

Employers' Guide: Contents

Glossary

Section 1 - Introduction

Section 2 - Membership of the Teachers' Pension Scheme

Section 3 - Appointments (including those continuing in employment, or joining, after retirement)

Section 4 - Absences from Teaching

Section 5 - Leavers (teacher leaving current employment)

Section 6- Increasing Benefits

Section 7 - Retirement

Section 8 - Ill Health Retirement

Section 9 - Calculating Retirement Benefits

Section 10 - Calculating Abatement of Pension

Section 11 - Death of a teacher in service

Section 12 -Teachers' Pensions Records

Section 13 - Pension Contributions

Section 14 - Annual return of service, salary and additional contributions

Section 15 - End of Year Certificate

Section 16 - Form TR17A

Section 17 - National Insurance

Section 18 - Pension Sharing

Section 19 - Services TP Can Provide To Employers

Section 20 - Arrears of contributions

Appendix 1 - LA Numbers

Appendix 2 - Establishment range bands and categories of service

Appendix 3 - Salary scale codes

Appendix 4 - Schedule 2 (extracted from Teachers' Pension Regulations 1997 effective from 3 February 1998)

Appendix 5 - Early Retirement Factors

Appendix 6 - Pension increase factors*

Appendix 7 - Mechanised returns

Appendix 8 - Paper Schedules

Appendix 9 - Common errors on Annual Return

GLOSSARY OF TERMS

AVC	Additional Voluntary Contributions
CEP	Contributions Equivalent Premium
CTC	City Technology College
DfES	Department for Education and Skills
HMRC	Her Majesty's Revenue and Customs
DTR	Database of Teachers' Records
FE	Further Education
GMP	Guaranteed Minimum Pension
HE	Higher Education
IND	Independent Schools
LA	Local Authority
MRA	Minimum Retirement Age
MOD	Ministry of Defence
NI	National Insurance
NPA	Normal Pension Age
PAYE	Pay-As-You-Earn
SMP	Statutory Maternity Pay
STPCD	School Teachers' Pay and Conditions Document
TC Exits	Training College Exits
TDCT	Teachers' Data Collection Team
TP	Teachers' Pensions
TPS	Teachers' Pension Scheme

Section 1: Introduction

The key areas covered in this section are:

- 1. About this Guide**
- 2. Employers Responsibilities**
- 3. Communicating with Teachers' Pensions (TP)**
- 4. Record Keeping**
- 5. Providing Information**

1. About this Guide

This guide provides important information for employers of members and potential members of the TPS in England and Wales. It covers all sectors and types of establishments which come within the scope of the TPS.

References to teachers in this guide cover all academic staff, ie lecturers, teachers, instructors, heads of department, deputy heads, head teachers and principals who are eligible to be members of the Scheme.

As well as the information contained in this Guide there is also the Employer Toolkit which was produced in late 2006 to coincide with the introduction of Scheme changes from 1 January 2007. The Toolkit provides employers with broad information about their responsibilities, sets out the changes to the Scheme and provides examples of the literature available to employers and Scheme members. In addition to hard copies available to every employer the Toolkit can be accessed on the TP website.

2 Employers responsibilities

Teachers' Pensions (TP) administers the Teachers' Pension Scheme (TPS) on behalf of the Department for Education and Skills (DfES). However, it cannot be emphasised too much how important the employer's role is in the scheme's administration. Additionally, employers' functions are subject to statutory requirements. This Guide is designed to inform employers of their responsibilities, to provide guidance about typical events and provide you with contacts within TP should you require further assistance.

If employers do not carry out their responsibilities in a timely and accurate manner, it can have a detrimental effect on their employees. It will not always be possible for TP to repair at a later date a situation that has had a detrimental effect on a member's pension position through the employer failing to carry out their responsibilities at the correct time. Cases of member dissatisfaction can result in referrals to the Pensions Ombudsman.

Administering the Scheme

Employers' responsibilities in the administration of the TPS are set out at the beginning of each of the following sections but broadly they are as follows:

- Provide information to new appointees, both full and part-time. This means giving them the Guide to the Scheme, if they haven't previously received one and informing them that, without exception, they are automatically members of the scheme unless they opt out. TP must be notified promptly of **ALL** new appointments through the submission of Form TR6.
- Check if new starters have opted out of the scheme.
- Check if new starters are paying additional scheme contributions.
- Submit information about leavers as they occur and provide the leaver with a copy of the fact sheet 'Leaving Pensionable Employment'.
- Collect and submit the contributions due in a prompt and accurate manner by 7th of the month following their deduction, where the 7th is a weekend or bank holiday payment must be submitted to arrive before the weekend or holiday, (statutory interest is charged for late payment).
- Complete and send to TP the paying-in slip that details the components of the contribution payment.
- Complete the contribution "end of year certificate" by no later than 30 April each year.
- Submit annual return of service and salary details by no later than 31st August each year.
- Provide an audited TR17/17a certificate by no later than 30 September each year.
- Pay short term death benefits to dependants of deceased members.
- In addition to the Annual Return provide service and salary information promptly when requested by TP.
- Complete and authorise application forms on behalf of members.
- Consider with members suitable alternative employment and the provision of appropriate medical evidence in connection with potential requests for ill health retirement.
- Inform TP when a retired member takes up employment, these employees will automatically be members of the scheme again unless they opt out.

Communicating the TPS to members

In addition to administering the scheme, employers have a crucial role to play in making members aware of the benefits of the TPS throughout their careers. A summary of the benefits in the TPS are:

- The TPS is a defined benefit contributory pension scheme. It is one of the most important and valuable benefits available to teachers. The employer makes a substantial contribution towards the cost of the pension.
- The TPS not only provides the member with a regular income after retirement, but also provides their family or other dependants with financial protection after the member dies.
- All teachers and lecturers, both full time and part time, are automatically members of the scheme unless they elect to opt out.
- If the member becomes too ill to work, they may receive their pension early.
- The member can increase their pension credit by buying extra pension. They may also be able to transfer in pension credit from another scheme.
- TP will pay a lump sum if the member dies before retirement and we may pay children's and dependants' pensions.
- The member can choose to have part of their pension paid as a lump sum if they joined the scheme on or after 1 January 2007.
- If a member joined the TPS before 1 January 2007 they will automatically receive a lump sum.
- The pension is index-linked, to protect its value against the effects of inflation.

Employers have a crucial role to play in helping members understand their pension provision. This includes:

- Ensuring members are kept informed of any changes to the scheme that may affect them.
- Providing information to new appointees such as the Scheme Guide, relevant fact sheets and by encouraging members to access information on the TP website.
- Ensuring new appointees are aware that previous pension provision may be transferred into the TPS within one year of taking up their appointment.
- Educating members on options for planning how and when to retire, e.g. how new average salary calculation or phased retirement might support them winding down towards the end of their career.
- Making members aware of options to increase their pension such as by buying AVCs or purchasing additional pension in the TPS.
- Encouraging members to periodically review their pension position by for example, making them aware of the pension modellers on the TP website.

- Promoting the value and benefits of the scheme by for example, showing the value of employer contributions on payslips.
- Ensuring members choosing to opt out of the TPS are aware of the benefits that they are giving up.
- Ensuring members are aware of the need to register their unmarried partner with TP, if they want benefits to be paid to that partner after their death.
- Making members aware of what happens to their pension when they are on leave of absence.
- Informing leavers of their options by for example, providing a copy of the 'Leaving pensionable employment' fact sheet.

Information on entitlement to benefits, and how these are calculated, is given in the scheme guide. Employers must ensure that new members are provided with this if they have not previously received one. A Members' Guide Fact Sheet is available to give to current members. The guide is available on the website or copies can be obtained from TP. (Employers are not encouraged to hold large stocks of this because it is regularly updated). This guide is not, however, intended to be exhaustive, and any teachers who are concerned about their position under the TPS should be offered either the appropriate fact sheet or advised to access the website www.teacherspensions.co.uk for further information.

Statutory requirements

The administration of TPS is subject to statutory regulations and employers have a crucial role to play in adhering to these requirements. The Occupational Pension Schemes (Disclosure of Information) Regulations 1996 require TP to:

- Pay pension benefits within 30 days of entitlement. The DfES, as scheme managers, apply a much more stringent timescale. It is therefore imperative that employers ensure application forms are completed and forwarded to TP promptly, if possible as much as 4 months before the date of retirement;
- Provide estimates of retirement benefits to teachers within 2 months of request. The DfES, as scheme managers, apply a much more stringent timescale ie. within 10 working days of receipt of request. It is therefore essential for annual returns to be submitted in accordance with the timescales
- TP also provide benefit statements to all active members on an annual basis following the completion of the annual return.

The Occupational Pension Schemes (Transfer Values) Regulations 1996 require TP to calculate a guaranteed transfer value within three months of request. The DfES, as scheme managers, apply a much more stringent timescale of 20 working days (excluding waiting time). It is therefore essential that you provide up-to-date and accurate information promptly on request. Overriding legislation requires TP to provide leavers with less than two years service with a quotation of a transfer value and the amount of contributions and interest they would receive if they took a repayment. This must be done within three months of leaving. It is vitally

important, therefore, for you to give The Early Leaver fact sheet to staff leaving your employment and submit leaver returns to TP promptly (Form TR8).

The Pensions Regulator supervises the pensions industry and ensures that pension schemes and employers meet the regulatory requirements. The Pensions Regulator has the power to impose fines on schemes and employers (and their individual managers) who do not do so.

3 Communicating with TP

You can contact TP in the following ways:

Write to:
Sue Blewitt or Shaun McCormack (Employer Group Managers)
Teachers' Pensions
Mowden Hall
DARLINGTON
DL3 9EE

E-mail us at tpdata@capita.co.uk.

Call us on the Employer Helpline 0845 3003756 or if you require forms or fact sheets ring 0845 6066166

Fax us on 01325 745757

or access our website at www.teacherspensions.co.uk

4. Record Keeping

Our computerised records are registered under the Data Protection Act. This means that TP will keep all the information TP hold in the strictest confidence.

TP will store securely, maintain and update the information on individual teachers which is necessary to calculate their entitlement under the Teachers' Pensions Regulations. TP also collects certain information in respect of individual teachers who are not members of the TPS some of which is required for statistical purposes.

5. Providing information

You will be provided with clear, concise and up-to-date information to help you in the administration of the scheme. TP will notify you of any changes to the administrative arrangements of the scheme through communications such as TP News.

If you contact us regarding a teacher, it will be helpful if you could provide the following information:

- the teacher's reference number (such as RP99/99999);

- full name;
- date of birth; and
- National Insurance number.

This information will help us to identify the record and to deal with your enquiry.

Section 2 - Membership or the teachers' pension scheme

The key areas covered in this section are;

- 1. Scheme Members**
- 2. Full-time and Part-time Employment**
- 3. Employment that is not pensionable**
- 4. Members Opting Out of the TPS**
- 5. Members Rejoining the TPS after previously opting out**
- 6. Retired Teachers and Re-employment**
- 7. Returning to Teaching after Ill Health Retirement**

1. Scheme Members

It should be borne in mind that, although the scheme is primarily for teachers, there are some posts that are not teaching posts which are within the scheme. Principals and Vice Principals of FE Colleges, for instance, are traditionally members of the scheme. Similarly, academic posts at universities are included - it is for the employer, not TP, to decide whether a particular post is appropriate to the scheme. From 1 January 2007 where a post is defined as eligible for membership of the scheme the appointee will automatically become a scheme member regardless of whether or not they work on a full or part time basis.

From 1 January 2007 there will be two types of membership depending upon when the member joined the scheme. An explanation of this is given below.

Existing members

- Teachers who are current scheme members on 31 December 2006.
- Teachers who have been out of pensionable service for more than five years, but who return to teaching by 31 December 2007 will do so under the existing scheme provisions (irrespective of the length of break in service).
- There will be a minimum period of 30 days reckonable or 60 days pensionable scheme membership that must be undertaken after a break in pensionable service to allow teachers who have a subsequent break in service to return at a later date and retain their right to a normal pension age of 60 in respect of their future service.

New entrant

- Teachers who enter the scheme with no pensionable service prior to 1 January 2007 to their credit.

- Teachers who re-enter pensionable service after 31 December 2007, following a break of service of more than five years, will be subject to the provisions that apply to new entrants (benefits already accrued would still be payable at age 60).

Appendix 4 of this guide, which reproduces Schedule 2 to the Teachers' Pensions Regulations 1997 (as amended), lists the types of full and part-time employment which may be treated as pensionable.

LA Organisers

Where employment as an organiser commenced before 1 January 1977 the person may continue to contribute to the TPS provided there is no break in service.

Where employment as an organiser commenced after 31 December 1976 the person is not entitled to membership of the TPS.

2. Full-time and Part-time Employment

Full-time

For the purposes of the Teachers' Pensions Regulations, employment is full-time if the contract requires the employee to work for the whole of the working week. This includes employment lasting for the whole of the working week even if it is done on a relief or supply basis.

Employment in categories listed in Part I of Schedule 2, see Appendix 4 is pensionable automatically unless the teacher opts-out or has previously opted-out (see below).

Employment in Independent Schools, which are accepted into the TPS (Accepted Schools), is pensionable automatically unless the teacher opts-out or has previously opted-out (see below).

Employment in categories listed in Part II of Schedule 2, see Appendix 4, is pensionable on election. An election should be made on the opting in form..

A teacher may choose not to contribute to the TPS but to make alternative arrangements for pension cover, either by taking out a stakeholder or other personal pension plan or by participating fully in the State Second Pension (S2P). In such cases the teachers must complete an opting-out election and send it to TP.

You must always ask a new teacher whether or not they have already opted out of the TPS and request sight of their acceptance form.

Part-time

For the purposes of the Teachers' Pensions Regulations, employment is part-time if the contract requires the employee to work for less than the whole of the working week.

From 1 January 2007 new appointments or new contracts for part-time employment are automatically pensionable unless the teacher elects to opt out of the scheme and contributions should be deducted.

A part-time teacher who was in employment prior to 1 January 2007 may have previously completed an election for their service to be treated as pensionable. This status continues there is no change to their Scheme membership and contributions should continue to be deducted.

Where an existing teacher starts a new contract on or after 1 January 2007 they will automatically become a scheme member. You must inform them of this and ask the teacher if they wish to opt out of the Scheme. If they confirm that they wish to become a scheme member it must be explained to them that any other employment currently being undertaken and any future employment will also be pensionable. All employment will be subject to the deduction of Scheme contributions. The definition of a change in contract is for you to determine.

Where a teacher does not change contract and has not previously elected to join the scheme, they will not automatically become a scheme member, but they can still join by making an election now or at any time in the future.

3. Employment that is not pensionable

A person is not in pensionable employment:

- if the person has opted out of the TPS;
- unless paid salary in full or on sick leave and entitled to be paid not less than half pay or on maternity leave or paternity or adoption leave and entitled to be paid contractual remuneration or statutory maternity pay;
- if the person is subject to the Local Government Pension Scheme (LGPS);
- if the person has been in continuous employment with an LA (ie with breaks of less than twelve months) and in service which was formerly treated as pensionable in the LGPS unless the person has elected to join the TPS within 3 months of the start of a new contract. In practice people in this category will have continuously been employed in the same post(s) since a date before 1 January 1977;
- if under 18 years of age or 75 years or over.

4. Members Opting out of the TPS

A teacher who wishes to opt out of the TPS may, at any time, elect to do so. An opting out election must be made by the teacher and submitted to TP. An election to opt out of the TPS takes effect as follows:

Election made	Effective date
Before starting employment	The day before entering such

which, but for the election, would be pensionable employment	employment
Within three months after the start of pensionable employment	The first day of pensionable employment
More than three months after the start of pensionable employment	The first day of the month after the election is signed

Note: A different effective date must not be applied unless approved by TP.

Pension contributions should cease from the effective date. TP will notify acceptance to the teacher and advise him to ensure the employer is aware of the election. Employers may wish to take a copy of the member's election before sending it to TP.

In the absence of an opting-out election employers must collect pension contributions in the normal way.

5. Members Rejoining the TPS after previously opting out

A teacher who has previously opted out of the TPS may elect to rejoin. Pension contributions should be deducted from the effective date. A letter will be sent to the teacher to confirm acceptance and asking them to ensure the employer is aware of the election. You may wish to take a copy of the member's election before sending it to TP.

In the following table, 'excluded employment' is employment which would, but for the election to opt out, have been pensionable employment.

An election to rejoin the TPS takes effect as follows:

Election made	Effective date
Whilst not in, but in expectation of entering, excluded employment	The day before entering excluded employment
Within three months after the start of any period of excluded employment	The first day of excluded employment
More than three months after the start of any period of excluded employment	The first day of the month following that in which the Form 261 was signed by the teacher

There is no limit to the number of times a teacher can opt out of, and rejoin, the TPS.

6. Retired Teachers and Re-employment

The Teachers' Pensions Regulations do not prevent a retired teacher from becoming re-employed. You must notify TP of the appointment of a pensioner in whatever capacity. You should also tell such employees to notify TP, using the Certificate of Re-employment, so that TP can assess the impact the employment will have on pension benefits. You should be aware that:

- where re-employment starts on or after 1 January 2007 service is automatically pensionable and contributions must be deducted. Exceptions are if the member opts out of the scheme or is age 75 or over.
- re-employment which commenced on or after 1 April 1997, up to March 2000, cannot be treated as pensionable. Employment which commenced before 1 April 1997 will continue to be treated as pensionable (in the absence of an opting-out election) until that contract terminates;
- further employment undertaken on or after 1 April 2000 would only be pensionable if the member made an election.

7 Returning to Teaching after Ill Health Retirement

You should be aware that:

- if a pensioner who retired on ill-health grounds enters re-employment which comes within the scope of the Teachers' Pensions Regulations the pension will be stopped;
- only teachers who retired on ill-health grounds before 1 April 1997 may undertake employment on a limited part-time basis without their entitlement to the ill-health pension being affected. From 1 April 2006 these pensions must stop automatically if a teacher is re employed more than 2.5 days a week. However you must be satisfied of a teacher's medical fitness to teach. If there is evidence which suggests that the person's health has been restored the DfES's medical advisers may need to consider whether the pension should stop irrespective of whether the teacher is working less than 2.5 days a week.

Section 3 -Appointments including those continuing in employment, or joining, after retirement

The key areas covered in this section are:

- 1. General appointment checklist**
- 2. Training college exits**
- 3. Appointing a teacher who is in receipt of retirement benefits**
- 4. Appointments not taken up**
- 5. Appointment Statements**

1. General appointment checklist

From 1 January 2007 where a post is defined as eligible for membership of the scheme the appointee will automatically become a scheme member regardless of whether or not they work on a full or part time basis.

When you appoint a teacher you should follow the checklist below:

- Inform the teacher they are automatically a member of the TPS that will involve a deduction of 6.4% from their salary;
- The teacher has the option of opting out of the scheme. To do so they must complete an opting out form and send it to TP;
- Where a teacher has previously opted out of the Scheme they should provide evidence of this and you will not deduct contributions. Should such a teacher wish to join the TPS they must complete an opting in form and send it to TP;
- Teachers who are taking up their first teaching appointment should be provided with a Member Guide. Additionally all new teachers should be informed that a member guide to the TPS, and all other literature, is available on the Scheme website.
- You must notify TP of the appointment of all teachers. This can be done using TP On-Line or by completing form TR6 and sending it to TP;

The following details must be provided on Form TR6:

- DfES reference number;
- National Insurance number;
- number of the LA/school/establishment;
- description of teacher (salary scale code);
- date of appointment;

- full-time/part-time indicator;
- date of birth;
- teacher's surname;
- teacher's forename; and
- previous surname(s).

Form TR6 will be returned where no NI Number is present. The exception to this is if the teacher is from overseas and a number is yet to be allocated. The form must be noted to that effect.

2. Training college exits

All employers, excluding 6000 and 0 numbered establishments, must complete form TR6. If the employer is unaware of the DfES reference number, this should be left blank.

TR6 forms which are received for appointments beginning on 1 September are processed in the autumn. Appointment Statements are generated during this process; they are then sent to employers. Forms which are received after September are processed when they are received. When a form is received before September it is held until the autumn before being processed as GTC allocate a reference number and until that action is completed TP cannot accept the TR6. This is to avoid the creation of duplicate reference numbers. The Appointment Statement will then be sent to the employer.

3. Appointing a teacher who is in receipt of retirement benefits

The appointment of teachers who are in receipt of retirement benefits should be notified to TP in the same way as other appointees, that is by using TP On-Line or form TR6. These teachers will automatically be a member of the TPS regardless of whether they are in full or part time employment and contributions should be collected from their salaries unless they decide to opt out.

It is very important that you notify TP of all appointments to ensure that the teacher is not overpaid their pension as there are circumstances where their pension may have to be reduced. For all such appointments you must advise the teacher to complete and send to TP their Certificate of Re-employment within 14 days of taking up or continuing further employment. After the details have been noted the certificate will be returned to the teacher.

If a teacher has taken phased retirement their future earnings must be at least 25% less than their earnings prior to taking phased retirement for a minimum of 1 year. The teacher's future service is automatically pensionable and not subject to abatement.

If the teacher is in receipt of ill-health retirement benefits from the TPS the teacher's pension will cease with immediate effect, even if employed for only one day. You must satisfy yourself that the teacher is fit for teaching before making the appointment. You must send an

immediate notification of appointment and remind teacher that they should also notify TP. You must deduct contributions.

4. Appointments not taken up

Where TP has been notified of an appointment you should inform TP immediately if the teacher does not take up an appointment to ensure their record is amended

5. Appointment Statements

On receipt of the appointment notification, TP will update the teacher's record and produce an Appointment Statement which will be sent to you. The Appointment Statement is made up of five parts:

- Identifying information
- Status of the teacher
- Special notes
- Service record
- For TP use only

Identifying information - contains the surname, forenames and any previous surname(s) of the teacher, the teacher's reference number, National Insurance number and details of the appointment.

Status of the teacher - describes the person's qualified teacher status with the corresponding code. This item is only relevant to service in LA-maintained and non-maintained special schools. If the teacher is further qualified to teach the blind, deaf or partially hearing, a note to that effect will be printed beneath the status and date of qualification.

Where it exists on the teacher's record, the code will be printed to indicate whether he or she may be classed as a graduate or equivalent:

- Non-graduate;
- Graduate or equivalent;
- Good honours graduate or equivalent.

Special notes - will highlight significant pension matters, e.g. where a part-time election has been made. It will also include other general notes of interest. Each note will be self explanatory, e.g. part-time election made 1 January 2006.

Service record - contains details of the teacher's service recorded since 1962. The service line is more detailed than the employer supplies in its Annual Return because Local Authorities are required to supply more pay document-related salary details for statistical purposes.

Where a service line has not been confirmed by either an Annual Return or a Withdrawal submission, a code will appear to the left hand side of that line:

A = Appointment notified but to be confirmed by Annual Return.

P = (full line containing salary details) latest service details contain an error and are likely to be incomplete. TP will be taking action to update the record.

P = (short line containing appointment details only) appointment notified but to be confirmed by Annual Return.

LA and school - the LA and school number will be included whenever there is a change to either number, or if there has been a break in the teacher's progression of service.

Description of teacher (Salary scale) -the scale on which the teacher was paid for the period of service shown. If the teacher was receiving a safeguarded salary for service prior to 1 April 1985, the scale may be that which was appropriate to the post actually occupied.

Full or part-time indicator (F/R/I) - indicates whether the line of service was full or part-time. A part-time teacher on a regular contract of employment will be shown with R and on an irregular contract as I.

Start date and End date - refers to the period of service described on the line of the record.. The service recording year is 1 April to the following 31 March. Service should be submitted in that format but a new line of service will always be required where there is a change in employer, school, salary scale, salary rate, allowances, full/part-time arrangements and opting in/opting out arrangements.

Annual salary rate- will include any pensionable allowances paid. For part-time service, this will be the full-time equivalent annual rate. For service prior to 1968, some salary rates may be printed which are not annual rates but these will be accompanied by a code to indicate the type of rate:

H= Hourly

D = Daily

W = Weekly

S = By the session

O = Other.

Part-time salary paid - salary actually paid to the teacher for the period of part-time employment. Where a line of service is concurrent part-time service (i.e. the teacher is employed part-time in two separate teaching posts at the same time by the same employer) at different rates amounting to part-time, the part-time salary paid will not be recorded but 'CON PT' will be printed in this column of the statement.

Days excluded - any days excluded will be shown on the relevant line of service. For teachers in pensionable part-time employment the amount of reckonable service credit can exceed the period of service, additional days will be preceded by a '+' sign.

Incremental point - this is the salary increment point provided by the previous employer or calculated by TP. This field will be blank for service in establishments which do not pay teachers on the STPCD salary scales.

Additions - the five fields are relevant only to service in maintained establishments.

Safeguarding ('SF') - 'SF' will be printed if the teacher's salary was safeguarded and the salary scale reflects the occupied post or the teacher is fast track. 'S' will appear if the salary is safeguarded and the scale is that which was safeguarded. For service prior to 1 April 1985 where a teacher's salary was safeguarded and he also received a social priority allowance, it will not be possible to highlight the salary as safeguarded. 'F' will appear if the teacher is on a fast track programme.

London Allowance ('LA') - service after 1 April 1985 a code will signify the type of any London Allowance payable:

I = Inner London Allowance

O = Outer London Allowance

F = Fringe London Allowance

A = Inner London Allowance plus supplement applicable to teachers serving in the Inner London area, and payable at the employer's discretion.

For service after 1 April 2003 the Inner London Allowance Indicator 'I' will identify teachers being paid on the London scale. For service after 1 April 2004 the Outer London Allowance Indicator 'O' and the Fringe Allowance Indicator 'F' will continue to be used to show the appropriate London Scale.

Social priority ('SP') - '1' will appear if a teacher receives the lower rate of social priority allowance and '2' if the teacher receives the higher rate. '3' will appear if the teacher receives lower special needs allowance and '4' if in receipt of the higher allowance.

Special class ('SC') - a code in the range 6 to 9 will appear if the teacher was in receipt of an addition for teaching handicapped children for service up to 31 August 1993. From 1997 a code of 7 or 8 will appear in respect of part-time teachers. This indicates whether their contract of employment is regular or irregular.

Other allowances (OTH ALLCS) - additional pensionable allowance paid which is included in the Annual Salary Rate will be detailed here. In particular the Teaching and Learning Responsibility Allowance (TLR)

Service superannuable ('SCE SP') - one of the following codes will appear:

RS = reckonable service

NR = non reckonable service

IS = island service

AD = admitted service

OS = overseas service

EX = excused contributions

RP = contributions repaid to teacher

TO = contributions transferred out

For TP use only - This section is for TP purposes only.

Section 4 - Absences from Teaching

The key areas covered in this section are:

- 1. Sick leave**
- 2. Maternity, Paternity and Adoption Leave**
- 3. Other absences**
- 4. Industrial action or strikes days**
- 5. Suspension from duty**

1. Sick leave

Absence on sick leave is pensionable and should be recorded as if the teacher was working if the following conditions are satisfied:

- the employer approves and records the period as sick leave; and
- the teacher receives at least half pay (disregarding any deduction, e.g. on account of social security benefits or refund provided by the terms of the teacher's employment).

2. Maternity, Paternity and Adoption leave

Where a teacher is absent from duty on maternity/paternity/adoption leave, such absence is treated as pensionable employment as long as the teacher receives a salary. The teacher should be given fact sheet 'Maternity and Paternity Leave' before starting the period of absence. The following guidelines apply:

- Teacher resigns at the outset (TR8 should be completed).
The teacher is regarded as being in pensionable employment up to the last day of his or her contract.
- Teacher takes maternity leave and then returns to duty.
Any period of maternity leave for which the teacher receives pay or Statutory Maternity Pay (SMP) is classed as pensionable employment.
- Teacher does not return to duty after maternity leave
TR8 to be completed, pensionable employment will be considered to have ended at the end of the paid maternity leave.
- Teacher takes paternity leave.
Any period of paternity leave for which the teacher receives full salary or statutory pay is classed as pensionable employment. Where the teacher receives no pay, that period does not count as pensionable employment and must be shown as days excluded.

- Teacher takes adoption leave.

Any period of adoption leave for which the teacher receives full salary or statutory pay is classed as pensionable employment. Where the teacher receives no pay, that period does not count as pensionable employment and should be shown as days excluded.

If the circumstances for an individual teacher differ from the above and it is not clear what service should be regarded as pensionable under the TPS, contact TP.

3. Other absences

All other absences where a teacher is entitled to be paid a salary (e.g. periods of special leave) are pensionable in the TPS. Unpaid absences are not pensionable.

4. Industrial action/strike days

Absence due to industrial action cannot be classed as pensionable service and must be shown as days excluded.

5. Suspension from duty

Periods during which teachers are suspended on full pay are treated as pensionable and must be recorded as such. Suspension from duty without pay cannot be classed as pensionable employment and these periods must be shown as days excluded.

Where a teacher applies for retirement benefits while suspended from duty, it is important that you draw this to TP's attention as it may be relevant to the retirement application.

Section 5 - Leavers (teacher leaving current employment)

The key areas covered in this section are:

1. Definition of a leaver

2. Notifying Teachers' Pensions

3. Completing form TR8

4. Giving information to the member

1. Definition of a leaver

A leaver is a person who ceases to be employed by you.

A leaver is not a person who:

- changes from full-time to part-time employment;
- moves between establishments within the same employing authority;
- retires;
- dies in service; or
- opts out of the scheme

Where a teacher does not return to duty after maternity leave pensionable employment will be considered to have ceased at the end of the paid maternity leave.

2. Notifying TP

You must notify TP immediately of any teaching staff leaving your employment. You should do this at the time of the event by completing form TR8.

3. Completing form TR8

The service details should provide information about any service since the submission of the last Annual Return. Provision is made for up to three lines of service for each teacher, but if further lines are required they may be entered in the next teacher's space (leaving the reference number and teacher's name details blank). A teacher's service details should not be continued on a separate form. If there are more than 3 service lines being entered for the last teacher then the complete entry for that teacher should start on a new form.

In completing form TR8 it is important that the following information is provided:

- Establishment name and number;
- Teacher's reference number;

- National Insurance Number;
- Teacher's surname; teacher's first names;
- Date of birth; and
- Service details (in the same manner as the Annual Return).

The employer should certify the information at the bottom of each form.

4. Giving information to the member

Teachers leaving employment, but who are not retiring or moving immediately to a new post which could be pensionable under the TPS must be given the fact sheet 'Leaving Pensionable Employment'. This leaflet contains important information about the options open to them.

Teachers who decide to opt out of the TPS should be provided with the opting out form which will make them aware of the benefits they are giving up.

You should inform the teacher that more information can be found on our website and that they should keep TP informed through the website of any address or name changes. Please note: as some of the options must be exercised within time limits, teachers should be given a copy either immediately before or at the time of cessation of employment.

Section 6- Increasing Pension Benefits

The key areas covered in this section are:

- 1. Additional Pension**
- 2. Past Added Years**
- 3. Current Added Years**
- 4. Family Benefits**
- 5. Protection of previous salary**

1. Additional Pension

Members can elect to purchase additional pension provided that they are in pensionable teaching employment. They can do this by either paying a lump sum or having additional contributions deducted from their salary. They are able to claim tax relief on the additional contributions. If a member is interested in this option please give them a copy of the 'Additional Pension' Fact Sheet. Additional pension may be purchased either for personal benefits or for personal and family benefits but not solely for family benefits.

The maximum annual pension a member can buy is £5,000 but this is reviewed annually in line with the retail price index. Members can choose to buy this at different times in multiples of £250 of annual pension.

They can choose to make a one off payment or have deductions taken from their salary. If members choose to have deductions from salary TP will issue employers with a letter stating the amount to be deducted and the period of the election. If a member goes part time they will pay the same amount of contributions as they did when they worked full-time. The contribution period if paying by instalments must be completed before NPA.

As instalment costs will be reviewed at each Scheme valuation the deductions may increase or decrease depending upon the results of the valuation. TP will notify members and employers in advance of any changes that are to be made to deductions

You may purchase additional pension on behalf of the member but payment must be made in one sum.

If a member is out of service for 30 days or more the election ceases to have effect. You should notify TP who will calculate how much additional pension the member is entitled to receive based upon the contributions paid up to the day they leave the scheme. They can, however, make a one off lump sum payment to clear the outstanding contributions.

If the member retires before the end of a payment period they will be able to complete the payments by making a one off payment or can receive a pension based upon the contributions made up to the time they retire.

2. Past Added Years (PAY)

These were arrangements that allowed members to purchase additional service in the TPS. This provision no longer exists but existing contracts are being honoured.

If a member has a Method A election contributions should continue to be collected until the end of the payment period. If a member changes from full time to part time employment and remains in the Scheme contributions should continue to be deducted but at a pro-rata rate which cause the payment period to be extended. No other changes or amendments are permitted to these elections. If a member is out of service for 30 days or more the election ceases to have effect.

3. Current Added Years (CAY)

These were arrangements that allowed members who had left teaching to continue contributing to the TPS by paying both their share and the employer's share of contributions. These arrangements no longer exist but existing contracts are being honoured.

4. Family Benefits

All pensionable service from 1 April 1972 (for widow or dependant) or 6 April 1988 (for widower or registered civil partner) or 1 January 2007 (for nominated unmarried partners) automatically counts for long term pensions.

If the member wishes to increase the value of their long term pension they will need to purchase all or part of their service before these dates. They can only make an election within:

- six months of first returning to pensionable employment after marriage or registering a civil partnership and have not been employed for any continuous period of six months from 26 June 1973 (for widow's), 1 October 1988 (for widower's) or from 21 December 2005 (for registered civil partner's);
- six months of their marriage or civil partnership registration while in pensionable employment;
- six months of the date of nomination of the partner or dependant.

If the members want to apply to cover additional service they should complete an application form..

They can purchase the additional service by either making a one off payment or deductions from their salary. If a member chooses to have deductions from salary TP will issue you with a letter stating the amount to be deducted and the period of the election.

An estimate of the costs involved can be obtained using the calculation package on the website.

5. Protection of previous salary

There were two options available prior to 1 January 2007 whereby members could protect a previous higher salary for pension purposes. These were:

- Stepping down applications; and
- Paying contributions on a former higher salary

Neither of these arrangements are now allowed but existing arrangements are being honoured.

If a member has an existing arrangement to continue to pay contributions on the former higher rate of salary, these are revised each year with the retail price index.

The additional contributions are calculated at the current rate of 20.5% of the difference between the current salary and the index-linked former salary. The member is responsible for paying both the teachers and the employer's share of the contributions.

If an arrangement had been accepted TP will have already instructed you to collect the additional contributions on the former higher salary. Each year you will be notified of the notional salary to use following index linking.

The election will cease to have effect if the member writes to TP indicating their wish to cancel or, if they cease to be in pensionable employment for more than six months.

Section 7 - Retirement (other than Ill Health)

The key areas covered in this section are:

- 1. Introduction to the retirement arrangements**
- 2. Age retirement**
- 3. Actuarially reduced benefits retirement**
- 4. Phased retirement**
- 5. Premature retirement**
- 6. The application process**

1. Introduction to the retirement arrangements

Retirement is the culmination of a career in education. To ensure this event is handled efficiently and satisfies the member's expectations of receiving their benefits on time it is essential that you work closely with the member and TP to achieve this. This section describes the various retirement options for scheme members. It also outlines the application process and the employer's role in this.

Where members approach you about retirement you may wish to make them the following:

- the real time estimate of the member's personal TPS benefits and state benefits available on the TP website;
- the fact sheets 'Planning for Retirement', 'Returning to Work after Receiving Pension Benefits', 'Ill Health Benefit' and 'Average Salary'.
- the leaflet 'Retirement Arrangements and Planning' and 'Ill Health Retirement Benefits';
- the relevant application form, the different retirement options are given below.

The retirement options available in the TPS are summarised below and each is explained in more detail later:

- Normal age retirement - at age 60 or 65 (depending upon whether the member joined the scheme before or after 1 January 2007) or on ceasing teaching employment after these ages.
- Actuarially reduced benefits (ARB) - this is available from age 55. The applicant requires your consent if they apply while still in employment;

- Phased retirement – this is available from age 55 and is where the member takes a proportion of their retirement benefits and continues working on a lower salary. The applicant requires your agreement;
- Premature retirement - this is available from age 50 on the grounds of redundancy or in the employer's interest. You must certify the grounds for retirement and agree to pay statutory compensation;
- Ill health retirement - this is subject to medical evidence being accepted by the medical advisors appointed by the DfES that the person is permanently incapable of teaching. Full details are provided in Section 8.

2. Age retirement

The NPA for a teacher is dependant upon whether the member joined the scheme on or before 1 January 2007. Where a teacher was a member of the TPS before 1 January 2007 their NPA is 60. Where a teacher joins the scheme for the first time on or after 1 January 2007 their NPA is 65.

If a deferred member subsequently returns to service on or after 1 January 2007, they may come under transitional arrangements that preserve a NPA of 60. If a member returns to service before 1 January 2008, they will retain a NPA of 60 regardless of the length of the break in service. If a member returns after 1 January 2008, with more than a five year break in service, then future service will have a NPA of 65 but previous service will retain a NPA of 60. If a member returns after 1 January 2008 with a break of less than five years, then 30 days reckonable service or 60 days pensionable employment must be undertaken after a break in pensionable service. This is to enable teachers who have a subsequent break in service to return at a later date and retain a NPA of 60 in respect of their future service.

Before age retirement benefits can be paid the member must cease all teaching employment. If a member ceases teaching employment at any time after NPA they become entitled to the payment of their retirement benefits and should claim them at that time.

3. Actuarially Reduced Benefits retirement

A member may access their retirement benefits before their normal retirement age if they are aged 55 or over and have pensionable or excluded employment on or after 30 March 2000. You must consent to the application if the member is in pensionable or excluded employment at the time the application is made. You cannot withhold consent for more than 6 months from the date on which the teacher requests permission from the employer. If a member submits an application having left teaching but returns to teaching service before the nominated payable date then the application is void.

These benefits will be actuarially reduced permanently, according to their age at retirement although the reduced pension will attract index linking. ARB cannot be awarded if the benefits are less than the guaranteed minimum pension.

There is an ARB retirement calculator on the website which you may use to obtain a basic calculation of ARB.

4. Phased retirement

The introduction of 'phased retirement' arrangements will allow staff to continue working while drawing some of their accrued pension benefits. The member's pensionable salary must reduce by at least 25% for a minimum of 12 months following the date of retirement. This could, for example, be because they have taken up a post of lesser responsibility or because you agree to a reduction in working hours.

The member may take phased retirement if they commence a new appointment in a support role such as a classroom assistant provided that the appointment is in an educational establishment. The new appointment may be with a different employer. The application form must be signed by the employer responsible for the new working arrangement.

5. Premature retirement

You can award unreduced premature retirement benefits to scheme members aged over 50 and under normal pension age whose employment has terminated on the grounds of redundancy or organisational efficiency. Premature retirement is not an option if the person is employed on a fixed term contract. There are two types of compensation that you will be responsible for:

- mandatory compensation - you are legally obliged to pay mandatory compensation (Part IV of the Teachers (Compensation for Redundancy and Premature Retirement) Regulations 1997). The TPS will pay an actuarially reduced pension and lump sum based upon the member's pensionable service and you pay the difference so that the scheme member receives unreduced benefits for their lifetime. Any family benefits that come into payment at a later date are paid by the TPS. You can estimate the costs of mandatory compensation payable by accessing the ARB/Retirement Calculator on the TP website.
- discretionary compensation - you have discretionary power under Part V of the Teachers (Compensation for Redundancy and Premature Retirement) Regulations 1997 to pay discretionary compensation by way of additional pension and lump sum. You will be responsible for any family benefits in respect of these discretionary compensation payments. The decision to increase the member's benefits in this way, and by how much, is entirely at your discretion but is subject to certain limits. There are no costs to the TPS in relation to discretionary compensation payments

This information is for guidance only as this provision does not fall within TP's remit. As such any further information or clarification should be directed to the Department for Education and Skills (contact Robert Elliot tel 01325 392 214 or email Robert.Elliot@dfes.gsi.gov.uk)

TP can administer such benefits on behalf of an employer and there are a range of options by which the employer can pay for this service. For information about this and related costs please see section 19.

6. The Application Process

General Guidance

The retirement application form should be completed and returned to TP. When completing the Employers' section of the form, you should provide details of the last two years service and salary. If the final salary rate is not known please do not leave it blank. The current salary should be entered and this should include the GTC payment. It is essential that this section is completed correctly or the teacher will be either underpaid or overpaid benefits. If benefits are overpaid they must be recovered. The member will be informed of the reason for the change in their level of benefits, i.e. that you supplied incorrect information.

Application forms should be submitted approximately 4 months in advance of the retirement date. This enables TP to conclude any issues affecting retirement and undertake processing to ensure payments are made on the correct date.

Multiple Employment

If the member is in pensionable or excluded employment with more than one employer, all pensionable/excluded employment must be terminated before retirement benefits can be paid. The exception to this is phased retirement where the member's salary from all employments must reduce by 25% of their pre-retirement salary. If the member is still in pensionable or excluded employment with more than one employer the form must be completed by the main employer. The member is required to supply details of their other employers, along with details of their period of employment with each employer.

Date of Birth Verification

To avoid delays in the processing of the member's award you must verify the member's date of birth before submitting the application form and confirm this has been done.

Completion by the Employer

You must complete the section of the form relating to service and salary details and then forward it to TP.

If the salary used in the average salary calculation is the final year's salary it may be restricted if the teacher's salary in that final year was increased by more than 10% above the standard increase and you are not prepared to meet the cost of the difference in benefits. If you pay the additional contribution over and above the normal contribution, the teacher will receive retirement benefits calculated on the unrestricted salary.

For Age retirement:

Where a teacher continues in employment after age 75, the application form should be submitted in time for the lump sum to be paid before the 75th birthday as lump sums cannot be paid on or after age 75 due to HMRC restrictions.

For Premature retirement

Where premature retirement is being approved it is important that you complete the declaration to confirm the reason the employment is terminating i.e. redundancy or efficient discharge of employer's function.

Enhanced Severance - No enhanced severance can be paid (under the redundancy compensation regulations) if the member is retiring on these grounds

Mandatory Compensation - You must confirm on the form that you will pay the mandatory compensation and whether you wish TP to administer it on your behalf. The application cannot be processed without this information.

Section 8 - Ill Health Retirement

The key areas covered in this section are:

- 1. General background**
- 2. The application process**
- 3. After the decision by the DfES Medical Advisers**
- 4. Other information**

1. General Background

You and your occupational health advisers must look at ways of helping members to remain in or return to work, e.g. re-deployment, part time working or a transfer to a post with less responsibility, or consider other workplace adjustments, before concluding that ill-health retirement may be appropriate.

Where a teacher is under normal retirement age and applies for ill-health benefits the ill health application form and medical evidence form should be completed and returned to TP. Both forms must be submitted together.

In order for the application to be valid, the declaration on the application form must be signed and dated by the applicant and the certification must be completed by you.

All applications and supporting medical evidence will be assessed by the Medical Advisors appointed by the DfES. Where they judge that the teacher is permanently unfit to teach TP will ask you to complete a form to provide service and salary details.

Ill health benefits can be granted by the Secretary of State to the DfES if he is satisfied that the applicant has become permanently incapable of any teaching until normal retirement age (i.e. age 60 or 65). There are 2 different levels of benefits that can be awarded:

- Total Incapacity Benefits (TIB) and
- Partial Incapacity Benefits (PIB).

TIB is awarded if the member is assessed as being unable to undertake any type of gainful employment. PIB is awarded if the member is assessed as being permanently unable to teach but can do other work. If the member is awarded TIB their service will be enhanced but if they receive PIB it will not be enhanced. If the member is not in pensionable teaching employment only PIB can be awarded and the service used in the calculation will not be enhanced.

Benefits cannot be awarded to a member who has been barred for misconduct or who is under investigation by the DfES with a view to barring. If, after the investigation is complete, the member is not subsequently barred, then an application will be considered.

The member must not have applied for phased retirement, premature retirement or actuarially reduced benefits in respect of the same period of employment. However, if phased retirement,

premature retirement benefits or actuarially reduced benefits have been awarded in respect of an earlier period of service and the member subsequently taken up further employment in pensionable teaching service and later suffers a subsequent breakdown in health, the member is eligible to apply for ill health benefits.

In all circumstances the member must have completed the appropriate qualifying periods.

2. The application process

An application for ill health benefits must be submitted to TP through the employer, unless the applicant left teaching employment more than 12 months ago. In such case, the form should be submitted direct to TP.

Where the medical evidence form has been completed by a specialist or GP, it should be sent to your Occupational Health Adviser, along with any supporting reports or correspondence. The application must be assessed by the employer's Occupational Health Adviser for completeness.

If the view of the Occupational Health Adviser is that the application does not contain enough medical information to enable the DfES Medical Adviser to make a recommendation, the applicant must be given the opportunity to consider what more could be provided. Ultimately, it is for the applicant to decide what is included.

When a condition is severe enough to warrant ill health retirement, whether this be a psychiatric or physical complaint, it is not unreasonable to expect that the applicant should have had the benefit of a specialist opinion. It would greatly help in the consideration of the application, if the medical information is provided by a specialist. If this is not possible, or the applicant has not been referred to a specialist, then the form should be completed by the applicant's GP or your occupational health physician. Copies of all specialist reports or hospital correspondence relating to the present illness(es) should, however, be included.

All applications for ill health retirement will be considered on the basis of the medical information submitted with the application. It will not be possible for TP to obtain such reports on the applicant's behalf at a later date.

3. After the decision of the DfES Medical Advisers

You and the member will be notified by letter of the Medical Adviser's decision. Where the application has been accepted, and the member is still actively teaching then you should arrange for this to cease with immediate effect. Details of the member's pensionable service should be supplied from the date you last made your annual return to the last day of pensionable service.

Where the application is rejected members have the right to appeal against this decision and should follow the appeal process, details of which are sent to the member on rejection.

Irrespective of the Medical Advisers decision you can claim re-imbusement of £50 for each case until the end of December 2007, via TP, to contribute towards the costs of occupational health and medical advice. Funding will cease from 1 January 2008.

4. Other information

Commutation - If the member is seriously ill and having followed this application process, the DfES Medical Advisor concludes that life expectancy is less than a year, the member may request that the retirement pension be commuted to a lump sum payment if the member requests it. This would be equal to five times the annual pension.

Short service incapacity grant - Where a teacher is under 75 and has to leave pensionable employment through ill-health but does not have sufficient service to qualify for ill health benefits, a short service incapacity grant may become payable. As with an ill health application both forms should be completed. An application cannot be processed until both forms are received in TP.

Re-employment – Where a member has been accepted as unfit for teaching and subsequently returns to teaching for even 1 day after the award of ill health benefits this will result in the immediate cessation of pension payments. You must be satisfied that a person who has retired for reasons of ill health is medically fit to resume teaching.

Section 9 – Calculating Retirement Benefits

The key areas covered in this section are:

1. Calculating retirement benefits
2. Defining average salary
3. Restrictions
4. Case Studies

1. Calculation of retirement benefits

The way retirement benefits are calculated is set out below. There is a reduction if the member takes ARB.

Pension - $1/80$ of final average salary for each year of reckonable service.

Lump Sum- $3/80$ of final average salary for each year of reckonable service. There is no automatic pension lump sum for members who join the TPS on or after 1 January 2007. , There is however, the option to take a tax-free lump sum, up to 25% of fund value, by surrendering £1 of pension for £12 of lump sum.

Reckonable service is the number of years and days the member has been in the TPS (that is, in pensionable employment), plus any other service they may be entitled to take into account. (This could be service they have transferred from another pension scheme, or any added years they have bought in).

2. Defining average salary

The member left service before 1 January 2007

- The highest amount of full salary for any consecutive 365 days of reckonable service, whether continuous or not, during the last three years of reckonable service.
- Reckonable service is those years and days that count towards pension benefits.

The member was in service before 1 January 2007, but retires before 31 December 2008

The best of the following calculations will be used.

- The highest amount of full salary for any consecutive 365 days of reckonable service, whether continuous or not, during the last three years of reckonable service.
- The salaries for each of the last 10 calendar years are increased using the retail price index. Then the average of the best consecutive three years' re-valued salaries in those 10 calendar years is used.

- The pensionable salary received in the last 12 months before the date of retirement.

The member retires after 31 December 2008

The better of the following calculations will be used.

- The salaries for each of the last 10 calendar years are increased to current day value using the retail price index. The average of the best consecutive three years re-valued salaries in those 10 calendar years is used.
- The pensionable salary received in the last 12 months before the date of retirement.

3. Restrictions

If the member joined the scheme on or after 1 June 1989, the earnings cap will apply.

If the salary used in the average salary calculation is the final year's salary it may be restricted if the teacher's salary in that final year was increased by more than 10% above the standard increase and you are not prepared to meet the cost of the difference in benefits. If you pay the additional contribution over and above the normal contribution, the teacher will receive retirement benefits calculated on the unrestricted salary

In those circumstances, when the application for retirement benefits is received, we will calculate benefits on both the restricted and unrestricted average salaries and notify you of the sum required (known as 'additional contribution'). If you pay the additional contribution, the member will receive retirement benefits calculated on the unrestricted average salary.

It is not possible to anticipate whether this provision might apply in any individual's case (and if so, what the impact might be) in advance of retirement. It is only at retirement that TP will be in a position to determine the average salary period and assess salary progression against standard pay awards during that period.

Any retirement benefit calculations that we make can only be done on receipt of validated salary rates that have been provided by the employer. However, in no circumstances will we undertake calculations of estimates on behalf of employers on the basis of potential or hypothetical salary figures.

4. Case Studies

Calculation of Retirement Benefits Taking Account of New Average Salary Provisions Effective 1 January 2007:

Fictional Member: Retiring on 1 September 2006.

Start date of pensionable employment: 1.9.1996

End date of pensionable employment: 31.8.2006

Total Pensionable Service: 18 years 000 days

Last 10 Calendar Years:

Start date	End Date	Annual Salary	Revalued To 11.04.06	Pen Days	First Bite Factors
Mainstream Qualified Teacher:					
01.09.1996	to 30.11.1996	21981.00	27632.00	91	1.2571
01.12.1996	to 31.03.1997	21981.00	27632.00	121	1.2571
01.04.1997	to 30.11.1997	22638.00	26901.00	244	1.1883
01.12.1997	to 31.03.1998	22638.00	26901.00	121	1.1883
01.04.1998	to 30.11.1998	22638.00	26901.00	244	1.1883
01.12.1998	to 31.03.1999	23796.00	27979.00	121	1.1758
01.04.1999	to 31.03.2000	24630.00	28645.00	365	1.163
Head Teacher:					
01.04.2000	to 31.03.2001	34659.00	38745.00	365	1.1179
01.04.2001	to 31.08.2001	34659.00	38745.00	153	1.1179
01.09.2001	to 31.03.2002	36580.00	39817.00	212	1.0885
01.04.2002	to 31.03.2003	36580.00	39817.00	365	1.0885
Part Time (Regular) Mainstream Teacher:					
Please note that all days in the period count for average salary as member is regular part time.					
01.04.2003	to 31.03.2004	26337.00	27048.00	365	1.027
01.04.2004	to 31.03.2005	26337.00	27048.00	365	1.027
01.04.2005	to 31.08.2005	27801.00	27801.00	153	No 1st Bite Due 2nd bite on
01.09.2005	to 31.03.2006	27801.00	27801.00	212	No 1st Bite Due 2nd bite on
01.04.2006	to 31.08.2006	28005.00	28005.00	153	No 1st or 2nd Bite Due

Reckonable Average Salary Calculation:

Will be the better of:

Calculation 1 – best consecutive 1095 pensionable days in last 10 Calendar Years based on re-valued salary rates.

10 Calendar Year Average Salary Period = **1 September 1996 to 31 August 2006.**

Best 3 years average Salary Period =

01.04.2000	to	31.03.2001	38745.00	365	14141925
01.04.2001	to	31.08.2001	38745.00	153	5927985
01.09.2001	to	31.03.2002	39817.00	212	8441204
01.04.2002	to	31.03.2003	39817.00	<u>365</u>	<u>14533205</u>
				1095	43044319

Divided by 1095 = 39309.88

Average Salary: £39309.98
Deemed Date for Future Increases: 11.04.2006 day after date to which salary rates revalued.

Calculation 2 – the last consecutive 365 pensionable days based on un – revalued salary rates.

01.09.2005	to	31.03.2006	27801.00	212	= 5893812
01.04.2006	to	31.08.2006	28005.00	<u>153</u>	= <u>4284765</u>
				365	10178577

Divided by 365 = 27886.51

Average Salary £27886.51
Deemed Date 1.9.2006

Calculation 3 – the best consecutive 365 pensionable days in the last 1095 consecutive pensionable days.

In this case this will be the same as calculation 2.

The Best Average Salary:

The calculation of benefits will therefore be based on the average salary at calculation one:

18.000 (pensionable service) x 39309.98 (uplifted average salary) divide by 80 =

£8844.75 (Annual Pension) and £26534.25 (lump sum) payable from 1 September 2006.

2nd Bite PI is still outstanding from 11.04.2006 up to the payable date of 1 September 2006.

Re calculation in April 2007 – to apply 2nd Bite PI.

A recalculation of retirement benefits will be done to ensure the uplifted Annual Salary rates include the relevant 2nd bite PI increase thus bringing them up to the value as at the payable date of the award. This will ensure any additional lump sum and pension arrears are paid.

In the first calculation the salary rates have only been revalued up to 11.4.2006 (first bite PI) where the deemed date was prior to 11.4.2006. We now need to revalue the salary rates up to the payable date of the award of 01.09.2006 by applying 2nd bite PI.

See below the revalued salary rates including 2nd bite. Please note I have based these figures on an estimated 2nd bite PI increase of 1.13% from 11.4.2006 up to 1.9.2006.

Last 10 Calendar Years:

Start date	End Date	Annual Salary	Revalued Inc 2nd Bite	Pen Days	First Bite Factor
Mainstream Qualified Teacher:					
01.09.1996	to 30.11.1996	21981.00	27944.00	91	1.2571
01.12.1996	to 31.03.1997	21981.00	27944.00	121	1.2571
01.04.1997	to 30.11.1997	22638.00	27205.00	244	1.1883
01.12.1997	to 31.03.1998	22638.00	27205.00	121	1.1883
01.04.1998	to 30.11.1998	22638.00	27205.00	244	1.1883
01.12.1998	to 31.03.1999	23796.00	28295.00	121	1.1758
01.04.1999	to 31.03.2000	24630.00	28969.00	365	1.163
Head Teacher:					
01.04.2000	to 31.03.2001	34659.00	39183.00	365	1.1179
01.04.2001	to 31.08.2001	34659.00	39183.00	153	1.1179
01.09.2001	to 31.03.2002	36580.00	40267.00	212	1.0885
01.04.2002	to 31.03.2003	36580.00	40267.00	365	1.0885
Part Time (Regular) Mainstream Teacher:					
Please note that all days in the period count for average salary as member is regular part time.					
01.04.2003	to 31.03.2004	26337.00	27354.00	365	1.027
01.04.2004	to 31.03.2005	26337.00	27354.00	365	1.027
01.04.2005	to 31.08.2005	27801.00	28115.00	153	No 1st Bite Due 2nd b
01.09.2005	to 31.03.2006	27801.00	28112.00	212	No 1st Bite Due 2nd bi
01.04.2006	to 31.08.2006	28005.00	28005.00	153	No 1st or 2nd Bite

The system will determine the best average salary and Recalculate the benefits on this deducting what has previously been paid to determine any additional lump sum and arrears due.

Calculation 1 – best consecutive 1095 pensionable days in last 10 Calendar Years based on re-valued salary rates.

Best 3 years average Salary Period =

01.04.2000	to	31.03.2001	39183.00	365	14301795
01.04.2001	to	31.08.2001	39183.00	153	5994999
01.09.2001	to	31.03.2002	40267.00	212	8536604
01.04.2002	to	31.03.2003	40267.00	<u>365</u>	<u>14697455</u>
				1095	43530853

Divided by 1095 = 39754.20

Average Salary: £39754.20
Deemed Date for Future Increases to Annual Pension: 01.09.2006 day after date to which salary rates revalued.

Calculation 2 – the last consecutive 365 pensionable days based on un – revalued salary rates.

NO Change:
Average Salary £27886.51
Deemed Date 1.9.2006

Calculation 3 – the best consecutive 365 pensionable days in the last 1095 consecutive pensionable days.

In this case this will be the same as calculation 2 – NO Change.

Calculation 1 is still the most beneficial average salary benefits will therefore be calculated on this:

18.000 (pensionable service) x 39754.20 (uplifted average salary) divide by 80 =

£8944.70 (Annual Pension) and £26834.10 (lump sum) payable from 1 September 2006.

Arrears of pension:

Arrears of pension will be due from 1.9.2006 up to 11 April 2007 based on the difference between £8944.70 and the rate of £8844.75 that was paid i.e. £99.95 a year. This would be approximately £61.00 gross for the period of the arrears.

Deemed Date for Future Increase on Annual Pension:01.09.2006 day after date to which salary rates re-valued.

Increased Lump Sum:

£26834.10 Less Lump Sum Paid of £26534.25 = Credit Balance Due of £299.85

Annual Pension Rate payable from 11 April 2007.

The pension rate of £8944.70 will be due an increase from the deemed date of 1.9.2006 up to 11 April 2007.

Based on 1.58% increase for this 7 month 11 day period the pension rate would be increased to £9086.02.

The deemed date for the next increase due in April 2008 would be 12.04.2007.

Example Phased Retirement & Final After Phased Retirement Calculation:

First Phased Retirement:

Member Retires on Actuarially Reduced Phased Retirement grounds at age 55:

- Annual salary drops from £36,000.00 to £27,000.00 (25%).
- The member's average salary is £35,000.00 and the deemed date is 1.9.1999 (hypo calculation).
- The member wishes to take 50% of their accrued retirement benefits.

Step 1. Calculate the total pensionable service accrued up to the effective date (retirement date) in the usual way.

In 2007, at age 55, the member will have accrued 25 years service for personal benefits and 10 years 127 days for Family benefits.

Step 2. Determine the amount of service to be used in the calculation of the phased retirement benefits.

Member has elected to take 50% of their personal benefits at this time. These benefits will be subject to actuarial reduction as the member is under Normal Pension Age (NPA).

25 years x 50% = 12.5 years = 12 years 182.5 days (days rounded down to 182 days).

Step 3. Calculate the phased retirement benefits using this determined service total and the average salary calculated as per the new average salary provisions.

NOTE: Family Benefits (FB) - an FB pension will not be calculated at the time of phased retirement– this will be done at final retirement.

1. Annual Basic Pension:

$£35,000.00 \times 12.4986/80 = £5,468.14 \times 0.742$ (ARB factor age 55) = **£4,057.36**

2. Annual deduction for NI Mod and Grad at State Pension Age (SPA):

£25.99

3. Basic Lump sum

$£35,000.00 \times 12.4986/80 \times 3 = £16,404.41 \times 0.843$ (ARB factor age 55) = **£13,828.92**

4. Pensions Increase:

This will be applied to the benefits going into payment from the deemed date of 1.9.1999 - the factor from April 2006 tables = 1.1704.

Increased Annual Pension = £4,748.73 and Increased Lump Sum £16,185.36

NI Mod and Grad will be deducted from this pension at SPA.

Second Phased Retirement Calculation of Retirement Benefits:

Member Retires on Age Phased Retirement grounds at age 60:

- The member has accrued a further 5 years pensionable employment.
- Annual salary drops from £29,500.00 to £22,100.00 (25%).
- The member's average salary is £35,000.00 and the deemed date is 1.9.1999 (hypo calculation).
- The member wishes to take 75% of their accrued retirement benefits.

The calculation will be done as follows:

Step 1. Calculate the total pensionable service accrued up to the effective date (payable date) in the usual way.

The member will have accrued a total of 30 years service for personal benefits and 15 years 127 days for Family benefits.

Step 2. Determine the amount of service to be used in the calculation of the phased retirement benefits.

Total Service calculated at Step 1 (**30 Years**) Multiplied by

The total % the member wishes to take (**75%**) = **22 years 182 days** Less.

The amount of service used in the first phased retirement award calculation of **12 years 182 days** equals:

The amount of service to be used in the second phased retirement calculation (10 years 000 days).

Step 3. Calculate the phased retirement benefits using this determined service total and the average salary calculated as per the new average salary provisions.

For this example we will use £35,000.00.

1. Annual Basic Pension:

$£35,000.00 \times 10/80 = \mathbf{£4,375.00}$

2. Deductions for NI Mod and Grad at SPA:

N/A – already calculated and applied to first phased retirement pension.

3. Basic Lump sum

$\text{£}35,000.00 \times 10/80 \times 3 = \text{£}13,125.00$

4. Pensions Increase:

This will be applied to the benefits going into payment from the deemed date of 1.9.1999 - the factor for the purposes of this estimate is 2.0002.

Increased Annual Pension = £8,750.87 and Increased Lump Sum £26,252.62

Final Retirement after Phased Retirement - Calculation of Retirement Benefits:

Member retires on Age Retirement grounds at age 64:

- The member has accrued a further 4 years pensionable employment.
- The member's average salary is £35,000.00 and the deemed date is 1.9.1999 (hypo calculation).
- The member wishes to take their remaining retirement benefits.

The calculation will be done as follows:

Step 1. Calculate the total pensionable service accrued up to the effective date (payable date) in the usual way.

The member will have accrued a total of 34 years service for personal benefits and 19 years 127 days for Family benefits.

Step 2. Determine the amount of service to be used in the calculation of the phased retirement benefits.

Total Service calculated at Step 1 (**34 Years**) Less.

The amount of service used in the first and second phased retirement award calculations of **22 years 182 days** equals:

The amount of service to be used in the final retirement award calculation (11 years 183 days).

Step 3. Calculate the final retirement benefits using this determined service total and the average salary calculated as per the new average salary provisions.

For this example we will use £35,000.00.

1. Annual Basic Pension:

$$£35,000.00 \times 11.5014/80 = \mathbf{£5,031.86}$$

2. Deductions for NI Mod and Grad at SPA:

N/A – already calculated and applied to first phased retirement pension.

3. Basic Lump sum

$$£35,000.00 \times 11.5014/80 \times 3 = \mathbf{£15,095.59}$$

4. Pensions Increase:

This will be applied to the benefits going into payment from the deemed date of 1.9.1999 - the factor for the purposes of this estimate is 2.1158.

Increased Annual Pension = £10,646.41 and Increased Lump Sum £31,939.25

5. Family Benefit Pension:

$$£35,000.00 \times 19.3479/160 = \mathbf{£4,232.35}$$
 including Pensions Increase = £8,954.80

Section 10 – Calculating Abatement of Pension

The key areas covered in this section are:

1. Background
2. How abatement works
3. Case Studies

1. Background

Where a teacher takes up further teaching employment after retirement, that employment will be pensionable unless the member opts out of the scheme. Where the retirement was not on the grounds of phased retirement, a certificate of re-employment must be completed by them and you. If a retired teacher who is already in teaching employment takes up a new contract, that service will be pensionable unless they opt out.

If the teacher does not hold a current certificate of re-employment, TP should be contacted. (This may happen if more than one period of re-employment is undertaken). After the details have been noted, the certificate will be returned to the teacher for record purposes.

Where the teacher has not retired on phased or ARB grounds, the pension may be reduced or suspended.

2. How abatement works

The teacher's pension will be stopped if, in any tax year, their annual pensions plus earnings exceeds the highest salary in their average salary period ('salary of reference') plus pensions increase. Their pension will stop during the tax year from the point where earnings plus pension equal 'salary of reference', but it will recommence at the start of the following tax year.

The salary of reference and the annual pension for those over age 55 rises with the cost of living each April. The factors to enable you to calculate the relevant increases are shown at Appendix 7.

3. Case studies

Re-employment commences on 6 April on an annual salary of £30,000. This leaves a balance of £15,000 before the salary of reference (pension limit) is met. If a teacher retired with an annual pension of £12,000, the pension will be paid in full with no abatement.

Salary of reference + pensions increase	=	£30,000
Less re-employed salary/expected earnings	=	£15,000

Pension limit	= £15,000
-----	-----

Annual pension + pensions increase	=	daily pension rate

365		

£12,000	=	£32.87
eg. + -----		
365		

Pension limit	=	number of days pension can be paid*

Daily pension rate		

£15,000	=	456 days (i.e. 1 year 91 days)*
eg. -----		
£32.87		

If * exceeds 365 annual pension not affected.

Example 2

Re-employment commences on 6 April on a salary of £30,000. This leaves a balance of £6,000 before the salary of reference is met (pension limit). If a teacher retired with an annual pension of £12,000, the pension will be suspended between 6 October to the end of the tax year:

Salary of reference + pensions increase	=	£30,000
Less re-employment annual salary/expected earnings	=	£24,000

Pension limit	=	£6,000

Annual pension + pensions increase	=	daily pension rate

365		

£12,000	=	£32.87
eg. -----		
365		

Pension limit	=	number of days pension can be paid*

Daily pension rate

£6,000
eg. ----- = 182 days*
£32.87

If * less than 365 days annual pension will be stopped.

Review period commenced 6 April (start of tax year) for 182 days = 4 October. Pension suspended from 5 October for remainder of tax year.

In either example the annual pension position will be re-assessed at the start of the next tax year and the process will be repeated for as long as the re-employment continues or circumstances change, in which case the position will be reviewed.

Following the introduction of the amendment regulations on 1 November 1998, all teachers who have retired on age or premature retirement grounds and were in re-employment on or after 1 September 1998, will be assessed.

Section 11 - Death of a teacher in service

The key areas covered in this section are:

- 1. Short term pensions**
- 2. Payment of short-term pensions**
- 3. Accounting arrangements**
- 4. Income Tax**

1. Short term pension

Where a scheme member dies in pensionable service, any surviving beneficiaries will be entitled to a short-term pension. This short-term pension is paid by you. Before any short term pension is paid you must check the status of any adult beneficiaries other than a surviving spouse or registered civil partner with TP. In the case of a surviving spouse or registered civil partner you should see a copy of the marriage or registration certificate before issuing any payments.

Effectively, the short-term pension can be seen as a continuation of salary. Employers pay this as an expedient and recover the amounts from the TPS by deducting the amount from the monthly contribution return.

Scheme members who ceased teaching on grounds of ill-health (but are not in receipt of retirement benefits from the TPS) and die within 12 months of their last day of teaching service are entitled to a short-term pension. This is paid by TP.

When a teacher dies in service, the employer must:

- Inform TP by e-mail or telephone of the teacher's name, reference number, date of death and the name and address of the next of kin; and
- Put into payment any short-term pension.

The application form for death benefits should be completed by the next of kin. This form can be obtained from TP if you do not hold a copy of it.

2. Payment of short-term pensions

A short-term pension begins on the day following the teacher's death and is payable at the rate of the teacher's salary at the time of death. Should a retrospective increase in salary become due the short-term pension should be adjusted.

A short- term pension is payable to:

- the teacher's spouse, registered civil partner, nominated partner, or nominated adult dependant; and
- to the child or children of a member.

If the teacher has no spouse, registered civil partner, nominated partner, nominated adult dependant or children a short term is not paid.

A child is a person while he or she is unmarried and

- has not attained the age of 17, or
- having attained that age is receiving full-time education or attending a course of not less than 2 years' full-time training for a trade, profession or calling and has done so since attaining that age without a break at any one time of longer than a year but has not attained the age of 23; or
- is incapacitated at the time of the death of the teacher and unable to earn a living because of ill-health.

A child includes:

- a legitimate or illegitimate child born during the member's lifetime or within 12 months of the date of the member's death; and
- an adopted child.

This pension is paid for a period of 3 or 6 months at the rate of the member's final salary less any deductions in respect of income tax. National Insurance contributions should not be deducted from short-term pensions. The payment arrangements are shown in the table below:

Spouse or registered civil partner or adult nominated dependant or partner	3 months @ member's monthly salary less any income tax
Spouse or registered civil partner or adult nominated dependant and children or partner	3 months @ member's monthly salary paid to the adult beneficiary less any income tax 3 months @ member's monthly salary paid to child(ren) (the same amount is payable regardless of the number of children)
Child(ren) only	6 months @ member's monthly salary (the same amount is payable regardless of the number of children)

For example:

Teachers Final Salary = £36,000.00

Monthly Gross Salary =£ 3,000.00

Gross short-term pension payable is: £3,000 a month for spouse or registered civil partner or adult nominated dependant for 3 months. This amount is subject to tax.

£3,000 a month for child(ren) for 3 months

If no surviving spouse, registered civil partner or nominated partner:

£3,000 a month for child(ren) for 6 months

If the member was on a regular part-time contract at the time of death, the short-term pension will be based on the same percentage of the full-time contract. If the member was not on a regular part-time contract the short-term pension will be paid at the full-time rate.

3. Accounting arrangements

You should recover the value of the short-term pension paid to the beneficiaries by deducting that sum from the next monthly pension contributions remittance. You will need to record this on the remittance advice.

4. Income Tax

Short-term pensions paid to adults will be subject to PAYE income tax deductions. Employers should take the following action:

- send Form P46 for the adult to the local Inspector of Taxes together with Form P45 in respect of the dead teacher;
- create a record in the adult's name and deduct tax from the short-term pension using the tax code BR supplied by HMRC for emergency use until further directions are obtained or received from the tax office;
- when the final payment of the adult's short-term pension has been made, complete form P45, send part 1 to HMRC and part 2 and 3 to the dependant;
- the short-term pension payable in respect of a child is regarded as income of the child and the local Inspector of Taxes should be notified of the amount in all such cases; and
- where any arrears are paid after the normal payment of short-term pension has been completed (e.g. due to a retrospective increase in the deceased teacher's salary) tax should be deducted by reference code BR.

Section 12 - Teachers' Pensions Records

About this Section

1. Record requirements and data collection

2. Access to TP records

3. Amendments to teacher records

4. Retrospective service and salary amendments

1. Record requirements and data collection

TP maintains a computerised central record on behalf of the DfES of teachers employed in England and Wales. The records are maintained by collecting information from employers when teachers enter or leave employment and on an annual basis.

TP makes every effort to ensure that the information held about each teacher is accurate, and applies rigorous validation checks to the data supplied by employers. TP depends upon employers to provide complete and accurate information. The service and salary information held is used in the calculation of pension events such as retirement benefits or transfer values.

A summary of the service history is supplied to the member as part of their Estimate of Retirement Benefits. Where a member identifies that this record is incorrect or incomplete TP advises them to contact the employer they were with at the time so that the employer can notify TP of the correction needed to the member's record.

Each teacher's computer record contains the following data:

- teacher's reference number
- full name
- date of birth
- National Insurance number
- teacher status
- total pensionable service
- record of basic pension contributions paid (to 31 March 1989 for LAs and 31 March 1993 for Non-LAs)
- additional contributions
- full details of employment since 1 April 1962
- running totals for pre 1 April 1962 service

Pension events under the Teachers' Pensions Regulations are also recorded, e.g. elections to pay additional pension contributions.

2. Access to TP records

You may obtain a copy of a teacher's record by accessing TP Online or completing the appropriate form TR2.

Any teacher who requires a print of his or her record should be advised to write directly to TP.

3. Amendments to teacher records

The following amendments can be completed via TP Online or by using Form FG35:

- Change of Name
- Verify date of birth
- Amend NI Number
- Change Marital Status

If a teacher changes their name, or you discover that the record is incorrect, Form FG35 should be completed and submitted to TP immediately. This form is also used for correction of mis-spelt surnames and first names, amended dates of birth and National Insurance numbers.

4. Retrospective service and salary amendments

Where you discover that inaccurate service details have been given on previous Annual Returns, or where a retrospective pay award has been made to a teacher after the submission of service and salary details on the Annual Return, a member print should be requested.

Amendments should be made clearly in red ink, with the incorrect data being crossed through and the correct details entered above. The print should then be returned to the Employer Group at TP. Any other changes should be notified in writing.

Section 13 - Pension Contributions

- 1. Contribution rate**
- 2. Deduction of contributions**
- 3. Refund of contributions deducted in error**
- 4. Residential emoluments**
- 5. Remittance of contributions to TP**
- 6. Documentation relating to payment of contributions**

The purpose of this section is to instruct employers on the rate of contributions, how contributions are made and how to submit contributions

1. Contribution Rate

TPS contributions are payable by teachers, who are members of the TPS, and their employers. Contribution rates are 6.4% of salary for teachers and 14.1% of salary for employers. The rates are regularly reviewed by the Government Actuary.

2. Deduction of contributions

Pension scheme contributions must be deducted from the gross salaries of all teachers who are members of the scheme. The responsibility for making correct deductions from a teacher's salary rests with you. Failure to do so means you will need to recover the arrears due from the teacher.

The total of employer and employee contributions must be remitted to TP by 7th of the month following deduction. Where the 7th is over a weekend or bank holiday the contributions must be received by the last working day preceding either the weekend or bank holiday. In the event of late payment, interest will be charged at the rate of 8% per annum calculated with daily rests. Employers will be liable to pay arrears and interest for periods where incorrect deductions or payments of contributions are made to the TPS.

In addition to the basic contributions, some teachers have elected to pay additional contributions, over and above their basic contributions. Details of these elections are outlined below. The teacher should be able to produce a relevant letter issued by TP, and the information must be checked. If there is any discrepancy TP must be informed.

Additional pension contributions

This is where a member has decided to purchase additional pension by instalments that are deducted from their salary. The instalment period must be completed before NPA. These contributions must be noted separately from other contributions on the remittance slip.

As instalment costs will be reviewed at each Scheme valuation the deductions may increase or decrease depending upon the results of the valuation. TP will notify the teacher and you in advance of any changes that are to be made to deductions

PAY

Additional contributions in respect of these arrangements are no longer available but existing arrangements are being honoured. Where a teacher is buying additional years of service by instalments additional contributions must not be deducted from the salary if there has been a break in pensionable employment of more than 30 days.

Care should also be taken that contributions are not deducted beyond the end date of the election. The teacher should be able to provide the date the arrangement ends but in cases of doubt, TP must be consulted.

Contributions on a former higher salary

This provision is no longer available but existing arrangements are being honoured. Contributions in respect of these elections are classed as additional contributions and should be deducted from the teacher's salary and submitted with the monthly remittance of all other contributions to TP. The contributions should be recorded with other extra contributions.

Additional contributions for family benefits

If the teacher wishes to increase the value of their dependant's pension they may make payments by instalments that are deducted from their salary. Contributions in respect of these elections are classed as additional contributions and should be deducted from the teacher's salary and submitted with the monthly remittance of all other contributions to TP

Additional Voluntary Contributions (AVCs) with Prudential

A teacher can also pay additional contributions into the Scheme's AVC provision with Prudential either as a percentage of salary, or at a set monthly amount. These contributions should be remitted directly to Prudential Financial Services.

Instruction for deduction from salary and remittance of contributions to Prudential can be found in the Prudential AVC Facility Employers Manual, a copy of which can be obtained from Prudential Financial Services

Teachers AVC

Craigforth

Stirling

FK9 4UE

Telephone: 0845 6000 343.

3. Refund of contributions deducted in error

If you become aware that TPS contributions deducted in error from current financial year salaries, you should make the necessary refund including income tax and National Insurance adjustments via the payroll. This is not a repayment of contributions which is undertaken TP subject to certain conditions after a member has left pensionable teaching.

However, if you become aware that TPS contributions have been deducted in error from previous financial years you should make the necessary refund to the teacher. HMRC have

confirmed that, in such circumstances, there is no obligation on you to deduct income tax from the refund. The refund will be treated as taxable income received by the teacher in the tax year of payment. It is the teacher's responsibility to report this on their tax return.

However, if you do deduct tax, it should be deducted at the basic rate and again the teacher should report this on their tax return.

HMRC have confirmed that, if NI contributions have been deducted erroneously in tax years prior to the current year, you should write to your local HMRC office to inform them of underpayments or overpayments of NI contributions.

4. Residential emoluments

The Teachers' Pensions Regulations allow the value of free accommodation to be included in contributable salary where you have agreed this with TP. This arrangement is known as a 'residential emolument'.

The valuation used consists of current gross annual value of the residence, as certified by an estate agent, i.e. the rent the property would fetch if let on the open market, subject to a limitation of one-sixth of contributable salary. In addition to this valuation, the annual Council Tax and costs of amenities (e.g. heating, lighting and water) may be added if these are provided free of charge. TP will consider the incorporation of a residential emolument upon written receipt of the above information.

Where a residential emolument is accepted as part of contributable salary, pension contributions are payable on it, by both the scheme member and you from the date of occupancy of the property and it continues to form part of contributable salary so long as it is received by that teacher, and any successor. Interest at the appropriate rate will be added to any backdating and the emolument will be further reviewed every 2 years.

5. Payment of contributions to TP

The Teachers' Pensions Regulations require employers to remit the contributions deducted from the teachers' salaries and their employers' contributions to TP within 7 days after the end of the month to which the contributions relate. Where the 7th of the month is over a weekend or bank holiday the contributions must be received by the last working day preceding either the weekend or bank holiday.

If **all** contributions due are not received within 7 days of the last day of the month to which they relate, compound interest will be calculated at the rate of 8% per annum, or 12% per annum in relation to pensionable employment before 1 April 2003, compounded with monthly rests, for each day's delay.

6. Documentation relating to payment of contributions

Prior to the start of each financial year all employers are issued with paying-in slips for each month of the forthcoming year along with 12 pre-paid envelopes Notes of guidance for completion are printed on the reverse of each slip.

It is important that the correct paying-in slips is completed each month providing an accurate statement of the contributions that are being paid together with the contributory salary bill on which the contributions are based.

It is essential that the teachers' and employer contributions collected equate to 6.4% and 14.1% of the total actual contributory salary. If not, you need to provide an explanation at the bottom of the slip giving the reasons for the variance. TP monitor monthly payments and failure to pay over the correct rates or provide a reasonable explanation for any variance will result in a report to the DfES who will determine appropriate follow up action.

Remittances must be made to TP on or before the 7th day of the month following the month the contributions relate to. Where the 7th of the month is over a weekend or bank holiday the contributions must be received by the last working day preceding either the weekend or bank holiday. This can be done by electronic transfer, cheque or at the counter of a bank. Electronic transfer guarantees payments are received.

The paying-in slips, showing the breakdown of payment, must be completed and despatched to TP to arrive no later than the actual payment. The paying-in slips must be completed regardless of the method used to submit payments. The envelope provided should be used.

3 bank working days must be allowed for all payments made over the counter of a bank and the payment must be accompanied by the appropriate paying-in slip.

Where payment is made by cheque, this should be made payable to "Teachers' Pensions" and crossed "Account Payee" then sent, together with a completed paying-in slip. Payments by cheque must be posted in good time to reach TP by the due date. To ensure that interest penalties are not incurred allowance should be made for possible postal delays, weekends and public holidays.

Further supplies of paying-in slip forms and postage paid envelopes can be obtained from TP.

Section 14 - Annual return of service, salary and additional contributions

The key areas covered in this section are:

1. Background
2. Methods of annual return submission
3. Computer produced additional contribution returns
4. Multiple employment
5. Accuracy of Data
6. Timing

1. Background

Under the Teachers' Pensions Regulations, all employers are required to submit annual returns for **all teachers in your employment at 31 March** each year. Arrangements must be in place for those schools that have outsourced payroll to provide you with the information you require for a full return. This Annual Return Data must be submitted to TP by no later than **31 August**.

2. Methods of annual return submission

Mechanised

Returns can be made by disk or CD provided the data is in the accepted format as outlined in Appendix 7. Where you act as an agent for other employers you should not include those returns on the main file. One file should be submitted for teachers employed by you and a separate file should relate to the teachers employed by those for whom you act as agent.

A letter providing details of all employers included must accompany the return. It is important that the employer code and school number is entered on each line of service entered on all mechanised submissions. If you are having difficulties conforming to the required format please contact TP immediately.

Returns should be sent to TP. Please ensure that form TR12 is also completed.

Comment [e1]: Add appendix

TPOne - Secure Internet subscription service

Using this Internet service you will be able to view your records of projected service and where possible, salary details for each teacher recorded as being in service with you on our database. You will be asked to confirm that the projections are correct or amend where necessary. Details of any teachers employed during the year who do not appear on the return should be included using the insert facility. If you require further information on this method e-mail tpdata@capita.co.uk

On subscribing you are provided with a password that for security you must change. If you forget your password TP can reset it but you need to request this via email. You should regularly change the password and it is particularly important to do so where a member of staff has left the authorised post.

PC Application - provided by TP

Using the PC Application will enable you to process the return locally on a disk or CD, which will have projected service, and where possible, salary details for each teacher recorded as being in service on our database.

You are asked to confirm that the projections are correct or amend them. Details of any teachers employed during the year who do not appear should be included using the insert facility. If you require further information on this method e-mail tpdata@capita.co.uk

Paper Schedule only available to Non LA establishments

Appendix 8 provides guidance on the completion of the paper return. Alternatively an excel format is available on CD or Disk.

3. Computer produced additional contribution returns (LA ONLY)

TP do not issue schedules for the return of additional contributions. It is expected that you will submit details of any teachers paying additional contributions either by computer produced schedule or by disk in the format outlined in Appendix 7.

4. Multiple employment

Where you have teachers' known to be employed by more than one employer and you submit the return by TP Online or PC Application these teachers will be included. If however you submit using your own system you should include the service and salary details for such staff on your annual return.

5. Accuracy of Data

Over recent years the data presented on annual returns has given cause for concern. It is important that checks are made to ensure that the required data fields are present and the correct service and salary details included. A list of the most common errors is shown at Appendix 9. Care must be taken to ensure the accuracy of the data as errors can impact upon member's benefits.

6. Timing

All returns must be completed and submitted no later than 31 August. Those employers who choose to use the mediums of PC Application, TP Online Excel or Paper Schedule should inform TP before the beginning of April. During April we will issue your chosen medium with the teacher records held on the database.

Section 15 – End of Year Certificate (EOYC)

The key areas covered in this section are:

1. Local Authority actions

2. Non local authority actions

1. Local Authority actions

In March each year TP will send you a certificate setting out the contributions received in each of the previous 11 months. You will need to certify that the contributions recorded are correct, enter details of the 12th payment and return the certified form to TP by 30 April.

LA will send a TR17 at the end of April that will need to be audited by a District Auditor and returned to TP by 30th September

2. Non local authority actions

In March each year TP will send you a certificate setting out the contributions received in each of the previous 11 months. You will need to certify that the contributions recorded are correct, enter details of the 12th payment and return the certified form to TP by 30 April.

For Non LAs (with the exception of establishments in the range 6000-6899) an audited certificate will also be required unless one of the following options is satisfied:-

- an audited EOYC is provided by 30 April; or
- where establishments are the range 6000-6899, the EOYC is signed by an appropriate person who is not connected to payroll, the certificate should be returned by 30 April

If neither of these options can be provided by 30 April then the unaudited certificate should be submitted. TP will process the EOYC and issue a TR17A for completion and return by 30 September.

Examples of an appropriate person are:

- An independent qualified accountant;
- An individual approved for the purpose by TP e.g. where a school accountant /officer deals with the payroll then the school bursar may be eligible to certify; and
- A nominated governor with a relevant accounting qualification or financial management background.

Section 16 - Audit Certification

The key areas covered in this section are:

- 1. Action to be taken by employers**
- 2. Action taken by TP**
- 3. Information for auditors**
- 4. Tests to be undertaken by auditors**
- 5. Common errors**

1. Action to be taken by employers

At the end of each scheme financial year, 31 March, you will be issued with a form asking for a summary of contributions due to the TPS, contributions actually paid over during the course of the year and any adjustments made to the contributions. The form also asks for total contributable salaries paid for the year.

LAs will receive form TR17 and all other employers will receive form TR17A if an audited EOYC has not been submitted. Notes for guidance for completion of these forms are on the reverse side of the form.

These summaries must be checked by auditors or responsible officers who are required to sign the certificate on the form when their checks are completed. Instructions for the certification of form 17 (LAs) are passed direct to auditors appointed by the Audit Commission. Instructions for auditors of non LA s are outlined below.

When you have completed the appropriate section of the forms, it should be forwarded to your auditor in sufficient time to complete the checks and return the form to TP by no later than 30 September. If you are a Local Authority you must send the form TR17 to your auditor no later than the 30 June. After forming their opinion, the auditors should send the signed form no later than 30 September, directly to TP.

You should take a copy for your records. This auditor certificate is separate from the annual return of service, salary and additional contributions information which is submitted for individual teachers

2. Action taken by TP

On receipt of the fForm TR17A, TP will check sections 1 to 3. Discrepancies will be investigated by TP and will ask you for an explanation. Refunds of overpayments will be made by TP after the audited copy of form TR17A is received. If an underpayment is discovered, this should be paid to TP with an in payment slip B9, by the due date of the return of the completed audit certificate. If the payment has not been received by the due date, you will be

asked to provide a monthly schedule of contributions due and paid. Interest will then be calculated as stipulated under regulation G7 of the Teachers' Pensions Regulations.

3. Information for auditors

The TR17A includes a reference to the pension contributions paid to TP. The auditor is entitled to form an opinion without qualification where he has carried out the tests listed in paragraphs 8 to 15 and is satisfied:

- that teacher and employer contributions have been correctly calculated in respect of all those required to contribute under the scheme based on the pensionable salaries paid and the current contributions rate; and
- that they have been remitted.

When the auditor considers that he is unable to form an opinion without qualification, he should:

- where the amendments required are simple and agreed with the employer, make them in red on the form TR17A and include "subject to the amendments in red". No report is required; or
- where there are uncertainties or disagreement with the employer, set out the reasons for concern and any matters in dispute in the form of a formal letter to TP.

If uncertainties or disagreements remain although amendments have been made, please qualify this in a letter attached to TR17A.

4. Tests to be undertaken by auditors

Please ensure that all relevant parts of the form TR17A are completed then check all the arithmetic on the form TR17A.

- Ascertain the method of compilation of the form TR17A and the internal controls which apply.
- Consider to what extent they may be relied upon to produce accurately compiled returns and whether there are areas covered by the form TR17A which may have a high risk of error.
- Investigate changes in the method of compilation of the form TR17A.
- Compare the form TR17A and working papers with those of the previous period.
- Obtain and corroborate explanations for significant variations. If the previous form TR17A resulted in adjustment to that return (after any necessary TP decision), ensure that the corrected approach has been followed in the current return.

Agree the compilation of Form TR17A and reconcile it with the employers payroll, accounts and related records.

Please check that::

- the total of teachers' salaries at section 1 of form TR17A agrees with the employers' payroll records;
- the total additional contributions at section 2.a.i. of form TR17A agree with the employers' payroll records);
- the total TR22 election amounts at Section 2.e.i of form TR17A agree with the employers' payroll records
- the amounts at Section 2cii and iii are the arrears plus interest paid in respect of backdated EFE elections and agree with the employers' payroll records;
- the total basic teachers' contributions at section 2.a.ii. of form TR17A agree with the employers' payroll records;
- the total employers' contributions at section 2.a.iii. of form TR17A have been calculated in the relevant ratio to the teachers' basic contributions;
- the contributions due at section 2.a.iv. of form TR17A for teachers' and employers' contributions have been correctly calculated;
- the contributions paid in respect of this return are correctly analysed between the types of contribution made and that all figures agree with amounts paid as recorded by the employer and advised in the end of year report issued in April each year; and
- t all figures on form TR17A have been calculated correctly.

Ensure that contributions in respect of all persons eligible to be members of the TPS by virtue of Schedule 2 to the Regulations, including those who have elected to contribute to the scheme but excluding those who have opted not to do so, are brought to account on the return.

Auditors should sample check pay records from which the return is compiled. The extent of this testing will depend on the information provided by the employer about controls.. In particular please substantiate any variation from the normal 6.4% contribution. The circumstances in which contributions are not payable are where:

- a teacher has opted out of the Teachers Pension Scheme;
- a teacher is aged 75 or over;
- a teacher has been in continuing part-time employment from before 1 January 2007 and has not made a valid election to treat the service as pensionable;

- a teacher has retired before 1 January 2007 (other than on ill-health grounds) and has been in continuing employment before 1 January 2007 and did not make an EFE election..

Circumstances which apply where contributions are paid at a non standard rate are where:

- a teacher has elected to buy-in additional years;
- a teacher has elected to buy additional pension;
- a teacher is paying contributions to re-instate earlier years of service for which contributions were previously withdrawn;
- a teacher has elected to pay contributions for additional family benefits;
- a teacher has elected to pay contributions on a former higher salary, TR22 elections.

5. Common errors

- The employer has not treated as the service as pensionable despite TPS membership being automatic for all teachers including re-employed teachers unless they opt out.
- The employer has not treated part time service as pensionable where a member has changed contract or taken up additional employment.
- Non implementation of a new part-time election or where a teacher changes employer and the election is not picked up by the new employer.
- The deduction of contributions in error by a new employer when a teacher has not notified them that they have opted out.
- Non implementation of election to pay any additional contributions.
- Non deduction of contributions on full time re-employment in the case of teachers who are in receipt of ill-health benefits.
- Non deduction of contributions in respect of pensionable allowances.
- Deductions of contributions in respect of an allowance that is not pensionable.
- Incorrect rate of deduction for additional contributions.
- Collection of additional contributions past the cessation date.
- Payment of AVC contributions to Teachers' Pensions instead of the appropriate insurance company.

For a selection of teachers whose records show an additional contributions election, please check that the correct deductions are being made on the payroll; auditors should refer to the list for employers provided by TP which indicates which teachers who according to TP records have elected to pay additional contributions.

Section 17 - National Insurance

The key areas covered in this section are:

1. Contracted out details

2. National Insurance Position

1. Contracted out details

The TPS is accepted for the purposes of contracting-out of the State-Earnings Related Pension Scheme.

The following details may be useful:

- TPS Fund number 49/684;
- ECON number E3900002R; and
- SCON number S2730011H.

2. National Insurance position

TP have to notify the HMRC of members who leave contracted-out employment, and, within 48 weeks of their last day of employment, must pay a Contributions Equivalent Premium (CEP) to buy the teacher back into the state scheme for the period of teaching service.

Section 18 - Pension Sharing

The key areas covered in this section are:

1. Requests for information

2. Premature Retirement Compensation (PRC)

3. Retirement Benefits

Legislation allows the current value of the teacher's pension benefits to be shared as part of a divorce settlement or when a registered civil partnership is legally dissolved.

1. Requests for Information

The first stage towards Pension Sharing is that TP are asked to provide a Cash Equivalent Transfer Value (CETV). Legislation requires the CETV to be valued up to the date the request is received in TP. As TP is not the employer, the teacher's service and salary details held in TP are not up to the current date. Teachers are told to contact you to obtain their current details. You must return the completed form to the teacher, who will send it to TP as part of their request for a CETV.

A further request for up to date service and salary details will be sent to you by TP if the case proceeds to Pension Sharing.

2. Premature Retirement Compensation (PRC)

Pension Sharing does not apply to mandatory compensation or discretionary enhancement. You should not be asked to provide CETVs or to implement Pension Sharing for those benefits.

3. Retirement Benefits

You should be aware that if you obtain service details from TP that no reduction in service will be applied when a teacher is subject to Pension Sharing. Instead the benefits payable in respect of that service are reduced. Retirement benefits in these cases are calculated as follows:

1. Calculate the benefits as normal, i.e. as if no Pension Sharing has occurred;
2. Apply index-linking (up to the date of retirement) to the basic amount of reduction in the benefits, which was calculated at the time of Pension Sharing;
3. Deduct 2. from 1 to get the reduced amounts payable.

The benefits that are reduced are the pension, lump sum and widow(er)'s / adult nominated beneficiary's pensions (short-term pensions, where the member dies in service, are unaffected). All children's short and long-term pensions are unaffected.

Further information about Pension Sharing is available for members in the fact sheet 'Pensions on Divorce' and in the leaflet 'Pensions and Divorce or Dissolution' leaflet.

Section 19 - Services TP Can Provide To Employers

The key areas covered in this section are:

- 1. Seminars**
- 2. Training Staff to Carry Out their Role**
- 3. Presentations to Scheme Members**
- 4. Assistance with Annual Returns**
- 5. Administration of Compensation Payments**
- 6. Contacts**

1. Seminars

Staff from TP present a programme of seminars each year at locations around the country. The purpose of these is to provide an overview of the Scheme to those involved in its administration and to make you aware of your responsibilities to the teacher and the Scheme.

These sessions provide the opportunity for attendees to make contact with others who also administer the Scheme in their locality. Time is made available for questions to be asked of the presenters and for issues to be aired. This provides useful learning and discussion.

2. Training Staff to Carry Out their Role

TP can provide training, or refresher sessions at your premises, for staff who have the responsibility for administering the Scheme. Such training covers:-

- The appointment of teachers – how to notify TP; information that should be provided to new starters, etc
- Leavers – when to inform TP
- Deduction of contributions
- Scheme events
- TP On-line
- Annual return
- End of year certificates
- TR17 and TR17a
- How to make use of the Scheme website
- How to guide teachers to obtain estimates of their benefits

3. Presentations to Scheme Members

TP can provide presentations about the TPS provisions at your premises to Scheme members. TP can present information tailored to suit the particular circumstances and can do this for group sessions or one to ones. These presentations cover:

- Induction
- Pre-retirement
- Redundancy options
- Effects of scheme changes.

4. Assistance with Annual Returns

All annual returns of teacher data must be submitted to TP by the 31st August. TP are aware that some employers lack the expertise, and sometimes the resources, to achieve this timetable. TP can come to your premises to assist with or to compile the annual return. Alternatively, TP can undertake this from their own premises using basic information supplied by you that can be amalgamated into existing records. You are invited to contact TP to explore the level of assistance required to help you achieve the deadline.

5. Administration of Compensation Payments

TP can provide a payment administration service of either mandatory or discretionary compensation or both if you are an employer within the maintained sector. Reimbursement of the member's benefits can be made by one of three ways:

- Option A - 'Pay as you go', invoiced quarterly.
- Option B - a single actuarially determined lump sum payment to be made in full on receipt of invoice.
- Option C - an actuarially determined lump sum broken down into annual instalments including a nominal interest charge payable over 2 - 5 years.

If you decide to on Option A, you will need to reimburse TP for the lump sum payment before the member TP pays the member.

If payment is made under either Option B or C, there would be no refund of any portion of the actuarial amount if the teacher dies after a short period of retirement.

If you are an employer in the non-maintained sector, this service is only available in respect of mandatory compensation and payment must be made by one payment of the capitalised cost. You will need to make your own arrangements in respect of any discretionary or additional compensatory payments.

TP can also offer a service to take over the administration of your existing mandatory or discretionary pension payroll. TP charge an annual administration fee of £92.79 plus VAT per teacher per year for providing the full service. If, however, you wish TP to administer only discretionary payments, the fee is £28.87 plus VAT per teacher per year.

You must be aware that the fee for administering discretionary payments will continue to be payable throughout the life of any subsequent beneficiary payments but the costs of administering mandatory compensation payments will cease upon the death of the teacher. If you would like TP to administer payments on your behalf, you will be required to enter into a contractual arrangement with Capita.

6. Contacts

There is a charge for these services and further details can be obtained from:

Allan Downing

allan.downing@capita.co.uk

01325 745182 or 07876 020392;

Graham Patrick

graham.patrick@capita.co.uk

01325 745759 or 07876 020391;

Judith Gordon

judith.gordon@capita.co.uk

01325 745108 or 07766 397592; or

Chris McMaster

chris.mcmaster@capita.co.uk

01325 745108 or 07795 827085.

Vanda Patrick

vanda.patrick@capita.co.uk

01325 74575065 or 07920 594370

Section 20 – Arrears of contributions

The key areas covered in this section are:

- 1. Background**
- 2. How missing contributions are identified**
- 3. How TP issue Invoices**
- 4. Employers' Responsibilities on receiving an Invoice**
- 5. Retrospective Part-Time Elections**
- 6. Overseas Teachers: Opt Out Forms**
- 7. Interfund Transfers**
- 8. Additional Guidance for LA Employers**
- 9. Case Study**

1. Background

Under Regulation G7 (1) of the Teachers' Pensions Regulations 1997, employers are under a duty to deduct employee contributions, and to remit both employer and employee contributions to TP within seven days after the end of each month. Where an employer does not do that and the employment subsequently becomes identified as pensionable, then arrears of contributions are due.

There are no time limits to your responsibilities under G7 (1), and, where you have not deducted and remitted contributions then the Teachers' Pensions Regulations allow, under G7 (4) and (5), for the charging of interest – compounded with monthly rests - until the amount is paid. Interest is charged at the rate of 12% on amounts and contributions payable up to 31 March 2003, and 8% thereafter.

The purpose of this section is to explain how invoices for arrears of contributions in respect of pensionable employment are issued by TP and how employers can ensure that they do not suffer any financial penalties resulting from late payment.

Where TP identifying contributions have not been deducted correctly they will issue employers with invoices for arrears of contributions. These invoices must be paid within 28 days. Where payment is not received within this deadline, under the contract TP have with the Department, TP may issue new invoices which take into account recalculated compound interest, rendering the original invoice null and void.

Only in very exceptional conditions will the Department waive the interest which is specified in the Regulations. The Regulations do not allow for a lower level of interest to be charged.

2. How missing contributions are identified

Missing contributions are identified in a number of ways.

- A teacher who receives their annual benefit statement, and queries a period of service which is not on their estimate. If this service was pensionable TP will generate an invoice once the exact service and salary details have been provided by the relevant employer.
- You may identify that a member has “missing” service and provide TP with the necessary service and salary details on request so that an invoice can be issued.
- HMRC inform TP that a teacher is paying National Insurance contributions at a rate which indicates that they should be a member of the TPS.

In all of these cases, TP will write to the employer to obtain service and salary details before issuing an invoice for the arrears of contributions. You will therefore be forewarned that an invoice may be issued as a result of that service and salary query.

3. How TP issue Invoices

TP are under contract to issue invoices relating to arrears of contributions within five working days. TP issue invoices to designated contacts. Where, for example, no contacts exist in relation to independent schools the invoice will be addressed to the School Bursar. In the case of LAs, the default position in lieu of a designated contact is for invoices to be issued to the person providing the service and salary information. If you would like TP to issue invoices to a designated contact point then please email: tpcontributions@capita.co.uk.

Teacher with same employer when arrears identified

Where an employee is still working for you at the time “missing” service is identified and invoiced, you will be invoiced for both employee and employer contributions.

Teacher no longer with employer when arrears identified

The main exception is where an employee is no longer employed by you when the “missing” service comes to light and the invoice is issued. It is recognised by the Department that it could prove potentially difficult for you to recover the employee contributions from an ex-employee. TP will invoice you for the employer contributions (plus compound interest on the employer contributions only) and invoice the ex-employee for the employee contributions separately.

4. Employers' Responsibilities on receiving an Invoice

You have 28 days from the date of the invoice in which to make payment and to avoid the possibility of further interest being added to the amount. TP will issue a prompt after 14 days as a failsafe to ensure the posted invoice was received and is being processed, and will issue reminders where payment is not received within the requisite 28 days.

It would be prudent to pay the invoice even if you wish to challenge it. This will reduce the potential for further compound interest being levied. Having provided service and salary details, you have effectively been forewarned that an invoice could be on its way.

If an invoice is cancelled after it has been paid by you, then TP will reimburse you in full with all amounts paid. Where payment is received by TP between 29 and 59 days after the dated invoice, TP will issue a supplementary invoice in respect of the balance of compound interest due. When payment is not received by TP within 60 days of the dated invoice, then additional interest will be charged. TP will, on instruction from the Department, cancel the original invoice and issue a replacement to include the revised costs for compound interest.

5. Retrospective Part-Time Elections

Arrears should not be confused with invoices relating to retrospective part-time elections. In the case of a retrospective part-time election, all parties need to agree to the retrospection, i.e. you, the employee and TP. Payment is required within 6 weeks of the date of acceptance and TP make this clear when issuing these invoices. Where one or more parties fail to make the payment within the six-week period, then the invoice will be cancelled and any monies received from one party but not the other will be refunded, and the service will not be recognised as pensionable.

6. Overseas Teachers: Opt Out Forms

Many overseas teachers are resident in the UK for up to a year and do, therefore, not qualify for pension benefits due to the two-year qualifying period. From 1 January 2007 both full- and part-time teachers will automatically become TPS members when taking up an appointment. You need to provide information about the TPS to such teachers so that they can make a considered decision to remain in or opt out. of the TPS. The appropriate opt out forms must be submitted to TP after the teacher has considered and made their decision.

You should not assume that if the period of employment is less than a year they do not need to provide TP with opt out forms. Unless opt out forms are been received and validated by TP, the teacher is a member of the TPS. Where in doubt you should deduct and remit contributions to TP. The DfES will not allow retrospective opt outs except in the most exceptional of circumstances. It is essential in order to protect yourself from financial exposure that you ensure that opt out forms are promptly submitted to TP.

7. Interfund Transfers

Some invoices relate to an employee being put in the Local Government Pension Scheme (LGPS) rather than the TPS in error. When this comes to light, TP will issue an invoice as normal which must be paid within 28 days to avoid further compound interest being charged. This gives you 28 days in which to arrange to recover the amount paid incorrectly to the LGPS and pay it to the TPS. To avoid being charged additional interest when this cannot be arranged within the 28 days then you must pay TP's invoice and not delay in expectation that you will recover the money due from the LGPS.

8. Additional Guidance for LA Employers

From April 1999 LAs became the deemed employer of former Grant Maintained schools by virtue of paragraph A3 (4) of the Teachers' Pensions Regulations. As a result, arrears invoices are issued to LAs though it is recognised that in practice most LAs would seek reimbursement of the invoice from the school concerned. It is, therefore, incumbent on all LAs with former Grant Maintained schools to have processes in place locally to discharge their liability promptly.

Where a LA is in dispute with a school that refuses to re-imburse for arrears, the LA has recourse to the provisions contained within paragraph 6.2.8 of the Guidance on Schemes for Financing. Where an invoice is not paid within 28 days, then again it could be subject to additional compound interest.

9. Case Study

The average arrears invoice TP issue amounts to £4,800 and the table below illustrates how compound interest increases when invoices are unpaid:

Late Payment of one year - 8% compound Interest charged on £4,800 with monthly rests						
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Amount due	£4,800.00	£4,832.00	£4,864.21	£4,896.64	£4,929.28	£4,962.14
Interest charged	£32.00	£32.21	£32.43	£32.64	£32.86	£33.08
Cumulative interest	£32.00	£64.21	£96.64	£129.28	£162.14	£195.23
	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Amount due	£4,995.23	£5,028.53	£5,062.05	£5,095.80	£5,129.77	£5,163.97
Interest charged	£33.30	£33.52	£33.75	£33.97	£34.20	£34.43
Cumulative interest	£228.53	£262.05	£295.80	£329.77	£363.97	£398.39

Appendix 1 - LA Numbers

Use your browser's search function to locate the required Authority.

England

Inner London

201 Corporation of London

202 Camden

203 Greenwich

204 Hackney

205 Hammersmith & Fulham

206 Islington

207 Kensington & Chelsea

208 Lambeth

209 Lewisham

210 Southwark

211 Tower Hamlets

212 Wandsworth

213 Westminster

Outer London

301 Barking & Dagenham

302 Barnet

303 Bexley

304 Brent

305 Bromley

306 Croyden

307 Ealing

308 Enfield

309 Haringey

310 Harrow

311 Havering

312 Hillingdon

313 Hounslow

314 Kingston

315 Merton

316 Newham

317 Redbridge

318 Richmond-Upon-Thames

319 Sutton

320 Waltham Forest

Metropolitan Districts

West Midlands

330 Birmingham

331 Coventry

332 Dudley

333 Sandwell

334 Solihull

335 Walsall

336 Wolverhampton

Merseyside

340 Knowsley

341 Liverpool

342 St Helens

343 Sefton

344 Wirral

Greater Manchester

350 Bolton

351 Bury

352 Manchester

353 Oldham

354 Rochdale

355 Salford

356 Stockport

357 Tameside

358 Trafford

359 Wigan

South Yorkshire

370 Barnsley

371 Doncaster

372 Rotherham

373 Sheffield

West Yorkshire

380 Bradford

381 Calderdale

382 Kirklees

384 Wakefield
Tyne & Wear
390 Gateshead
391 Newcastle-upon-Tyne
392 North Tyneside
393 South Tyneside
394 Sunderland
Others
420 Isles of Scilly
427 ILEA

From 01 April 1996

800 Bath & North East Somerset
801 City of Bristol
802 North West Somerset
803 South Gloucestershire
805 Hartlepool
806 Middlesbrough
807 Redcar & Cleveland
808 Stockton on Tees
810 City of Kingston-Upon-Hull
811 East Riding of Yorkshire
812 North East Lincolnshire
813 North Lincolnshire
815 North Yorkshire
816 City of York

Counties

901 Avon
902 Bedfordshire
903 Berkshire
904 Buckinghamshire
905 Cambridgeshire
906 Cheshire
907 Cleveland
908 Cornwall
909 Cumbria
910 Derbyshire

911 Devon
912 Dorset
913 Durham
914 East Sussex
915 Essex
916 Gloucestershire
917 Hampshire
918 Hereford & Worcester
919 Hertfordshire
920 Humberside
921 Isle of Wight
922 Kent
923 Lancashire
924 Leicestershire
925 Lincolnshire
926 Norfolk
927 North Yorkshire
928 Northamptonshire
929 Northumberland
930 Nottinghamshire
931 Oxfordshire
932 Shropshire
933 Somerset
934 Staffordshire
935 Suffolk
936 Surrey
937 Warwickshire
938 West Sussex
939 Wiltshire

Wales

570 Clwyd
571 Dyfed
572 Gwent
573 Gwynedd
574 Mid Glamorgan
575 Powys
576 South Glamorgan

577 West Glamorgan
Wales (From 01 April 1996)
660 Anglesey
661 Caernarfonshire & Merionethshire
662 Conwy County Borough
663 Denbighshire
664 Flintshire
665 Wrexham
666 Powys
667 Cardiganshire
668 Pembrokeshire
669 Carmarthenshire
670 Swansea
671 Neath & Port Talbot
672 Bridgend
673 Vale of Glamorgan
674 Rhondda, Cynon, Taff
675 Merthyr Tydfil
676 Caerphilly
677 Blaenau Gwent
678 Torfaen
679 Monmouthshire
680 Newport
681 Cardiff
699 Wales

From 01 April 1997
820 Bedfordshire
821 Luton
825 Buckinghamshire
826 Milton Keynes
830 Derbyshire
831 City of Derby
835 Dorset
836 Poole
837 Bournemouth
840 Durham
841 Darlington

845 East Sussex
846 Brighton & Hove

From 01 April 1998

867 Bracknell Forest
868 Windsor and Maidenhead
869 West Berkshire
870 Reading
871 Slough
872 Wokingham
873 Cambridgeshire
874 Peterborough
875 Cheshire
876 Halton
877 Warrington
878 Devon
879 Plymouth
880 Torbay
881 Essex
882 Southend-on-Sea
883 Thurrock
884 Herefordshire
885 Worcestershire
886 Kent
887 Medway Towns
888 Lancashire
889 Blackburn with Darwen
890 Blackpool
891 Nottinghamshire
892 Nottingham City
893 Shropshire
894 The Wrekin

From 01 September 1998

200 Education Action Forum
850 Hampshire
852 Southampton
855 Leicestershire

856 Leicester

857 Rutland

860 Staffordshire

861 Stoke-on-Trent

865 Wiltshire

866 Swindon

Appendix 2 - Establishment range bands and categories of service

The following table shows the employment types which are recorded by TP.

- full time pensionable service;
- full time non pensionable service;
- part-time pensionable service;
- part time non pensionable service

No asterisk in a column shows that this type of service is not recorded

0001-0099	Homes set up under the Children and Young Persons Act (e.g. Community Homes)
0200-0399	
0400-0524	Training and occupation centres and other DSS establishments (except day nurseries)
0525-0549	Special Hospitals provided under Part VII of the Mental Health Act 1959
0550-0574	Teachers' Superannuation (Army Civilian Lecturer) Scheme 1951 Schools or schools formerly under that Scheme
0575-0599	Education Forum
0600	CAY
0601	PAY
0625	DSS day nurseries
0626-0674	Schools and institutions controlled by other government departments
0675-0750	Employment under voluntary youth organisations
0100-0199	
0751-0939	Employment under adult and miscellaneous organisations
0940-0949	Playing for Success Centres
1000-1799	LA nursery schools

1100-1150	Pupil referral units
1800-1899	Direct-grant nursery schools
1900-1999	Independent nursery education establishment recognised as efficient
2000-3999	Maintained primary schools
4000-4999	Maintained secondary schools
5000-5099	Direct-grant schools (recorded up to October 1980)
5100-5199	Practical instruction centres (not all such centres have been allocated individual numbers but where a number has already been allocated its use is continued. All new centres are numbered 5199)
5200-5299	Grant-maintained primary/middle deemed primary schools
5300-5399	Camps, holiday classes etc.
5400-5499	Grant-maintained secondary/middle deemed secondary schools
5500-5548	Immigrant centres
5601-5899	Grant-maintained primary, middle and secondary schools (overflow)
5900-5949	Grant-maintained schools (formally Independent)
5950-5999	Grant-maintained special schools
6000-6899	Independent schools
6900-6904 6905-6924	City technology colleges City Academies
7000-7749	Special schools (except as below)
7750-7798	Special schools for nursery age children
7800-7899	Boarding homes for handicapped

	pupils
7900-7999	Establishments for further education and training of disabled persons
8000-8149	Maintained and assisted major FE establishments (not included below)
8150-8199	Maintained and assisted art establishments
8200-8219	Direct-grant major FE establishments
8220-8269	Independent (Efficient-Rules 16) FE establishments
8270-8284	National colleges
8300-8349	LA farm institutes
8350-8389	LA agricultural centres
8390-8399	Direct-grant and independent agricultural establishments
8400-8549	LA youth welfare
8500-8599	LA adult welfare
8600-8699	Sixth form colleges
8700-8898	Polytechnics/New Style Universities
9300-9599	LA colleges of education
9600-9899	Voluntary colleges of education
0950	Teacher /organiser (employed primarily as a teacher)
0951	Divided service between Primary and Secondary Schools
0952 0954	Divided service between Further Education and P & S Schools Adult Miscellaneous Organisation
7799	Divided service between Special Schools

8999	Divided service between FE establishments
0953	Adult Miscellaneous Organisation (not allocated an Estab No) - ie teacher paid under FE document, employed providing FE or Adult Education (eg Community College)
0955	Teacher employed by Ministry of Defence (UK based)
0960	Unattached regular engagement in Primary Schools - ie Permanent 'supply' teacher under contract
0961	Unattached regular engagement in Secondary or P & S - ie Permanent 'supply' teacher under contract
0962	Visiting Teacher Primary - peripatetic teacher (eg specialist subject teacher visiting different schools)
0963	Visiting Teacher Secondary or P & S - peripatetic teacher (eg specialist subject teacher visiting different schools)
0964	P & S teaching under Section 56 of Education Act 1944 - ie teaching other than at a school (eg at home or in a hospital, or teachers in penal establishments)
0965	Peripatetic support wholly for SEN or disabled not in a special school.
0966	School supply teacher - whose contract is terminable without notice. Teacher who is employed temporarily in place of a regularly employed teacher. Teacher has made a part-time election.
0970 0971	Full-time Organiser - employment involves the performance of duties in connection with the provision of education or service ancillary to education (accepted in TPS only if

	previously accepted under 1967 Teachers' Pension Regulations)
0972	Full-time Youth and Community Worker
5199	Service as a teacher in Practical Instruction Centres - providing P & S education (previously allocated individual numbers in range 5100-5199)(not schools - unattached units). (Service other than as a teacher would have to be considered by the Department)
5549	Service as a teacher in Remedial Centres and Support Units - providing P & S education (not schools - unattached units). (Service other than as a teacher would have to be considered by the Department)
5599	Service as a teacher in any other P & S Centre (ie not PI or Remedial)(eg Assessment Centres outdoor pursuit centres, Teacher Centres [if paid P & S]). Service other than as a teacher would have to be considered by Teachers' Pensions)
5600	Service in Intermediate Treatment Centres - providing P & S education (not schools - unattached units)
9099	Function Provider within a LEA
8899	Adult Education Service (residential adult education estabs have numbers allocated in range 8290-8294). Teacher Centres if paid on FE Scales, Adult Literacy Scheme staff (LA)
0999	Service of any other kind (eg full-time educational officers in penal estabs Job Creation Schemes). Normally this code will not be used where a teacher is in receipt of a mandatory Burnham salary

Appendix 3 - Salary scale codes

1. Maintained Schools		
Post	Code	Notes
Unqualified teacher	U04	e.g. Instructors
Qualified teacher	W00 - W17 W00 W10 - W50 W01 - W05 W02 – W05 W06 – W09	<p>A teacher paid on the main scale to 31.08.00 A teacher paid on the main scale w.e.f. 01.09.00 with no management or retention allowances.</p> <p>Main scale with management allowance 1 to 5. Main scale with retention allowance 1 to 5. With effect from 1 January 2006 TLR1 TLR2</p>
Advanced Skilled teacher Excellent Teacher	A00 - A26 X00	<p>A teacher paid on the AST's scale only</p> <p>Excellent Teacher Scheme effective from 1 September 2006</p>
Deputy head Deputy head : special school	V01 - V06 V00 V01 - V06 V00	<p>In a school other than a special school, below Group 4. A qualified Deputy Head in a school other than a special school, according to School Group. From 01.09.00</p> <p>Qualified Deputy Head Teacher Qualified Deputy Head teacher whose salary is appropriately related to the scale for Groups 3(s)-10(s) From 01.09.00</p>
Head teacher	H01 - H08	Qualified head teacher in a school other than a special school, according to the school group

Assistant Head teacher	L00	Qualified Head Teacher whose salary is appropriately related to the scale for Groups
		Paid on Leadership scale
Post Threshold	P00	Paid on post-threshold scale w.e.f. 1 Sept
	P10 -	00
	P50	
	P01 - P04 P06 -	Paid on post-threshold scale w.e.f. 1 Sept 00 Post-threshold with management allowance 1 to 5 Post-threshold with retention allowance 1 to 4

2. Establishments of further education and sixth form colleges		
Post	Code	Notes
Lecturer	F00	Grade I
Senior Lecturer	F00 F00	on the lower part of the scale on the extended part of the scale
Principle Lecturers, Vice Principals, Readers, and Heads of Department	F00	Assimilated to the new management salary spine
Academic Post	F00 F00	Researcher A Researcher B
Principal	F00	Principals of Colleges other than Agricultural and Horticultural and Adult Education Establishments. (Codes H01 - H07 are to take into account the college groups A - G and the salary rates £21,500 - £45,500 which came into effect on 1.9.1989)

3. Farm Institutes		
Post	Code	Notes

Lecturer	F00	Grade I
Lecturer	F00	Grade II
Vice Principal	F00	

4. Other Types of Service		
Post	Code	Notes
	T00	Principle of Adult Education Centres. (Also other types of school or establishment number e.g. Organisers, Youth Workers, etc.

With effect from 1 January 1991 qualified teachers on the standard scale (formerly known as the main scale) can - at the discretion of their LA or governing body - receive either an incremental enhancement if they are below the maximum of the standard scale, or a local scale addition if they are on the maximum of the standard scale. The amount of any incremental enhancement or local scale addition should be included in the annual salary rate and also recorded as a separate item on the service and salary returns.

5. Independent Schools/Education Forums		
Post	Code	Notes
	T00	All Teachers

6. Institutes of Higher Education		
Post	Code	Notes
Lecturers	F00	
Senior Lecturers	F00 F00	On the lower part of the scale On the extended part of the scale
Principal Lecturers Head of Department Members of Directorate	F00 F00 D00	

Appendix 4 - Schedule 2 (extracted from Teachers' Pension Regulations 1997 effective from 3 February 1998)

Pensionable employment

Part I

Employments Pensionable Without Election

1 Teacher employed by, or in a school or institution providing further education or higher education (or both) maintained by, a local education authority.

1A. Teacher not falling within paragraph 1 who is employed by an Education Action Forum.

2 Teacher in a special school not maintained by a local education authority.

3. Teacher in a school, other than a special school, in respect of which grants are made by the Secretary of State to the person responsible for its management.

4.

5. Teacher employed-

(a) in an independent school which is for the time being recognised by the Secretary of State as a city technology college, a city college for the technology of the arts, or, as the case may be, an academy, or

(b) in connection with a proposed independent school the proposals for which are for the time being recognised by the Secretary of State as proposals for a city technology college, a city college for the technology of the arts, or, as the case may be, an academy,

6. Teacher in an institution providing further education or higher education (or both) in respect of which grants are made to the governing body by the Secretary of State, by a body to which grants are made by the Secretary of State, or by a local education authority, other than-

(a) a university or college of a university, and

(b) the Royal College of Art.

7. Teacher in a university established on or after 6th May 1992 which, immediately before it became such, was an institution of higher education described in paragraph 6, whether or not that teacher was a teacher in that institution before it ceased to fall within that description and became a university.

8. Teacher employed in-

(a) a community home within the meaning of Part VI of the Children Act 1989.

(b) a voluntary home as defined in section 60 of that Act, or

(c) a home of the kind referred to in section 82(5) of that Act.

9. Teacher employed by a local authority or a voluntary organisation in an establishment which provides facilities under arrangements approved under section 19 of the Children and Young Persons Act 1969.

10. Teacher in-

(a) a residential care home within the meaning of Part I of the Registered Homes Act 1984¹⁰, or,

(b) a mental nursing home as defined in section 22 of the Act,

who, at any time before the commencement of Part III of the Mental Health Act 1959¹¹, was in pensionable employment in a certified institution as defined in section 71 of the Mental Deficiency Act 1913¹².

11. Teacher in a special hospital provided by the Secretary of State under section 4 of the National Health Service Act 1977¹³ ("the 1977 Act").

12. Teacher employed for the purpose of instructing, training, or superintending the occupation of persons suffering from mental impairment, severe mental impairment, psychopathic disorder or mental illness-

(a) in a hospital provided by the Secretary of State in accordance with the 1977 Act, or

(b) by a voluntary organisation to which-

(i) financial assistance is given by a local authority, or

(ii) facilities are made available under section 23 of the 1977 Act¹⁴ or

(c) by a local authority in the exercise of its functions under paragraph 2 of Schedule 8 to the 1977 Act¹⁵.

13. Teacher employed by the Field Studies Council.

14. Teacher employed in pursuance of arrangements made by the Secretary of State with the governors of any establishment which, by virtue of the European Communities (European Schools) Order 1972¹⁶, has the legal capacities of a body corporate.

15. Organiser employed as a youth and community worker by a local education authority for the purposes of their functions under section 15 or 508 of the 1996 Act.

PART II

Employments Pensionable On Election

16. Teacher in an institution for the further education and training of disabled persons.

17. Teacher employed in, or in connection with, an establishment for providing social or physical training, being training at that establishment in respect of which grants are made by

the Secretary of State, the United Kingdom Sports Council, the English Sports Council or the Sports Council for Wales, whose principal duty is to attend the establishment and provide the training or supervise its provision.

18. Teacher employed by the Commonwealth Institute.

19. Teacher employed by a person to whom grants are made by either the Secretary of State or a local education authority in respect of expenditure incurred for the purpose for which the teacher is employed.

20. Organiser employed by-

(a) the United Kingdom Sports Council,

(b) the English Sports Council,

(c) the Sports Council for Wales, or

(d) any other body, except a local education authority, to which grants-

(i) are made by any of those Councils or by a local education authority, or

(ii) are or have been made by the Secretary of State,

in respect of expenditure incurred for the purpose for which the organiser is employed.

21. Teacher, supervisor or youth worker employed by the Ministry of Defence in service with the armed forces of the Crown or for purposes connected with the armed forces, unless-

(a) the Principal Civil Service Pension Scheme applies to him, or

(b) he was engaged outside the United Kingdom and had not previously been in other pensionable employment.

22. Services education officer.

23. Organiser employed as a youth and community worker by a body to whom grants are made by a local education authority in the exercise of their functions under section 15 or 508 of the 1996 Act.

24. Organiser employed by-

the Assessment and Qualifications Alliance

the Association of Business Schools

the Association of Christian Teachers

the Church of England Board of Education

the City and Guilds of London Institute

the Catholic Education Service

a Diocesan Board of Education established under the Diocesan Boards of Education Measure 1991

the East Midlands Further Education Council
the Edexcel Foundation (to be omitted from 1 September 2004)
the Education 2000 Trust
the Field Studies Council
the Independent Schools Careers Organisation
the London Open College Federation
the Macmillan National Institute of Education
the National Education Resources Information Service
the National Nursery Examination Board
the National Society for Promoting Religious Education
the North East Religious Learning Resources Centre Limited
a body affiliated to the National Open College Network
the North of England Institute for Christian Education
the Pestalozzi Children's Village Trust

24. Organiser employed by-

the Assessment and Qualifications Alliance
the Association of Business Schools
the Association of Christian Teachers
the Church of England Board of Education
the City and Guilds of London Institute
the Catholic Education Service
a Diocesan Board of Education established under the Diocesan Boards of Education Measure 1991
the East Midlands Further Education Council
the Edexcel Foundation (to be omitted from 1 September 2004)
the Education 2000 Trust
the Field Studies Council
the Independent Schools Careers Organisation
the London Open College Federation
the Macmillan National Institute of Education
the National Education Resources Information Service
the National Nursery Examination Board
the National Society for Promoting Religious Education
the North East Religious Learning Resources Centre Limited
a body affiliated to the National Open College Network
the North of England Institute for Christian Education
the Pestalozzi Children's Village Trust
a Regional Advisory Council for Further Education
a Roman Catholic Diocesan Schools Commission
the Royal National Institute for the Blind
SCOPE
the Stapleford Centre
the Yorkshire and Humberside Association for Further and Higher Education

25. Teacher in a university who-

(a) was employed as a teacher in an institution providing further education or higher education (or both) described in paragraph 1 or 6 which has ceased to fall within that description and become part of the university, and

(b) was so employed immediately before it did so.

26. Teacher or organiser employed by a body formerly within paragraph 19, 20 or 23 which is a non-profit-making body whose principal source of funding is fees paid by a local education authority.

Appendix 5 - Early Retirement Factors

Pensions

Complete Months

	0	1	2	3	4	5	6	7	8	9	10	11
50	0.580	0.582	0.584	0.587	0.589	0.591	0.593	0.595	0.598	0.600	0.602	0.604
51	0.606	0.609	0.611	0.614	0.616	0.619	0.621	0.623	0.626	0.628	0.631	0.633
52	0.635	0.638	0.641	0.643	0.646	0.649	0.651	0.654	0.657	0.659	0.662	0.665
53	0.667	0.670	0.673	0.676	0.679	0.682	0.685	0.688	0.691	0.694	0.697	0.700
54	0.703	0.706	0.709	0.713	0.716	0.719	0.723	0.726	0.729	0.733	0.736	0.739
55	0.742	0.746	0.750	0.753	0.757	0.761	0.764	0.768	0.771	0.775	0.779	0.782
56	0.786	0.790	0.794	0.798	0.802	0.806	0.810	0.813	0.817	0.821	0.825	0.829
57	0.833	0.837	0.842	0.846	0.850	0.854	0.859	0.863	0.867	0.871	0.876	0.880
58	0.884	0.889	0.893	0.898	0.903	0.907	0.912	0.917	0.921	0.926	0.930	0.935
59	0.940	0.945	0.950	0.955	0.960	0.965	0.970	0.975	0.980	0.985	0.990	0.995

Lump Sums

Complete Months

	0	1	2	3	4	5	6	7	8	9	10	11
50	0.712	0.714	0.716	0.718	0.720	0.722	0.724	0.726	0.728	0.730	0.732	0.734
51	0.736	0.738	0.740	0.742	0.744	0.747	0.749	0.751	0.753	0.755	0.757	0.759
52	0.761	0.764	0.766	0.768	0.770	0.772	0.774	0.777	0.779	0.781	0.783	0.785
53	0.788	0.790	0.792	0.794	0.797	0.799	0.801	0.803	0.806	0.808	0.810	0.812
54	0.815	0.817	0.819	0.822	0.824	0.826	0.829	0.831	0.834	0.836	0.838	0.841
55	0.843	0.845	0.848	0.850	0.853	0.855	0.857	0.860	0.862	0.865	0.867	0.870
56	0.872	0.875	0.877	0.880	0.882	0.885	0.887	0.890	0.892	0.895	0.897	0.900
57	0.902	0.905	0.907	0.910	0.913	0.915	0.918	0.921	0.923	0.926	0.928	0.931
58	0.934	0.936	0.939	0.942	0.944	0.947	0.950	0.953	0.955	0.958	0.961	0.963
59	0.966	0.969	0.972	0.975	0.977	0.980	0.983	0.986	0.989	0.992	0.994	0.997

Appendix 6: Pensions Increase Contents

Pensions Increase 2006 - Multiplier Tables

Pensions Increase 2005 - Multiplier Tables

Pensions Increase 2004 - Multiplier Tables

Pensions Increase 2003 - Multiplier Tables

Pensions Increase 2002 - Multiplier Tables

Pensions Increase 2001 - Multiplier Tables

Appendix 7: Mechanised Returns

Magnetic Media

TP cannot accept:

- Open-Reel systems MT310/470/480 and GTS - 2 systems,
- MT3000/RT3000 1/2" 18 Track cartridge systems.

Submission of floppy disks/CD

Advice on the formats known to be acceptable is available on request. TP will undertake to attempt to convert any floppy disk/CD submitted. All returns submitted should be newly formatted.

If you have teachers with six figure salaries or five figure amounts in the supp field or other allowance field you should increase the length of the relevant fields. This MUST be done on all records. If you have any queries please contact the Employer Group by e-mail on tpdata@capita.gov.uk

Please note test data should be submitted initially for checking .

Covering documentation

All magnetic media submitted must be clearly labelled and must be accompanied by form TR 12,. Labels should contain details of the type of data, e.g. service, contributions, etc.

Packaging and despatch of mechanised data

All magnetic media should be securely packaged to minimise the risk of loss or damage in transit.

The tapes and disks/CDs should be addressed to:

TAPES	DISKS/CD
Capita Business Services Ltd	CAPITA
TP Return	Teachers' Pensions
2 Abbey Wood Road	Employer Group
Kings Hill	Room 23
West Malling	Mowden Hall
ME19 4YT	DARLINGTON
	DL3 9EE

We will acknowledge receipt of the data which will then be processed.

Rejection of a magnetic media submission

When your return is submitted to TP it is checked to ensure that the data does not produce an abnormally high error rate. If the error rate is too high then the return is referred back to you to correct.

If a teacher's reference number is not known then insert zeros. The national insurance number and date of birth must be shown to enable TP to trace the teacher's correct number.

Completing a mechanised return

TP should be contacted with any technical query regarding the mechanisation of the Annual Return of service, salary and additional contributions.

Mechanised Return of service details

FILE NAME : TEACHERS

'HEADER LABEL' RECORD

This record should be provided as the first record on the return.

Field	Format	Character Position	Notes
Record Type identifier	AAAN	1 - 4	Enter 'UHL1'
LA Number	Numeric	5 - 7	Number of LA / Area code for NON-LA
Filler	Alpha	8 - 11	School / Establishment number if NON-LA
Originator's Title	Alpha	12 - 27	LA Name or Establishment name if NON-LA
Date of Preparation	Numeric	28 - 33	Date in DDMMYY format
Filler	Alpha	34 - 96	Spaces

Each record is a fixed length of 96 to 99 characters. Each data field is also fixed length and if the data does not occupy the full length of the field it must be completed either by 'leading' zeros or 'trailing' spaces (depending upon whether the field is specified as numeric or alpha

'TRAILER LABEL' RECORD

This record should be provided as the last record on the return and should provide Grand Total details of all the record types included on the return.

Field	Format	Character Position	Notes
Record Type identifier	AAAN	1 - 4	Enter 'UTL1'
Total of Data Records	Numeric	5 - 10	Total number of records provided on the return, excluding 'Header' and 'Trailer' records. Right justify

Total of Records of Type 1	Numeric	11 - 16	Total of service annual return records (Type 1) included on the return. Right justify. If the return does not include service records enter zero.
Total of Records of Type 2	Numeric	17 - 22	Total of pension contributions records (Type 2) included on the return. Right justify. If the return does not include contribution records enter zero.
Total of Records of Type 3	Numeric	23 - 28	Total of amendment records (Type 3) included on the return. Right justify. If the return does not include amendment records enter zero.
Total of Records of Type 4	Numeric	29 - 34	Total of appointment records (Type 4) included on the return. Right justify. If the return does not include appointment records enter zero.
Filler	Alpha	35 - 96	Spaces

If the data does not occupy the full field alpha fields must be left justified and space filled and numeric fields must be right justified and zero filled.

RECORD TYPE 1 - SERVICE ANNUAL RETURN DETAILS

Employers must provide at least one record for each teacher in service but where there is a change (e.g. in school, salary, part-time to full-time status (or vice versa), pensionable service position or service continuity) there must be more than one record.

Field	Format	Character Position	Notes
DfES Reference Number	Numeric	1 - 7	Must consist of 7 digits. The first 2 digits cannot precede the year of the teacher's 18th birthday. The remaining 5 digits should be right justified using leading zeros to the left if necessary.
Sex Digit	Numeric	8	1 for male and 2 for female
National Insurance Number	AANNNNNA	9 - 17	Must consist of 2 alpha digits followed by 6 numeric and 1

			alpha in the range A - D. Do not use temporary NI numbers.
Surname	Alpha	18 - 26	First 9 letters of the current surname. Left justify and space fill if less than 9 letters. TP will accept spaces and apostrophes contained within names.
Initials	Alpha	27 - 28	First 2 initials. Left justified using spaces to fill if only 1 initial is present.
Previous Surname	Alpha	29 - 37	Completed in the same way as the surname field.
Date of Birth	Numeric	38 - 43	Must consist of 6 digits in format DDMMYY and be a valid date.
LA Number	Numeric	44 - 46	Must contain 3 digits and must be provided on every service line of all records.
School / Type of Employment Number	Numeric	47- 50	Must contain 4 digits and must be provided on every service line on all records.
Salary Scale	ANN	51 - 53	Must consist of 1 alpha and 2 numeric characters showing the scale upon which the teacher was paid in that period. A new entry should be made if the salary scale has changed. If the teacher's salary is safeguarded the scale of the safeguarded (highest paid) post should be entered.
Full or Part-Time Indicator	Alpha	54	Enter 'F' for full-time or 'P' for Part-time
Start Date	Numeric	55 - 60	Must consist of 6 digits in format DDMMYY, be a valid date and should be within the Annual Return year.
End Date	Numeric	61 - 66	Must consist of 6 digits in format DDMMYY, be a valid date and be 31 March unless a 'W' is shown in character position 67.

Withdrawal Confirmation	Alpha	67	Enter 'W' if the teacher has left or a break in service occurs. The only exception is where the withdrawal confirmation is not to be made for a teacher in relief service unless that teacher is leaving the employer. If not applicable space fill.
Days Excluded	Numeric	68 - 70	Three numeric digits should be shown, however '+' indicating plus days is allowable in the first character position and may be applicable in certain cases (e.g. relief service because of the way these teachers are paid. Must not be more than number of days in the period except for '+' for part-time relief teacher. Must be shown if service is concurrent and be right justified with zeros to the left. Zero fill if not applicable.
Annual Full-Time Salary Rate	Numeric	71 - 76	Should be shown in whole pounds be right justified with zeros to the left. Must be consistent with salary scale. Full time rate must be shown even if salary scale reduced due to sickness, etc. For a full-time teacher the entry must show the substantive rate applied from the Start Date. For part-time teachers the entry must show the rate that would have been payable if the employment was full-time. For teachers in concurrent part-time service, at different salary rates the average full-time equivalent salary should be calculated from the part-time salary rates. Pensionable allowances paid should be included in the Rate. For part payment of an allowance the amount paid should be included.
Incremental Point	Numeric	77 - 78	Not used - enter zeros.

Part-Time Salary Paid	Numeric	79 - 84	Only to be completed for part-time teacher (if character position 54 = P). It should not be greater than the Annual Salary rate and be right justified. The actual salary paid should be entered unless the teacher was on reduced pay due to sickness or maternity when the salary that would have been paid should be entered. Salary paid for non pensionable service should not be included. For concurrent part-time service enter '1' in this field and the number of days excluded in the Days Excluded field. To validate the Days Excluded in proportion to Part-Time salary Paid see calculation in Annual Return section. Zero fill for Full-time teachers.
Safeguarded Salary Fast Track	Alpha	85	Enter 'S' if the salary is safeguarded. The Salary Scale and Annual Salary Rate should be consistent. NB do not use for safeguarded management allowances. Enter 'F' if teacher is Fast track under the teacher's pay and conditions document. Space fill if not applicable
London Scale Indicator	Alpha	86	Enter 'I' if paid on Inner scale, 'O' for outer, 'F' for fringe. Space fill if not applicable.
Social Priority - Allowance Payable Special Needs	Numeric	87	Enter '1' for lower rate and '2' for higher rate. Ensure rate of allowance is included in the Annual Salary rate. Special Needs - Enter '3' for lower rate and '4' for higher rate. Zero fill if not applicable
Special Class Addition (Part-time indicator)	Numeric	88	Enter '7' if part-time employment is a regular contract Enter '8' if it is irregular. Zero fill if full-time employment.

Other Allowances	Numeric	89- 93	pensionable allowances not indicated in any previous field. TLR payments should be entered here. It should consist of five numeric digits, right justified. Any amount shown should be included in the Annual salary Rate. For part-time teacher the full-time rate should be shown. For part-payment of an allowance the amount paid should be shown. Zero fill if not applicable.
Record Type Indicator	Numeric	94	Enter '1' to indicate a service line.
Record Serial Number	Numeric	95	Unique serial number for service line. Should start at 1 and follow in sequence for each additional service line.
Supplement	Numeric	96 - 100	Payments made in respect of retention and recruitment. Any amount shown should be included in the Annual Salary Rate. Zero fill of not applicable.

RECORD TYPE 2 - ADDITIONAL CONTRIBUTIONS DETAILS
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Employers must provide at least one record for each teacher who has been in reckonable service during the previous financial year and is paying additional contributions.

Field	Format	Character Position	Notes
DfES Reference Number	Numeric	1 - 7	Must consist of 7 digits. The first 2 digits cannot precede the year of the teacher's 18th birthday. The remaining 5 digits should be right justified using leading zeros to the left if necessary.
Sex Digit	Numeric	8	1 for male and 2 for female

National Insurance Number	AANNNNNNA	9 - 17	Must consist of 2 alpha digits followed by 6 numeric and 1 alpha in the range A - D. Temporary NI numbers should not be used.
Surname	Alpha	18 - 26	First 9 letters of the current surname. Left justify and space fill if less than 9 letters. TP will accept spaces and apostrophes contained within name.
Initials	Alpha	27 - 28	First 2 initials. Left justified using spaces to fill if only 1 initial is present.
Previous Surname	Alpha	29 - 37	Completed in the same way as the surname field.
Date of Birth	Numeric	38 - 43	Must consist of 6 digits in format DDMMYY and be a valid date.
LA Number	Numeric	44 - 46	Must contain 3 digits and must be provided if there has been a change to the school number, a new appointment, if initial start date is not 1 April or following a break in service. Zero fill if not applicable
Filler	Alpha	47 - 53	Space fill.
Additional Contributions	Numeric	54 - 59	Amount in pence. Right justify.
Additional Contributions refund indicator	Numeric	60	If Additional Contributions amount is a refund enter '1' otherwise zero.
Special Notes	Numeric	61	Enter:'1' if maternity leave during year,'2' if sick leave on reduced pay during year '3' if arrears of pay included other wise enter zero
Financial Year	Numeric	62 - 63	Last 2 digits e.g '03' for 2002/03.
Filler	Alpha	64 - 71	Space fill.
Employer Reference Number	A/N	72 - 79	For employers to provide a reference number for use with subsequent queries

Estab Number	Numeric	80 - 83	DfES Establishment number must be completed if the record refers to contributions from NON-LA employers
Filler	Alpha	84 - 90	Space fill.
Record Type Indicator	Numeric	91	Enter '2' to indicate contributions record
Filler	Alpha	92 - 96	Space fill.

This record must be provided as the last record on the return and must include Grand Total details of all Type 2 records included on the return. If Type 1 and / or Type 3 and / or Type 4 records are also present on the submission the 'Trailer Label' format specified on page P4 should be used instead of the one specified below

Field	Format	Character Position	Notes
Record Type identifier	AAAN	1 - 4	Enter 'UTL1'
Total of Data Records	Numeric	5 - 10	Total number of records provided on the return, excluding 'Header' and 'Trailer' records. Right justify
Filler	Numeric	11 - 16	Zeros
Total of Records of Type 2	Numeric	17 - 22	Total of contributions records (Type 2) included on the return. Right justify.
Filler	Alpha	23 - 51	Spaces

Additional Contributions	Numeric	52 - 61	Total of additional contributions records included on the return. Right justify.
Additional Contributions Sign	Numeric	62	Enter '1' if total amount of Additional Contributions is negative due to refunds, otherwise enter zero.
Filler	Alpha	63 - 51	Spaces
Filler	Alpha	76 - 96	Spaces

RECORD TYPE 3 - AMENDMENT TO PREVIOUS SERVICE DETAILS

For use where an employer wishes to notify TP of an amendment to service details provided on the previous year's annual return, which has not been notified clerically during the year. A record must be submitted for each service line to be amended in the format shown below.

Where the submission of amendments for an individual teacher results in more lines than originally submitted, the additional lines should be identified by the indicator in character position 92.

Where an employer wishes to delete a field it must be filled with spaces or zeros according to whether the field form is alphabetical or numeric.

All service details (characters 51 - 90) must be re-submitted, not just the fields to be amended. These details must be present if the amendment is to School / Type of Employment Number only.

Field	Format	Character Position	Notes

Teachers' Reference Number	Numeric	1 - 7	Must consist of 7 digits. The first 2 digits cannot precede the year of the teacher's 18th birthday. The remaining 5 digits should be right justified using leading zeros to the left if necessary.
Sex Digit	Numeric	8	1 for male and 2 for female
National Insurance Number	AANNNNNA	9 - 17	Must consist of 2 alpha digits followed by 6 numeric and 1 alpha in the range A - D. No temporary NI numbers should be used.
Surname	Alpha	18 - 26	First 9 letters of the current surname. Left justify and space fill if less than 9 letters. We accept spaces and apostrophes contained within a name.
Initials	Alpha	27 - 28	First 2 initials. Left justified using spaces to fill if only 1 initial is present.
Previous Surname	Alpha	29 - 37	Completed in the same way as the surname field.
Date of Birth	Numeric	38 - 43	Must consist of 6 digits in format DDMMYY and be a valid date.

LA Number	Numeric	44 - 46	Must contain 3 digits and must be provided if there has been a change to the school number, a new appointment, if initial start date is not 1 April or following a break in service. Zero fill if not applicable
School / Type of Employment Number	Numeric	47- 50	Must contain 4 digits and must be provided on every line of service for each record
Salary Scale	ANN	51 - 53	Must consist of 1 alpha and 2 numeric characters showing the scale upon which the teacher was paid in that period. A new entry should be made if the salary scale has changed. If the teacher's salary is safeguarded the scale of the safeguarded (highest paid) post should be entered.
Full or Part-Time Indicator	Alpha	54	Enter 'F' for full-time or 'P' for Part-time
Start Date	Numeric	55 - 60	Must consist of 6 digits in format DDMMYY, be a valid date and should be within the Annual Return year.
End Date	Numeric	61 - 66	Must consist of 6 digits in format DDMMYY, be a valid date and be 31 March unless a 'W' is shown in character position 67.
Withdrawal Confirmation	Alpha	67	Enter 'W' if the teacher has left or a break in service occurs. The only exception is that withdrawal confirmation should not be made for a teacher in relief service unless the teacher is leaving the employer. If not applicable space fill.
Days Excluded	Numeric	68 - 70	Three numeric digits should be shown, however '+' indicating plus days is allowable in the first character position and may be applicable in certain cases (e.g. relief service because of the way these teachers are paid. Must not be

			more than number of days in the period except for '+' for part-time relief teacher. Must be shown if service is concurrent and be right justified with zeros to the left. Zero fill if not applicable.
Annual Full-Time Salary Rate	Numeric	71 - 75	Should be shown in whole pounds be right justified with zeros to the left. Must be consistent with salary scale. Full time rate must be shown even if salary scale reduced due to sickness, etc. For a full-time teacher the entry must show the substantive rate applied from the Start Date. For part-time teachers the entry must show the rate that would have been payable if the employment was full-time. For teachers in concurrent part-time service, at different salary rates the average full-time equivalent salary should be calculated from the part-time salary rates. Pensionable allowances paid should be included in the Rate. For part payment of an allowance the amount paid should be included.
Incremental Point	Numeric	76 - 77	Not used - zero fill.
Part-Time Salary Paid	Numeric	78 - 82	Only to be completed for part-time teacher (if character position 54 = P). It should not be greater than the Annual Salary rate and be right justified. The actual salary paid should be entered unless the teacher was on reduced pay due to sickness or maternity when the salary that would have been paid should be entered. Salary paid for non pensionable service should not be included. For concurrent part-time service enter '1' in this field and the number of days excluded in the Days Excluded field. To validate the Days Excluded in proportion to Part-Time salary Paid see calculation in Annual Return chapter. Zero fill for Full-time teachers.

Safeguarded Salary Fast Track	Alpha	83	Enter 'S' if the salary is safeguarded. NB not to be used for safeguarded management allowances The Salary Scale and Annual Salary Rate should be consistent. Enter 'F' if teacher is Fast track under the teacher's pay and conditions Document. Space fill if not applicable
London Scale Indicator	Alpha	84	Enter 'I' if paid on Inner scale, 'O' for outer, 'F' for fringe. Space fill if not applicable.
Social Priority - Allowance Payable Special Needs	Numeric	85	Enter '1' for lower rate and '2' for higher rate. Ensure rate of allowance is included in the Annual Salary rate. Special Needs - Enter '3' for lower rate and '4' for higher rate. Zero full if not applicable.
Special Class Addition (Part-time indicator)	Numeric	86	Enter '7' if part-time employment is a regular contract. Enter '8' if irregular.
Other Allowances	Numeric	87 - 90	Only pensionable allowances not indicated in any previous field, and TLR payments should be entered. It should consist of four numeric digits, right justified. Any amount shown should be included in the Annual salary Rate. For part-time teacher the full-time rate should be shown. For part-payment of an allowance the amount paid should be shown.
Record Type Indicator	Numeric	91	Enter '3' to indicate a previous service amendment.
Additional Line Indicator	Alpha	92	If the service line presented is additional to the number presented, enter 'A' here, otherwise enter a space.
Supplement	Numeric	93 - 96	Payments made in respect of retention and recruitment. Any amount should be included in the Annual Salary Rate. Zero fill if not applicable.

RECORD TYPE 4 - APPOINTMENT DETAILS

For each teacher's appointment a single record must be submitted in the following format.

Field	Format	Character Position	Notes
DfES Reference Number	Numeric	1 - 7	Must consist of 7 digits. The first 2 digits cannot precede the year of the teacher's 18th birthday. The remaining 5 digits should be right justified using leading zeros to the left if necessary.
Sex Digit	Numeric	8	1 for male and 2 for female
National Insurance Number	AANNNNNA	9 - 17	Must consist of 2 alpha digits followed by 6 numeric and 1 alpha in the range A - D. No temporary NI numbers should be used.
Surname	Alpha	18 - 26	First 9 letters of the current surname. Left justify and space fill if less than 9 letters. Where a space or an apostrophe appears within a name it is now possible to show this..
Initials	Alpha	27 - 28	First 2 initials. Left justified using spaces to fill if only 1 initial is present.
Previous Surname	Alpha	29 - 37	Completed in the same way as the surname field.
Date of Birth	Numeric	38 - 43	Must consist of 6 digits in format DDMMYY and be a valid date.
LA Number	Numeric	44 - 46	Must contain 3 digits and must be provided.
School / Type of Employment Number	Numeric	47- 50	Must contain 4 digits and must be provided.
Salary Scale	ANN	51 - 53	Must consist of 1 alpha and 2 numeric characters showing the scale upon which the teacher was paid in that period. A new entry should be made if the salary scale has changed. If the teacher's salary is safeguarded the scale of the safeguarded (highest paid) post should be entered.
Full or Part-Time	Alpha	54	Enter 'F' for full-time or 'P' for Part-time

Indicator			
Start Date	Numeric	55 - 60	Must consist of 6 digits in format DDMMYY, be a valid date and should be within the Annual Return year.
Filler	Alpha	61 - 90	Space fill.
Record Type Indicator	Numeric	91	Enter '4' to indicate appointment record
Filler	Alpha	92 - 96	Space fill.

Appendix 8: - Paper Schedules

Completing the schedule

Each schedule to the Annual Return consists of an excel spreadsheet. Each teacher's entry on the spreadsheet contains the following identification details:

- teacher's surname and first names;
- DfES reference number;
- National Insurance number; and
- date of birth.

If any teacher's identification details are incorrectly recorded on the spreadsheet, please amend them.

The confirmed area of each teacher's entry shows up to the last two lines of service which TP have recorded for the teacher. If you have sent form TR6 for a teacher who has been newly appointed, the start date will be shown. If any of the service details shown in the confirmed area are incorrectly recorded, please amend.

The projected area under the confirmed area is where you must record the Annual Return of service and salary information. Any additional contributions paid should be recorded in the appropriate column (in the pounds and pence format).

The spreadsheet shows entries for all teachers who are currently employed by your establishment; these entries are in alphabetical order according to surname. If there are any teachers not been recorded on the spreadsheet please add them.

If a new teacher has been appointed, but a TR6 has not been sent to TP, this person will not be shown on the schedule. In this case, please complete the teacher's identification details in the same way as the other spreadsheet entries and then show the service details.

If a teacher has retired or resigned during the year, and there are no entries on the spreadsheet, TP will have received details of their service via another form. In this case, you do not need to show any details unless the teacher has paid any additional contributions during the Annual Return year.

The completed spreadsheet must be returned, by no later than 31 August of the year to which the return relates.

Please note that part returns will not be accepted.

Projected service lines

Previous service lines for each teacher are shown in the confirmed areas of the spreadsheet. Where possible, the service and salary lines for the current Annual Return year are projected directly beneath.

It is not possible for TP to project the following fields; you should, therefore, complete these where appropriate:

- part-time salary paid;
- allowances;
- safeguarding; and
- supplements.

Any field showing incorrect data should be amended. Any field which is blank on the projected line, but requires an entry, should also be completed.

If additional lines of service need to be added, these should be shown directly beneath the last projected line. If a projected service line needs to be 'split' the 'end date' of the line being amended should be altered. The second service line should be added directly beneath the amended line.

Explanation of printed notes

Certain information about a specific teacher will be printed in the 'Notes' section (in the final column on the right-hand side of the schedule).

The following notes relate to superannuation contribution changes:

- 'Tchr 75 - Exempt Conts' The teacher has reached the age of 75 and is no longer permitted to pay contributions.
- 'Opted Out - No Forecast' The teacher has opted not to pay, or continue paying, contributions into the TPS.
- 'Tchr Elected (Date)' During the current annual return year, the teacher has made a part-time election beginning on the date shown. Contributions should have been deducted from that date.
- 'Part-Time Sal Paid?' The service line projected is for part-time service. Please note that we cannot estimate the amount of the part-time salary paid figure.
- 'TPCD - No Forecast' We are unable to project the teacher's annual salary rate, because the salary on the last confirmed service line does not match a point on the paycales detailed in the School Teachers' Pay and Conditions Document (TPCD).
- 'Teachers' Pensions Unable To Forecast' Our records for this teacher are incomplete because, for example, previous service details supplied contained an error; service lines for this annual return year cannot, therefore, be projected.
- 'New Appointment - Salary Etc.?' An appointment line is shown on the teacher's record for the current Annual Return year, and TP cannot estimate the annual salary rate

The following checks should be made to the Annual Return before submitting it to TP.

- Teacher's reference number. This is a primary identifier for each teacher and must be completed otherwise the information following it cannot be processed. The reference number must consist of seven numeric digits. The first two refer to the year in which the number was issued and should not be less than 18 years after the year of the teacher's birth. The following five digits must be right justified with leading zeros to the left if required, e.g. 56/2345 must be shown as 56/02345 (the backslash can be omitted).
- Sex digit Enter '1' for a male and '2' for a female.
- National Insurance Number This field is a secondary identifier and must consist of two alpha characters, followed by six numeric digits followed by an alpha character in the range A to D. Temporary National Insurance numbers must not be used.
- Previous surname This field should be completed in the same way as the surname field.
- Date of birth This field must consist of six numeric digits presented as DDMMYY (i.e. day, month, year) and must be a valid date.
- LA/area number This field should be completed on the each line of service for each teacher. Appendix 1
- School/type of employment number This field should consist of a four digit number, the number of your school. A list of establishment range bands and types of employment are shown in Appendix 2 .
- DOT (Salary scale) This column should show the code for scale upon which the teacher has been paid. A full list of salary scales is shown in Appendix 3 (Salary Scales). The Salary Scale code should be printed on the each of the projected service lines.
- Full or Part-time Indicator This must be completed. Enter 'F' to show full-time employment and 'P' to show part-time employment on each line of service for all teachers.
- Start Date The start date should be in the format DDMMYY, be a valid date and should record the date of a teacher's appointment if they have been appointed during the Annual Return year or the 1 April if a new line of Annual Return service is being shown.

A new line of service should be shown if any of the following have occurred:

- a change in the salary scale;
- a change to the annual salary rate;
- a change from full to part-time service (and vice versa);
- a change in a part- time contract;
- the commencement or cessation of a pensionable allowance;
- a break in service;
- the commencement or cessation of a safeguarded salary;

- a change in the teacher's pensionable employment position (see below);
- a part-time election;
- an election to opt out of the TPS; and
- an election to rejoin the TPS.

End date

The end date should be in the format DDMMYY, and must be a valid date and you should record the date that the teacher left employment during the Annual Return year or the 31 March if they are still in your employment. If the teacher has left, an entry should be made in the withdrawal column/field.

An end date cannot be before the start date given in the previous column/field and cannot overlap the date 31 March of any year.

Annual salary rate

A full annual salary rate must be shown, in whole pounds and be consistent with the salary scale, even where the actual salary paid has been reduced for sickness or maternity leave or industrial action.

For full-time teachers, the rate shown should be the substantive rate of salary finally applied from the start date.

For part-time teacher, the entry must show the equivalent annual salary rate that would have been payable had the teacher worked full-time.

The annual salary rate must include any pensionable allowances paid to the teacher but exclude any non-pensionable additions such as overtime.

For teachers not in pensionable employment the annual salary rate must include any allowance or addition paid under the terms of the STPCD.

Where a teacher is only in receipt of a pensionable allowance for part of his or her teaching time, the part-time annual rate of the allowance should be included in the salary rate.

The service of a teacher employed in concurrent part-time employment amounting to either full or part-time will only be treated as pensionable if they have made a valid part-time election. If different salary rates have been paid, an average full-time equivalent salary rate must be calculated. In these cases, the average full-time equivalent may not correspond with a salary scale point.

An example follows:

A teacher works for two days a week at £22,000 per annum and two days at £23,000 per annum.			
	2/5ths of £22,000	=	£8,800
	Plus 2/5ths of	=	£9,200

	£23,000		

	Total	£18,000 (i.e. 4/5ths of full-time equivalent)	

	Therefore, the average full-time equivalent salary rate is:		
	£18,000 x 5/4ths	=	£22,500

Part-time salary paid

Except in the circumstances described below, the actual part-time salary paid to teachers who are in part-time service for the period, should be shown here before deductions in whole pounds. TP will use the figure supplied to calculate the number of days excluded.

- If a teacher has been on reduced pay due to sick leave the figures shown should reflect the salary that would have been paid during the period of paid sick leave.
- If the teacher has been paid for non-pensionable employment, the salary for this service should not be included.
- If service is non-pensionable, the part-time salary paid column/field can be left blank and the days excluded field completed instead.
- Where a teacher is in concurrent service amounting to full or part-time for which different salary rates have been paid an entry of £1 should be made. Where service has amounted to part-time, the number of days excluded should be calculated as shown in the following section.

The following check can be applied to validate the part-time salary paid figure for any period of service. The result will show the number of days excluded proportionate to the time worked. This can result in 'plus' days for some teachers which should be shown on the return by a '+' followed by the number of plus days.

Checking the part-time salary			
Part-time salary paid	x	365	= days worked
Annual salary rate			
		Days in full period	
	-	day worked	= days excluded

A teacher cannot be credited with more than 365 days' service in any financial year.

Days excluded

An entry should be made in this column if a full-time teacher has had any days off for which he or she has received no pay, or in the case of maternity, no pay or SMP.

The days excluded should be shown as a three digit number, right justified, i.e. zeros to the left. If, in the case of part-time teachers where 'plus' days are involved the first character can be shown as '+'.
 Days excluded should not be shown where the part-time salary has been provided unless the part-time salary is £1 which denotes concurrent part-time employment. The following two step formula should be used to calculate days excluded for concurrent part-time employment.

Step one - Calculate the reckonable service credit (RSC)			
		P1	P2
		RSC = ----- x 365	----- x 365
		R1	R2
	Where:		
		P1 = Salary paid for first appointment	
		R1 = Salary rate for first appointment	
		P2 = Salary paid for second appointment	
		R2 = Salary rate for second appointment	
Step two - Calculate days excluded			
	Days in period	- reckonable service credit	= days excluded
	Where:		
	Days in period	=	Number of days from start date to end date (inclusive).

Safeguarded salary

Where a teacher's salary or social priority allowance is safeguarded, an 'S' should be entered and the salary scale should correspond to the annual salary rate. If this column/field is not applicable leave blank.

London scale

If the teacher is paid on a London scale, enter one of the following alpha characters:

I Inner London

- O Outer London
- F Fringe London

Social priority allowance/Special Education Needs Allowance

Social priority allowance should only be paid to teachers who were in receipt of it at 30 September 1987 by virtue of being employed at a school of exceptional difficulty and are still employed at that school. Enter '1' if the lower rate is paid or '2' is the higher rate paid.

For SEN allowance enter '3' for lower and '4' for higher.

Special Class Allowance

Where a part-time teacher is employed on a contract of regular employment enter '7'. If the contract is irregular enter '8'.

Other Allowances

Only pensionable allowances shown below SHOULD be shown in this field.

- Safeguarded element of a salary or social priority allowance.
- Out of School Learning activity payments.
- TLR payments.
- Temporary or Acting Allowances.
- Incremental Enhancements/Local Scale Additions.
- Residential Emoluments.
- Performance related pay.

Where part of the allowance shown in this field is payable when a teacher is part-time, the full-time rate should be shown. If a teacher only receives the allowance for part of their teaching time the part-time rate should be shown.

Supplement

Any payment, in respect of retention and recruitment, paid to the teacher should be shown here and included in the annual salary rate. If no payment has been made, leave the field blank.

Additional contributions

This refers to additional contributions deducted and remitted in respect of past added years, added pension, family benefit elections and TR22 elections.

Enter the amount paid in pounds and pence.

Please do not record Prudential AVCs here

Appendix 9: - Common errors on the annual return data

The following are the most common errors when completing annual return data:

DfES Reference Number	if not known zero fill, do not provide a dummy reference number;
Part-time salary	this is the amount of salary actually paid in the period, not the annual rate;
Part-time service details	must always include full-time equivalent salary, part-time salary actually paid and the indicator 7 or 8 for regular or irregular, do not leave fields blank. If no work has been undertaken in any period the total days excluded should be shown;
Concurrent part-time service	part-time election is required. The service from two contacts should be aggregated into one line of data as outlined in the preceding section, do not provide more than one line of service;
Changes to personal details	any amendments to names, NI numbers etc must be made through the appropriate medium during the year, not on the annual return;
Establishment number	correct employment code/school number must be shown. If supply code 0966, then the service must be recorded as part-time, not full-time. The full range of codes is shown in Appendix 2;
Lines of service	the TP financial year is 1 April to 31 March. Please ensure service details are split at this date. It is also important that lines of service are split to reflect pension elections and salary changes.