



Part-time Employment

March 2011

Part-time service can have a significant effect on your retirement benefits. The information in this leaflet is to help you understand the effects and responsibilities that apply to you and your employer.

Introduction

- + Part-time service will only count towards your benefits if it is pensionable, i.e. pension contributions are due. If they are not paid, arrears and interest are payable.
- + This leaflet explains how your benefits will be calculated if you are in part-time employment.

Pensionable/not pensionable

- + If you began part-time employment on or **after 1 January 2007** your service will automatically be pensionable unless:
 - a) You opt out of the scheme by completing the OPT OUT form on the secure website using My Pension online;
 - b) You have previously opted out of the scheme;
 - c) You are employed in a full-time teaching post concurrently, in which case part-time service cannot be pensionable see "**Concurrent part-time service**".

- + If you are continuing in a part-time post that began **prior to 1 January 2007** the service will only be pensionable if:
 - a) You elect/have elected for it to be so;
 - b) Your contract changes on or after 1 January 2007 or you take up another part-time post, your service will be treated as pensionable from the date of the change unless you then opt out);
 - c) If you cease a full-time post, any part-time service will automatically become pensionable.
- + You should confirm your pension arrangements with your employer whenever your contract changes or you take up a new post and let them know whether you wish to be a member of the scheme or not.
- + If you are not eligible to be an automatic member of the scheme and you wish to join the scheme you need to elect to do so.
- + If you are eligible to be an automatic member but do not wish to be in the scheme then you have to elect to opt out.

Electing to join/opting out

- + In order to join the scheme, if your service is not automatically pensionable, you need to complete the MEMELECT form.
- + In order to opt out of the scheme and not contribute to it you need to complete the OPT OUT form in the secure website.
- + Both forms can be found under “Forms and Resources, Forms: Membership Elections” on our website ; www.teacherspensions.co.uk
- + Both elections are normally effective from the first day of the month after the date you sign them.
- + Backdating of your election can only be considered in very limited circumstances.
- + An opting out election will automatically be backdated to the date of your latest appointment if it is signed within 3 months of that date.
- + Please note that both elections cover all relevant subsequent employment with all employers and it is your responsibility to make new employers aware of the provisions you have in place.
- + If you are a participating scheme member it is in your own interest to ensure that deduction of pension contributions appears

on your payslip from your employer. Similarly, if you have opted out you should ensure that contributions are not being deducted.

Benefits of being in the Teachers’ Pension Scheme as a part-time member

- + As a part-time member you enjoy the same scheme facilities as a full-time member;
 - a) You accrue additional reckonable service (proportionately) to be used in the calculation of benefits, including any potential children’s, partner’s or spouse’s short and long term pensions.
 - b) All periods of reckonable service, both full and part-time, are added together when calculating any benefits which may become due.
 - c) If you die in service a death grant of 3 times the average salary is payable, i.e. the same as a full-time member, unless your employment is deemed to be an irregular post see **“Average Salary”**.
 - d) The average salary uses full-time equivalent salary rates.

Reckonable Service

- + The amount of reckonable service credited to a member in respect of any period of eligible part-time service is calculated by comparing the amount of salary received in the period with the corresponding annual full-time rate of salary as follows:-

$$\frac{\text{Salary paid}}{\text{Full-time annual salary}} \times 365 = \frac{\text{Days of reckonable service}}{\text{Full-time annual salary}}$$

The remainder of a full-time post “not worked” is shown on your record as days out.

Average Salary

- + The average salary for a member employed on a **regular** part-time contract is calculated in exactly the same way as for full-time teachers, i.e. using the full-time equivalent salary rate and the whole of the period of part-time employment, not just the days/proportion actually worked in the period.
- + If you are employed on an **irregular** part-time contract, although the full-time equivalent salary is still used, only the actual days/proportion worked during the period of pensionable employment are used, not the

full period. For example, if a person took 2 years to accumulate 365 reckonable days’ service, the average salary would be calculated over those 2 years.

Multiple part-time service

- + If you are eligible to have part-time service treated as pensionable, then all such service with all employers accepted into the scheme should be so treated.
- + When we receive details of any multiple employment, we aggregate all the periods worked in order to obtain the total service and full-time equivalent salaries to use in the calculation of benefits. As we calculate an “average” of the post’s full-time equivalent salaries, if one of the post’s full-time annual salary rates was substantially lower than the other(s), this may adversely effect the average salary using the period of multiple employment.
- + If you are employed in more than one part-time post, the total reckonable service that you accrue cannot add up to more than a full-time post, no matter what your earnings are.

- + Members who are in pensionable multiple employments at the time of retirement must cease all such employments before benefits can be paid.

Concurrent part-time service

- + If you take up a part-time post concurrently with a full-time post, then the part-time post cannot be treated as pensionable. This is because the regulations state that you cannot accrue more than full-time service.

How part-time service counts for qualification for benefits

- + In order to qualify for retirement benefits from the TPS you need to have completed 2 years qualifying/pensionable service after 5 April 1988 or 5 years at any time. Pensionable part-time service counts in full for qualification purposes, i.e. the whole period including the proportion of a full-time post not worked counts towards qualification.

Annual Benefits Statements

- + Teachers' Pensions (TP) provides members with an annual benefit statement. It is important that part-time members carefully

check the information it contains, particularly if you are in an irregular post, or multiple employment. Additionally, you can access your benefit statement at any time through the website www.teacherspensions.co.uk, via the button 'My pension online'.

- + Unless you are in multiple employment any queries regarding service or salary details will first of all need to be raised with the relevant employer as they provide the information used to calculate your annual benefit statement.

- + If you have more than one employer, and you have service queries, you will need to contact TP first in order to obtain a breakdown of the record we hold of your periods of multiple employment. This breakdown will list details of your individual employers and periods of employment (unlike the benefit statement which aggregates this information) thereby providing you with means to verify the accuracy and completeness of your record.

Apart from the variations described in this leaflet the conditions that apply to full-time members also apply to part-time members.

Where there is any difference between the legislation governing the Teachers' Pension Scheme and the information in this leaflet the legislation will apply.

For more information on this or any aspect of the TPS log on to www.teacherspensions.co.uk, call 0845 606 6166 or write to: Teachers' Pensions, Mowden Hall, Darlington DL3 9EE