront bursary currently offered to trainee teachers in other subjects. We are conscious of the need to offer appropriate funding to incentivise applications for ITT, including from career changers who are more likely to have greater financial commitments than recent graduates. For this reason the phased bursary pilot incorporates a £20,000 bursary, or £22,000 scholarship, during the ITT year. All trainee teachers on tuition fee-funded ITT routes are also able to apply for a tuition fee loan and maintenance loan to support their living costs. Additional student finance is also available depending on individual circumstances, such as the Childcare Grant.

Question 3

Do you have any comments on the proposed payment process?

	Total	Percent
Free text responses	2	100%

One respondent restated that training to be a teacher should be financially viable for career changers in particular, as those in their 30s or 40s are more likely to have a family or mortgage. The other respondent did not have any comments.

Government response

As stated in the response to question 2 above, we recognise the need to offer appropriate funding to incentivise individuals to apply for ITT, particularly those with the greatest financial commitments. For this reason we provide means-tested student finance

to trainee teachers who do not earn a salary whilst they train, in addition to the bursaries and scholarships we offer.

Question 4.1

Do you have any comments on the proposed approach to income tax and National Insurance contributions?

	Total	Percent
Free text responses	2	100%

One respondent stated that the payments should not involve income tax and National Insurance deductions as this would remove the financial incentive. The other respondent did not have any comments.

Government response

We agree that if income tax and National Insurance (NI) contributions were deducted from the early-career payments teachers receive this would lessen the financial incentive. We also wish to avoid schools needing to make any financial contributions to the payments.

For these reasons the Department for Education (DfE) will bear the cost of the income tax and both the employee and employer NI contributions associated with the early-career payments, by paying this cost to HMRC. This is a cost-neutral arrangement for government. It means schools will not be required to make employer NI contributions and teachers will receive the full £5,000 or £7,500 early-career payments, without any income tax or NI deductions.

Question 4.2

Do you have any comments on the proposed approach to teachers' pension contributions?

	Total	Percent
Free text responses	2	100%

Both respondents stated that they had no comments regarding the proposed approach to teachers' pension contributions.

Government response

Consistent with our approach to income tax and National Insurance contributions, we will ensure that both schools and teachers do not need to make teachers' pension contributions associated with the early-career payments. Otherwise schools would be required to financially contribute to the payments by paying employer pension contributions, and the incentive payment the teacher receives would be reduced due to paying the employee pension contribution.

We have laid a Statutory Instrument (SI 2018/933) in Parliament to specify that the early-career payments are not to be treated as remuneration. If the payments are not regarded as remuneration it is unlikely that they will be deemed pensionable. In the unlikely event that the payments are deemed pensionable, DfE will ensure that both schools and teachers are compensated for any employer and employee pension contributions associated with the early-career payments.

Next steps

Mathematics early-career payments are being offered as part of the phased bursary pilot for those completing postgraduate secondary mathematics ITT in the 2018 to 2019 academic year. We will be considering whether early-career payments should be offered to further cohorts of trainee teachers in light of the pilot's impact on recruitment and retention. We have commissioned an external evaluation of the pilot for this purpose, which is already underway. As part of any decision to offer early-career payments to further cohorts of trainee teachers, we will consider both the eligibility criteria and how the overall financial offer incentivises individuals to complete ITT and remain in the teaching profession once qualified.

We will proceed with our proposed payment process and proposed approach to income tax, National Insurance and teachers' pension contributions for the cohort that are currently eligible for the mathematics early-career payments. This means we will adopt a payment process which seeks to minimise the administrative burden on both schools and teachers, whilst still requiring a role for both in claiming the payments. We will also ensure that schools are not required to financially contribute to the early-career payments, and that teachers will receive the full £5,000 or £7,500 payments, without any deductions. DfE will achieve this by bearing the cost of the income tax and both the employee and employer NI contributions associated with the early-career payments. We have also laid a Statutory Instrument (SI 2018/933) in Parliament to specify that the early-career payments are not to be treated as remuneration. As a result they are unlikely to be deemed pensionable, but we will ensure schools and teachers are compensated for any pension contributions in the unlikely event that the payments are deemed pensionable.



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