

Newsletter '09

Information for teacher pensioners



Welcome to the 2009 Teachers' Pensions (TP) Newsletter. Please note that your combined Certificate of Pay and Income Tax 2009 (P60) and Annual Advice of Payment details are enclosed. Please ensure that this important information is kept in a safe place and is read with your P60 and Pay Advice at hand.

More detailed information is available on the TP website www.teacherspensions.co.uk

We hope you find this information helpful.

2009 Pensions Increase (PI)

- + If you are over age 55 or if your pension is an ill health, widow's, widower's or child's pension you will receive an increase to your pension
- + The new rate will be payable from 6 April 2009
- + The full increase will be 5.0%

The increase you receive depends on the date on which your pension began. You may receive a lower percentage if your pension started on or after 22 April 2008. If it started between 22 March 2009 and 6 April 2009 you will receive no increase this year.

Please note that the increase of 5.0% is based on the rise in retail prices in the 12 months ended 30 September 2008 and not 31 March 2009.

Your April pension payment will only include the increase for the period after 6 April 2009. Subsequent payments will be at the full amount.

Your enclosed pay advice will also give details of your next payment. This will continue to apply providing your annual rate, tax liability or other deductions do not change. The tax deducted from your pension may vary from payment to payment due to fluctuations in the tax tables.

Your P60

Your P60 will give you details of the pension we have paid you and the tax deducted in the tax year 2008/2009.

The amount before tax shown on your P60 is usually different from the annual rate for that year. This may be because:

- + the first payment you received in the tax year included one or more days before the last increase on 7 April 2008; or
- + your pension started during the tax year; or
- + it was not paid in full for the whole of the tax year.

Re-employment

If you take up any further teaching employment or employment which is normally covered by the TP Regulations you must arrange with your employer to submit a fully completed certificate of re-employment immediately, irrespective of whether you are paying pension contributions. You should be aware of the following:

- + In some circumstances there is a limit on the amount of salary you can earn before your pension is affected; and
- + We will make any necessary adjustments to your pension payments.
- + Both you and your employer are required to complete a certificate of re-employment **for each tax year** that you are re-employed. The certificate can be found on the TP website or obtained directly from TP.
- + It is your responsibility to notify TP of any re-employment and changes to salary whilst in re-employment

You should be aware that you will be responsible for the repayment of any overpayment of pension resulting from the failure to provide TP with a fully completed certificate of re-employment for each tax year.

Your Tax Code

HM Revenue and Customs (HMRC) inform us how much tax to take from your pension via your tax code. It is very important that you are aware that we are unable to change your tax code unless we have been specifically instructed to do so by HMRC. If you want to ask about your tax code or tax liability, please write to:

**HM Revenue & Customs
South Wales Area Office
Government Buildings
Ty Glas
Llanishen
CARDIFF
CF14 5YA**

or telephone **0845 300 3949**.

You will need to quote your National Insurance number PAYE reference and your pension reference number which can be found on your pension advice note.

Changes we need to know about

Please inform us:

- + If you change your name, home address, bank or building society account
- + If you receive a pension by virtue of being the dependant of a deceased member and subsequently enter into a new marriage or partnership
- + If we pay your children a pension and they leave full time education, or enter into a marriage or civil partnership, or from 6 April 2009 they earn over £2,673 per annum.
- + In the event of your death, your personal representative should inform us as soon as possible by calling our Pensioner Contact Centre on 0845 6066166

Any overpayment of pension as a result of you failing to notify TP of such changes will be recovered.

Guaranteed Minimum Pension (GMP)

When you reach State Pension Age, the increase to your pension is calculated differently due to the Guaranteed Minimum Pension (GMP) rules. Some of the increase on the GMP part of your pension may be paid by the Government with your State pension. Some may be paid with your teacher's pension. Together the overall increase will be the same.

How is GMP increased?

The GMP consists of two elements:

- + **(Pre 1988)** For service up to 5 April 1988, the Government will pay all PI on your GMP with your State pension. **This part does not attract increases from TP.**
- + **(Post 1988)** For service after 5 April 1988, PI up to 3% is paid by the scheme. Therefore, this year TP will be paying the increase to 3%, the balance (2%) will be paid by the Government with your State pension.

A breakdown of how your pension has been increased to show the impact of any GMP and the increased annual rate is shown on the enclosed pay advice. Please refer to your statement from DWP for confirmation of the increases on your state pension.

National Fraud Initiative (NFI)

Along with other organisations we take part in the NFI. Our pension records are checked against other national databases to ensure that our records of deceased members are accurate and similarly for those pensioners that have returned to teaching employment. These data matching exercises meet the requirements of Data Protection law.

Any wrongly paid pensions must be repaid. Where fraud is suspected, cases are referred to the police. We pursue prosecutions in such cases.

The NFI programme covers UK residents. If you reside outside of the UK you will be required to complete a periodic statement to confirm continuing entitlement to your pension.

Data Protection Act

TP will, at all times, abide by the terms of the Data Protection Act 1998. Your personal details held by us will be used to help us pay your pension. Your personal data will not be shared with any other body for any other purpose, nor will your details be processed outside the UK.

Lifetime Allowance (LTA)

The lifetime allowance (LTA) came into effect on 6 April 2006 and will only affect you if you became entitled to new pension benefits after 5 April 2006. The LTA is the cumulative value of pension benefits (but not your state pension or any dependants pension) that can be taken from all registered pension schemes before an additional tax charge is payable. This tax charge is called the LTA charge.

The LTA for 2009/2010 is £1.75 million and for 2010/2011 to 2015/2016 it will be £1.8 million.

If you became entitled to a new pension after 5 April 2006 the proportion of your LTA from TP is shown on the enclosed P60.

All existing pensions will be taken into account when assessing any new pension that may put your cumulative value above the LTA. Please note that all existing pensions (excluding state and dependant's pensions) and any new pension coming into payment would need to exceed at least **£70,000** per annum to be affected.

Latest Developments

Please note that you can now view your monthly pension payslips and annual P60 details online at the TP Website. You can also notify us of changes to your address and bank details within this section of the website. In the next few months we will be increasing the facilities available to use on-line which will include the ability to submit a Certificate of Re-employment.

You can access these facilities via the Homepage and selecting the button 'My pension Online'. Please visit www.teacherspensions.co.uk to register for this service.

Communicating With TP

Our telephone lines are open from 8.30am to 6pm Monday to Friday. We are always extremely busy on a Monday so unless your call is urgent you may find it more convenient to contact us between Tuesday and Friday.

- + Telephone: **0845 6066166** Calls may be recorded for quality and training purposes.
- + Fax: **0870 169920**
- + Write: Teachers' Pensions, Mowden Hall, Darlington, DL3 9EE
- + E-mail: TPMail@capita.co.uk (general enquiries) or via 'My pension on-line'.