



The Scottish Parliament
Pàrlamaid na h-Alba

Scottish Parliamentary Corporate Body
Thursday 15 January 2026 (Session 6)

Scottish Parliamentary Pension Scheme (SPPS) – Sponsor Contribution Rate

Executive summary

1. The SPCB is invited to consider the SPPS sponsor contribution rate for 2026-27, 2027-28 and 2028-29 as detailed in this paper.

Issues and options

2. In accordance with the Scottish Parliamentary Pensions Act 2009, the scheme actuary is required to perform an actuarial valuation of the scheme, at intervals of not more than three years.
3. The 2025 valuation was finalised in November 2025. Initial funding level results as at 31 March 2025 indicated a surplus of £35.8 million. Further analysis, presented in December confirmed an increased surplus of £47.2 million as at 30 September 2025.
4. The Government Actuary's Department results present two options to the Trustees for the SPCB Standard Contribution rate:
 - Option 1 – Maintain current total rate of 22.6% per annum and remove the increase of 0.8% per annum each year from 1 April 2026 up to 1 April 2036. The annual increase was agreed as part of the 2022 valuation with the aim of the contribution rate increasing incrementally each year until it reached 31.2%.
 - Option 2 – Set the contribution rate based on the new calculated service rate as at 31 March 2025 of 17.2% of pay per annum from 1 April 2026.
5. The Actuarial Valuation results and recommendations are detailed in the **Annexe**.
6. Having considered the Actuarial Valuation results and the options presented to them by the scheme actuary, the Trustees have decided to recommend to the SPCB that option 1 is approved.

Governance

7. The Scottish Parliamentary Pensions Act 2009 makes provision for contributions from the SPCB. As set out in Part D, section 32:

(2) The SPCB must, when determining the amount of each annual sum, have regard to:

(a) the scheme actuary's recommended rate for future contributions (see rule 103(3)(c)), and

(b) any advice from the Fund trustees on the rate of future contributions.

Resource implications

8. If the Trustees' recommendation to approve Option 1 is supported by the SPCB there will be no change to the current contribution rate and no additional impact on resources. The projected total SPCB contributions for 2025–26 is approximately £2.48m.
9. However, if the SPCB were, alternatively, to approve option 2, the SPCB contributions would reduce by £590k in 2026/27, to £1.89m.

Publication Scheme

10. This paper will be published in line with the SPCB's Publication Scheme.

Next steps

11. When agreed, the Pay and Pensions Office will implement the approved contribution rate from 1 April 2026 for all SPPS participating members.

Decision

12. The SPCB is invited to consider and agree the SPPS sponsor contribution rate for 2026-27, 2027-28 and 2028-29 as detailed in this paper.

Pay and Pensions Office
January 2026