

Newsletter '10

Information for teacher pensioners



Welcome to the 2010 Teachers' Pensions Newsletter. Please note that your combined Certificate of Pay and Income Tax 2010 (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

Pensions payments from April 2010

Your pension is reviewed each year in line with the cost of living. The increase in public service pension is the responsibility of HM Treasury. The Pensions (Increase) Act 1971 is the primary legislation that governs the increase to public service pensions. HM Treasury has announced that for the year ending 5 April 2010 there will be no increase to public service pensions.

The increase in each April is the percentage rise in the Retail Prices Index (all items) in the 12 months leading up to the preceding September. So the review for April 2010 takes account of the rate of inflation in the year up to September 2009. This was actually a negative figure. However, the Pensions (Increase) Act 1971 does not allow for a decrease in the rate of a public service pension. Therefore there is no increase in the rate of public service pensions in 2010.

As a result of this, regardless of whether you are under or over 55 or paid an ill-health, widow, widower, adult dependant, civil partner or child's pension, your pension will not increase from 6 April 2010 and you will continue to be paid at the same amount that is currently in payment.

Re-employment following retirement

If you are receiving any pension benefits from the scheme, and take up any further employment in any form of teaching, you must notify us in writing immediately, irrespective of whether you are paying pension contributions. We will then notify you whether your pension is affected or not and make any necessary adjustments to your pension payments.

- + You and your employer are required to complete a Certificate of Re-employment **for each tax year** that you are re-employed. A further Certificate of Re-employment is required if your circumstances change during the tax year. The easiest way to complete the certificate is by registering on the **My Pension online** area of the Teachers' Pensions website. The form can be found in the **On-line forms** section.
- + It is **your** responsibility to notify Teachers' Pensions of any re-employment and changes to salary whilst in re-employment.
- + For most types of retirement, there is a limit on the amount of salary you can earn before your pension is affected.

You should be aware that you will also be responsible for the repayment of any overpayment of pension resulting from the failure to notify Teachers' Pensions of any re-employment.

There have been a significant number of cases where we have had to recover large value overpayments from members who have failed to inform us of when they have been re-employed in teaching. Any wrongly paid pensions must be repaid and we will, if necessary, reduce future pension payments to recover money owed. It is therefore essential that you inform us immediately if you are considering further employment in teaching after you have started to receive any pension benefits from the scheme.

Your P60

Your P60 will give you details of the pension we have paid you and the tax deducted in the tax year 2009/2010.

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 6 April 2009; or
- + your pension started during the tax year; or
- + your pension was not paid in full for the whole of the tax year.

Guaranteed Minimum Pension (GMP)

As the Teachers' Pension Scheme (TPS) was contracted out of the State Earnings Related Pension Scheme (SERPS) you have a GMP if you had service between 6 April 1978 and 5 April 1997. This means the pension we pay you must equal or exceed your GMP.

When you reach State Pension Age, the Pensions Increase (PI) applied to your pension is calculated differently due to the GMP rules. When an annual increase is payable, some of the increase on the GMP part of your pension may be paid by the Government with your State pension.

The GMP consists of two elements:-

(Pre 1988) For service up to 5 April 1988, the Government will normally pay the PI increase on your GMP with your State pension. **This part does not attract increases from the TPS.**

(Post 1988) For service after 5 April 1988, PI up to 3% is normally paid by the scheme.

As no increases are payable this year neither of the two elements will be increased.

Please refer to your statement from DWP for confirmation of the increases on your state pension.

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:

- + In writing about any re-employment for each tax year after retirement
- + If you take up any employment whilst in receipt of an ill-health pension
- + 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 from 12 April 2010 they earn over £2,673 per annum, or enter into a marriage or partnership
- + If you have contacted the DWP or the Pensions Service to defer your State Pension

Your personal representative should be made aware that in the event of your death, they should inform us as soon as possible by calling our Pensioner Contact Centre on 0845 6066 166

Failure to notify Teachers' Pensions of such changes may result in an overpayment of pension which must be recovered.

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.

Lifetime Allowance (LTA)

The LTA came into effect on 6 April 2006 and will only affect you if you became entitled to new pension benefits after 5th April 2006. All existing pensions (excluding state and dependant's pensions) and any new pension coming into payment would need to exceed at least **£72,000** per annum for you to be affected.

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 2010/2011 to 2015/2016 is £1.8 million.

If you became entitled to a new pension after 5th April 2006 the proportion of your LTA from Teachers' Pensions 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.

Data Protection Act

Teachers' Pensions will, at all times, abide by the terms of the Data Protection Act 1998. The Department for Children Schools and Families (DCSF) will use any information you provide in connection with the TPS 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.

Important Information

Please note that you can view your monthly pension payslips and annual P60 details online at the TP Website. You can access these via the Homepage and selecting the button titled 'My pension Online'. You can also notify us of changes to your personal details within this section of the website. Please visit our website

www.teacherspensions.co.uk to register for this service.

Our Contact Centre

We are open from 8.30am to 6pm Monday to Friday. However, our lines are always extremely busy on a Monday. If your call is not urgent you may find it more convenient to contact us between Tuesday and Friday.

Please ensure you have your reference number at hand before you call as you will be asked some personal verification questions before we can proceed with accessing your pension record.

- + Telephone: **0845 6066166**
Calls are recorded for quality and training purposes
- + Fax: **01325 745789**
- + Write: Teachers' Pensions, Mowden Hall, Darlington, County Durham, DL3 9EE
- + E-mail: **TPMail@teacherspensions.co.uk**