

**Response of the Irish National Teachers' Organisation (INTO)**  
**To**  
**CONSULTATION ON PROPOSED INCREASES TO CONTRIBUTIONS FOR**  
**MEMBERS OF THE NI TEACHERS' PENSION SCHEME (NITPS)**

**January 2013**

## Introduction

The Irish National Teachers' Organisation (INTO) is the largest teacher union in Ireland and represents around 7000 teachers in Northern Ireland who are all members of the Northern Ireland Teachers Superannuation Scheme. We therefore feel that we must respond to this consultation and express the grave disappointment of our members that the Department of Education again proposes to increase superannuation costs for teachers at a time when their salaries remain frozen and the rate of inflation significantly exceeds any projected future salary increases.

### **Question 1 – Which of the proposed changes to tiered contributions levels best achieves the appropriate balance between?**

- **protecting the low paid;**
- **being progressive – so that those who earn more pay more; and**
- **limiting the risk of increases in the rate of opt-outs from the NITPS.**

The difficulty that INTO has in responding to the consultation is twofold:

- Firstly there has not been an open and transparent evaluation of the cost of the scheme by the government actuary that allows an informed debate as to the projected liabilities on the scheme over the next number of years. Without such costing it therefore becomes exceedingly difficult to assess if the projected increases are necessary or indeed if the projected increases are sufficient to meet the overall demands on the scheme.
- Secondly, it has become apparent to INTO that figures presented by DE as being representative of the scheme are far from that. It would be expected that the Minister would have been advised on the basis of an accurate assessment of the inputs and outputs as well as the liabilities of the scheme. However, recent DE documentation has been confirmed as not including accurate data from the Voluntary Grammar, Grant Maintained Integrated or Irish Medium Sectors because such an assessment would be difficult to undertake. INTO would have expected and would now require that such an assessment is immediately undertaken and that the projected figures are revised to take an account of a detailed transparent assessment of the scheme based on actual rather than projected liabilities and costs. We therefore ask that any projected increase is suspended until this assessment has taken place and the information shared with INTO.

With regard to the questions posed in this section, INTO gives a limited and guarded welcome to the introduction of a band at £40k to £45k. This will make some small

savings to those who may previously been asked to pay a higher contribution rate. However the savings remain small when compared to the overall projected cost and the overall situation that teachers in Northern Ireland find themselves in.

INTO therefore questions whether any of the options actually protect the low paid given that over 91% of the scheme members will have pension increases imposed upon them by these proposals. Reluctantly, the option which will give some financial respite to teachers remains **Option 1** and for that reason INTO would recommend adoption of **Option1** over the other options set out in the consultation paper.

The use of the term “progressive” is one which teachers would take great difficulty with given that the term progressive implies those who earn more pay more. INTO views a progressive approach as investing in the teaching profession but to use the word in this context is fundamentally wrong. In addition, the progressive approach is used to describe a direction of travel where you can accept a 6.4% increase which will rise to 11.2% increase, with the majority of the scheme members paying between 8.9 to 9.2%, based on a fundamentally flawed assessment of the liabilities of the NITPS scheme.

INTO acknowledges that the current rate of opt outs remains relatively small. However we remain concerned that this second increase combined with further increase for 2013 / 14 and other proposed pension reforms will make NITPS members consider the worth of remaining in the scheme. We note with disappointment that there are no proposals from DE as to the projected strategy to cope with this situation both in respect of the scheme and secondly on the overall pension demands on the NI economy. INTO view this as a significant risk which must be addressed as part of this consultation.

## **Question 2 – Are there any consequences of the proposed contribution tiers that you consider have not been addressed?**

We refer to the matters raised above. In particular we feel that the proposed contribution tiers do not reflect the membership of the teaching profession and to simply read across from England and Wales and come up with a solution based on inaccurate and potentially misleading information is neither helpful or a recognition of the value that should be given to the teaching profession on such a serious matter.

Secondly with regard to the issue of opt outs, we do believe that a strategy must be developed where the risk is assessed both to the scheme and the overall NI economy. It will be unacceptable to INTO that if the rate of opt outs increases that those members remaining are required to pay more because of this strategy of asking teachers to pay more for their pensions. We expect that any liabilities for the outworking of this strategy will be met firmly by the NI Executive and the costs not borne by scheme members.

**Question 3 – Do you consider that there are equality issues that will result in any individual groups being disproportionately affected by the proposed contribution tiering? If so what do you consider to be the disproportionate effect?**

To make any assessment the data available must be accurate and therefore any previous equality assessment made by DE must be called into question given that within this consultation they confirm the data does not include Voluntary Grammar School membership.

INTO believes that there are quality issues surrounding

**Gender / Part time Status**. The NI Teaching profession is mainly female and those who work flexibly may as result of these changes find they pay more to realise the benefits payable to full time members of the scheme.

**Age** – INTO wishes to place on record that it is likely that opt out levels will be most likely to occur in younger teachers who may leave or not join the scheme. We believe that this is a significant risk which has not been fully addressed in this consultation.

Furthermore, INTO believe that these issues should not only be screened on the basis of accurate date but should also be considered as requiring a formal equality impact assessment in accordance with Schedule 9, section 75 of the NI (1998) Order.

**Conclusion**

INTO remains disappointed that the NI Executive and DE intend to proceed with proposed further pension increases for teachers. We urge that that this process is deferred to allow for a meaningful dialogue with INTO and other unions based on an accurate and transparent assessment of threiw value and liabilities of the NITPS.

INTO remain willing to discuss the matters raised in this response with representatives of DE.