



Department for Education

2025-0001234

**The Rt Hon Baroness Jacqui Smith
Minister for Skills**

Raj Jethwa
Chief Executive, Universities and Colleges Employers Association
By email: r.jethwa@ucea.ac.uk

4 February 2025

Dear Mr Jethwa,

Thank you for your correspondence of 19 December 2024, addressed to the Chief Secretary to the Treasury, regarding Higher Education (HE) employer participation in the Teachers' Pension Scheme (TPS). Your letter has been passed to this department, and I am replying as the minister responsible for this policy area.

I note that you previously wrote to the department on this issue, and I welcome your continued engagement. I would like to reiterate that the government recognises that our world leading HE sector makes a vital contribution to our economy, society and industry.

I appreciate your concerns about the increase in TPS employer contributions and I would like to assure you that I am considering this issue carefully. The department will continue to work with you, alongside officials and stakeholders from across the sector, to better understand the impact of this issue.

The government is committed to creating a secure future for our world-leading universities sector for the benefit of students, taxpayers, workers, and the economy. We are reviewing options to deliver a more robust HE sector and will set out a long-term plan for reform by summer 2025.

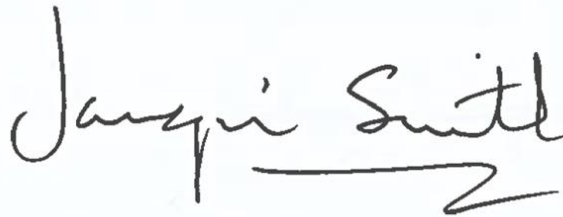
I was pleased to read that you have welcomed the increase in tuition fees. The difficult choice we have made in asking students to make an increased investment in HE will help providers to manage the financial pressures they are facing. However, I appreciate the financial pressures that the increased national insurance employer contributions may have on some HE providers, in particular given the increasingly challenging fiscal environment, and the difficult decisions that some providers are already making to safeguard their sustainability.

As the chancellor set out in her budget, raising the revenue required to fund public services and restore economic stability requires difficult decisions, which is why the government has asked employers to contribute more.

I would welcome your thoughts on HE participation in the TPS, and other issues affecting HE providers, when we meet. As I set out in my previous letter, the government is committed to working closely with the sector to find practical ways forward to address the challenges the sector is facing, to deliver for students and our economy.

Thank you for writing on this important matter. I hope this reply is useful.

Yours sincerely,

A handwritten signature in black ink that reads "Jacqui Smith". The signature is written in a cursive style with a long horizontal flourish at the end.

**The Rt Hon Baroness Jacqui Smith
Minister for Skills**