



Government Actuary's  
Department

# Teachers' Pension Scheme (England and Wales)

## 2024 Actuarial Valuation

### Overview

1 July 2026

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**Navigating risk | Cutting through complexity**

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# Introduction

This Overview report describes the purpose of the actuarial valuation of the Teachers' Pension Scheme (England and Wales) (TPS) (the Scheme) as at 31 March 2024 and the process followed in arriving at the key outputs. It was prepared by Fiona Dunsire FIA C.Act, Government Actuary and Neil Crombie FIA C.Act, and published on 1 July 2026.

The 2024 valuation reporting is addressed to, and was commissioned by the Secretary of State for Education, who is the responsible authority for the Teachers' Pension Scheme (England and Wales) (TPS) (the Scheme).

As the responsible authority, the Secretary of State for Education is responsible for setting the [employer contribution rate](#) and for consulting on any changes required to the Scheme as a result of the [cost control mechanism](#).

## ⓘ Important

This report is a subset of the valuation reporting provided for the Scheme. The other reports are Approach, Data, Assumptions, Results and Climate Risk. The full set of valuation reporting information can be found in the [Summary](#) report.

## Purpose of the valuation

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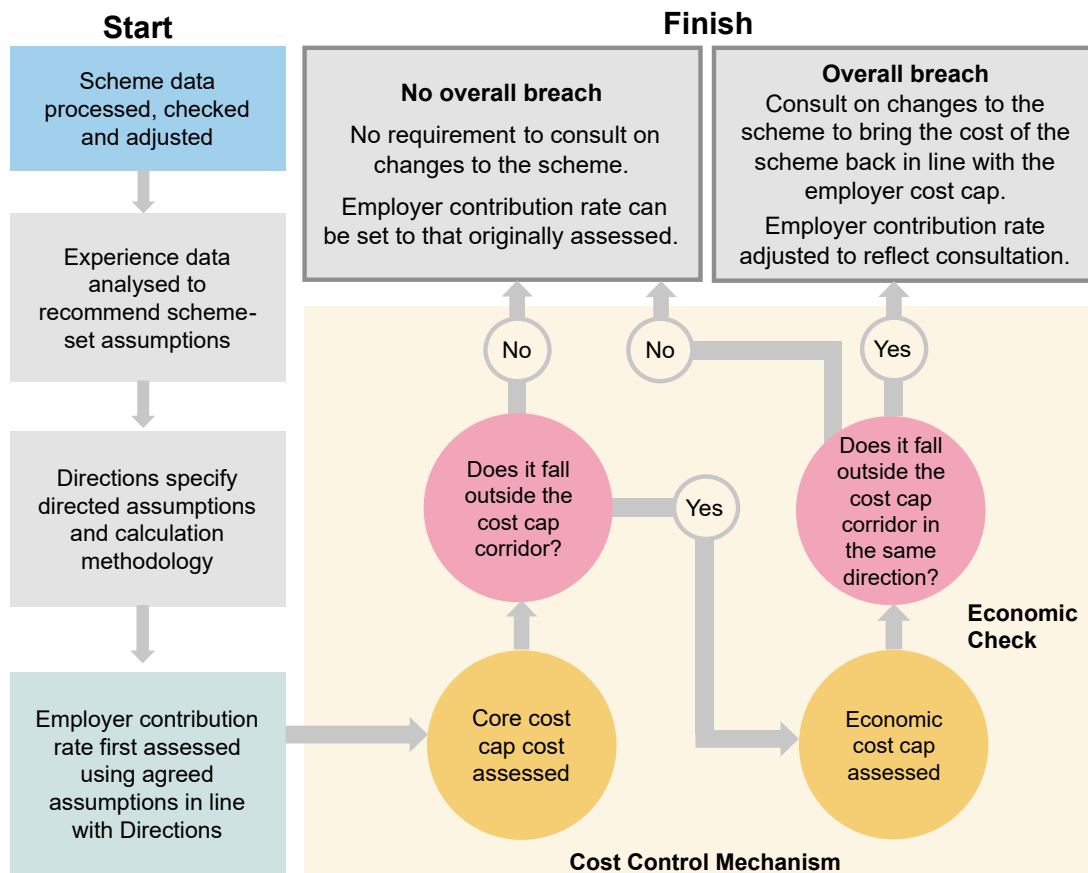
The key outputs of the valuation are the employer contribution rate and the results of the cost control mechanism.

The valuation has been prepared in accordance with the:

- Benefits as set out in the scheme regulations;
- Instructions as described in the Directions;
- Approach as set out in the [Approach](#) report;
- Data as set out in the [Data](#) report; and
- Assumptions as decided by the responsible authority and set out in the [Assumptions](#) report.

## Valuation process

The following diagram illustrates the steps of the valuation process.



The valuation process begins with the receipt of scheme data, followed by assumption setting and the assessment of the employer contribution rate.

The cost control mechanism is then assessed.

- If there has been an overall breach, then the Secretary of State for Education needs to consult on changes to the Scheme to rectify this. The originally assessed employer contribution rate would then need to be updated to reflect the impact of any benefit or contribution changes.
- If there has not been an overall breach, then no consultation is required on subsequent changes to the Scheme.

An overall breach of the cost control mechanism occurs only if both the core cost cap cost and economic cost cap cost of the Scheme lie outside the cost control corridor and in the same direction.

# Summary of scheme benefits

The benefits provided to members of the [reformed scheme](#) and [legacy schemes](#) are set out in Scheme regulations.

The main provisions are summarised below. The [Directions](#) require the Scheme to be considered in aggregate for the purposes of the valuation.

	<b>NPA 60</b>	<b>NPA 65</b>	<b>2015 scheme</b>
<b>Type</b>	Final salary		Career average with revaluation of CPI + 1.6% p.a. whilst in service
<b>Contracted out/in prior to 2016</b>	Contracted out		
<b>Normal Pension Age</b>	60	65	Higher of a member's State Pension age and 65.
<b>Pension Accrual Rate</b>	1/80	1/60	1/57
<b>Retirement Lump Sum</b>	3 x pension plus commutation at £12:1 p.a.	Cash by commutation only at £12:1 p.a.	
<b>Final Pensionable Pay</b>	Better of: a) last 12 months' pensionable pay. b) average of best 3 consecutive years' pensionable pay in last 10 years (revalued in line with the Pensions Increase (PI) Act to date of exit)		Not applicable
<b>Dependant Benefits</b>	50% of member pension (pre-commutation)	37.5% of member pension (pre-commutation).	

	<b>NPA 60</b>	<b>NPA 65</b>	<b>2015 scheme</b>
<b>Ill health pension</b>	<p>Total incapacity benefit = Pension based on actual service plus half of potential service to NPA.            Incapacity benefit = Pension based on actual service, no reduction for immediate payment</p>		<p>Total incapacity benefit = Incapacity benefit plus 50% prospective service to NPA, multiplied by 1/57 of the member's annual rate of pensionable earnings.            Incapacity benefit = accrued pension, no reduction for immediate payment</p>
<b>Early Retirement</b>	<p>Benefits reduced for early payment on a deferred benefit basis</p>		<p>Benefits reduced for early payment. The reduction is actuarially neutral on a deferred benefit basis, except that for retirements directly from active status the reduction applying to the period between age 65 and NPA is 3% a year (up to a maximum of 3 years)</p>
<b>Pension increases</b>	<p>Typically in line with price inflation</p>		

# Compliance and limitations

## Purpose

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GAD has been appointed as scheme actuary of the Teachers' Pension Scheme (England and Wales) as at 31 March 2024 (the [effective date](#)), as required by the Scheme's regulations.

The results of the employer contribution rate valuation and the cost control mechanism have been prepared for the use of the Secretary of State for Education and the Department for Education, in accordance with the Public Service Pensions Act 2013, the Directions and Scheme regulations.

These results, and corresponding information, should not be relied upon or assumed to be appropriate for any other purpose, or by any other person.

Third parties whose interests may differ from those of the Department for Education are encouraged to seek their own actuarial advice where appropriate. GAD has no liability to any person or third party for any act or omission taken, either in whole or in part, on the basis of the individual valuation reports or their entirety.

## Compliance statement

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The valuation reporting has been prepared in accordance with the applicable Technical Actuarial Standards: TAS 100 and TAS 300 issued by the Financial Reporting Council (FRC). The FRC sets technical standards for actuarial work in the UK.

At GAD, we seek to achieve a high standard in all our work. We are accredited under the Institute and Faculty of Actuaries' Quality Assurance Scheme. Our website describes [the standards](#) we apply.

## Reliances and limitations

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In preparing the valuation reporting, we have:

- Relied on the data and other information supplied by the Scheme administrator, as set out in the [Data](#) report. GAD has not sought independent verification of the data's general completeness and accuracy, beyond our comparisons with the relevant Resource Accounts. Any checks that we have made are limited to those described in the valuation reporting (particularly in the [Approach](#) and [Data](#) reports). Our checks do not represent a full independent audit of the data supplied.

- Used directed and scheme-set assumptions, as set out in the [Assumptions](#) report. The adjustments made to the data as set out in the [Data](#) report apply equally to the data used for setting assumptions. Any additional data adjustments made solely for the purpose of setting assumptions are detailed in the [Assumptions](#) report.

Figures throughout the valuation reporting may not sum due to rounding.

**⚠ Important**

Please refer to the [Data](#) and [Assumptions](#) reports for details of the data and assumptions used, and any adjustments made.

# Directions

This report has been prepared with a view to meeting the following reporting requirements of the Directions:

<b>Reporting Direction</b>	<b>Description</b>	<b>Relevant Directions (where applicable)</b>
23(1)(e)	Statement that valuation results have been prepared in accordance with the requirements	
23(1)(f)	A summary of regulations, Directions and professional standards relating to the valuation	
23(1)(g)	A summary of the main provisions of the scheme	
25(y)	Statement that the core cost cap valuation results and economic cost cap valuation results have been calculated in accordance with the requirements of the Directions	
25(z)	Summary of the regulations, Directions and professional standards applicable to the preparation of the cost cap valuation report	