

Section 3 Lump Sum choices

(This option is not available if your previous spouse/
civil partner has already retired from the TPS before the
pension sharing order took effect)

You must read note 5 and consider all your choices before
completing this section. You should read the 'Retirement Lump Sum'
fact sheet.

If yes, please indicate how much (per annum) you wish to convert:

Max Allowed

Specific Amount

17 Do you wish to convert part of your pension to a lump sum?

Yes

No

18 Are you a retired member?

Yes

No

If so date of retirement (e.g.15/04/07):

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Declaration To be signed in the presence of a witness

- + I apply for retirement benefits under the Teachers' Pensions Regulations.
- + I understand that any overpayment of benefits will be recovered.
- + I understand that if my existing benefits and benefits from the Teachers' Pension Scheme at retirement exceed the Lifetime Allowance at retirement, and I have no transitional protection certificate, the Lifetime Allowance charge will be paid and my benefits reduced accordingly.
- + I confirm that I am not in breach of the HMRC recycling rules.
- + All the information I have given on this form is true to the best of my knowledge and belief.

Signed

Date

Attestation - To be completed by a witness

- + I certify that this declaration was this day signed in my presence by the applicant, whom I believe to be the person to whom the foregoing particulars relate.

Signed

Name of witness, who must not be related
(IN BLOCK CAPITALS)

Date

Address

<input type="text"/>
<input type="text"/>
<input type="text"/>
<input type="text"/>
<input type="text"/>

Telephone Number (inc STD code)

Notes for Pension credit member's retirement benefits

Mowden Hall
Darlington DL3 9EE

(PLEASE DETACH AND RETAIN)

1. Benefits are payable at the age of 60 or 65 depending upon the normal pension age of your former partner or spouse or from the date of the Pension Sharing order or agreement if you or your former partner or spouse is already retired.

2. The benefits payable to you will either be a pension only, or a pension plus a tax free lump sum. Details were notified to you at the time pension sharing took place.

These benefits will be fully index linked from the Pension Sharing date to the date they become payable, to maintain their value.

The pension will continue to be index-linked annually thereafter and is payable for life. Income tax is deducted from your pension in accordance with the Pay As You Earn (PAYE) tax tables.

3. Should you die after payment of retirement benefits a lump sum supplementary death grant (SDG) may be payable. A SDG will only be paid if the amount of pension already paid to you is less than five times the annual rate of pension in payment at the time of your death. In such a case a SDG would be paid to make up the difference.

If you die before you have taken benefits, a lump sum death grant is payable which is based on the lump sum calculated at the time of Pension Sharing plus Pensions Increase up to the date of death.

No dependants' pensions are payable under the Pension Sharing arrangements.

4. Benefits will be paid into your bank or building society account. It is extremely important that you ensure that the details are correct. For building society accounts you should quote the sort code (6 digits); account number (maximum 8 digits) and roll number where applicable. If you are in any doubt, contact your branch for clarification.

Changes in details can be notified by telephone on 0845 6066166 or email on TPMail@Capita.co.uk. There is also a Minicom facility for those with a hearing disability on 0845 6099899. You should be aware that any such changes may result in late payment of benefits.

5. Provided your previous spouse/civil partner had not already retired from the TPS before the pension sharing order took effect you can convert, part of your pension to receive a lump sum up to 25% of your fund value. The formula for calculating the maximum amount of lump sum that can be paid is as follows:

$$\frac{(\text{Pension} \times 20) + (\text{Lump Sum} \times 20/12)}{4.6667}$$

The resulting figure represents 25% of the fund value and is the maximum lump sum you may take. To determine the additional lump sum you may have you must deduct your actual lump sum from this figure. For each £1 of pension converted there will be £12 of lump sum paid. Calculations can be undertaken on the TP website, www.teacherspensions.co.uk.

If you are intending to use 30% or more of your lump sum to increase your pension benefits, this could result in HMRC subjecting the whole of the lump sum to an unauthorised payment tax charge of 40% and a further 25% surcharge if the value of unauthorised payments exceeds 25% of your rights in the scheme. This recycling rule will not affect you if your lump sum does not exceed 1% of the Lifetime Allowance, which is explained in note 6

More information on the recycling rule is available on the TP website, www.HMRC.gov.uk

Lifetime Allowance

6. The Finance Act 2004 introduced a single tax regime that included a "Lifetime Allowance", which is the total allowable value of benefits (both pension and lump sum) from all registered

pension schemes. This excludes pensions payable from the state. The Lifetime Allowance (LTA) will be set at the following levels for the coming tax years:

2007/2008	£1,600,000
2008/2009	£1,650,000
2009/2010	£1,750,000
2010/2011	£1,800,000

To assess whether you would be affected the following formula should be applied to your benefits:

$$\frac{(\text{Annual Pension} \times 20) + \text{Lump Sum}}{\text{Lifetime Allowance}} \times 100 = \text{LTA\%}$$

If the percentage exceeds 100% you will be liable for the LTA charge unless you have a transitional protection certificate.

If your benefits from all registered pension schemes currently in payment and your pension payable under the Teachers' Pension Scheme (TPS) which is coming into payment is less than £50,000 per annum, please tick the 'No' box. If your benefits in payment and about to come into payment on the same date as your pension payable under the TPS exceeds £50,000 per annum, please tick the 'Yes' box. A further form will then be forwarded to you to complete.

If we ascertain that an LTA charge is due, then Teachers' Pensions will account for this by reducing your benefits accordingly.

Declaration and Attestation

7. Please ensure that you have completed all relevant parts of the form before signing the declaration, and that the Attestation has been completed by someone other than a relative who has known you for at least 2 years. Without your signature and the Attestation the application is invalid and we cannot proceed with your claim.

Teachers' Pensions can carry out a check to confirm that the counter signature is genuine. In certain cases the applicant may be asked to produce further documentary evidence of identity.

After completing this form, please remove these notes and retain them for reference. Return the form to us at the following address:

Capita Hartshead
Teachers' Pensions
Mowden Hall
DARLINGTON
DL3 9EE

Data Protection Act 1998

8. The Department for Education (DfE) will use any information you provide in connection with the Teachers' Pension Scheme for the purpose of administering and operating the scheme and paying benefits under it. This may include passing details to third parties that are involved in the administration and operation of the scheme. The Department may also use your data for administrative purposes in line with its data protection notification. In order to fulfil its duty to protect public funds, the Department for Education may use information it holds to prevent and detect fraud. The Department may also share such information, for the same purpose, with other organisations that handle public funds.

If there is any difference between the legislation governing the Teachers' Pension Scheme and the information in these notes, the legislation will apply.