

Report to the Schools Forum

Meeting to be held on Thursday 15th October 2026

Item 10

Teachers' Pension Employer Contributions 2026/27

Contact for further information:

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Brief Summary

This report summarises the DfE Teachers' Pension Employer Contributions 2026/27 guidance.

Recommendation

The Forum is asked to:

- a) Note the DfE guidance.

The government has announced a reduction in employer contribution rates to the Teachers' Pension Scheme (TPS), from 28.6% to 17.6%, effective from April 2027. This change will not affect pension benefits for current or retired teachers. As the TPS is a defined benefit scheme, pension entitlements remain based on salary and years of service rather than employer contribution rates.

In line with the reduced cost of employer contributions, school funding will be adjusted accordingly at a national level. These changes are designed to be cost-neutral across the public sector and will not reduce the overall spending power available to the education sector.

The published guidance outlines the methodology for applying funding adjustments to mainstream schools, special schools, alternative provision settings, early years providers and local authorities. For mainstream schools, the adjustment will be built into both the National Funding Formula (NFF) and local funding formulae for 2027/28, separate arrangements will apply to special and short-stay schools.

Schools are encouraged to familiarise themselves with the guidance and assess any implications for future budget planning. Further detail on the impact of these changes will be available when the DfE publishes the final 2027/28 NFF factor values later this autumn.

The full guidance can be accessed [here](#).

