



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Via email

Dear Ms Bradley,

Thank you for your email of 19 December 2024 regarding Scottish teachers' backpay.

I appreciate that this has been a long-running issue and your members are looking for certainty on which tax year, and at which tax rates and bands, these payments should have fallen under.

Officials in HM Revenue and Customs (HMRC) are working to support the employers in Scotland to make sure these payments are treated correctly, and encouraging them to take corrective action where required.

The point at which an employee becomes entitled to a payment depends on the particular terms of a pay award or contract. This means that there is not a single answer which gives the correct tax treatment for all of your members – it will generally vary depending on the specific circumstances. It is the employer who must ensure that they are correctly operating PAYE, including making any amendments, if necessary.

In light of the concerns raised, HMRC officials will provide further guidance including examples of the situations where corrective action would and would not be required by employers. The Public Bodies team in HMRC will share this information with you as well as with employers.

I hope this response is helpful, and I would like to thank you for taking the time to make me aware of your concerns.

Yours sincerely,

James Murray MP
EXCHEQUER SECRETARY TO THE TREASURY