

News Special Edition

Annual Return

In this special edition:

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Estimate of benefits

Annual return 2006/2007

The Pensions Bill currently making its way through Parliament implements a major part of the package of reforms described in the White Paper, "**Security in retirement: towards a new pension system**", published in May 2006, and is expected to receive Royal Assent in late July, though this is not assured. This has caused the Department of Work and Pensions (DWP) to decide to withdraw their state pension forecast facility until new legislation is in place and revised calculations systems have been developed. We have been told that this process could take between 12 - 18 months to complete. Regrettably it means that we will be unable to obtain state pension forecasts whilst DWP's systems are unavailable.

In the light of the scheme changes, where a member's average salary is an average of the best 3 in the last 10 years of service, we are introducing a change to the current estimate of benefits to show the current salary held for them by TP. This will mean that if an incorrect salary has been reported on the annual return the issue can be resolved before an event such as retirement takes place. However, we recognise that this approach will only assist the maintenance of records for the future.

For those employers who requested to complete the annual return by PC Application, TP Online or excel, these formats should now be with you.

We are considering withdrawing the facility to submit annual return by paper after this year.

It is important to remember that the annual return year is 1 April to 31 March, therefore the line of service must reflect this other than if the person joined after 1 April 2006 or left before 31 March 2007. The line of service must also be split to reflect any changes in salary, pensionable status or in the case of local authorities, a change in school.

May we also remind employers that the £33 GTC fee must be recorded as part of the annual salary for the period in which it was paid. The £33 should not be recorded in the 'other allowances' field. It is important that the first character position of salary scale should reflect the grade of a teacher and that all members of the leadership scale are recorded with the correct value (**H** for head teacher, **V** for deputy head and **L** for assistant head).

The deadline for the submission of the return is **31 August**. If any employer has any problems in completing the return or difficulty in meeting the deadline, please contact TP by e-mail, **tpdata@capita.co.uk** or the employer helpline on **0845 3003756**.

There are concerns about how some employers are completing annual return. Indications are that allowances are not being included and in some circumstances where the allowance is included they are not being correctly identified. It is crucial that the correct salary information is provided as incorrect salary data will impact upon members' average salary.

To assist employers we have created some examples to highlight what should be input into each field.

These examples can also be found in the Employers' Guide, section 14, which is available on the TP website, www.teacherspensions.co.uk.

Annual return 2006/2007 (continued)

Example 1

Gloria Ann Green is a part time teacher employed in Darlington. Her annual salary is £28,005 and has a special needs allowance of £1,758 plus a TLR of £3,000. She left service on 31 December. Her date of birth is 16 March 1970. The return for Gloria is given below.

Where two figures are provided this indicates that the service line must be split, the first figures show those to be included in the first line of service and the second figures show the ones to be included in the second line of service.

Field	Format	Character Position
DfES Reference Number	8800000	1 - 7
National Insurance Number	AB020202A	9 - 17
Surname	GREEN	18 - 26
Initials	G A	27 - 28
Previous Surname		29 - 37
Date of Birth	160370	38 - 43
LA Number	841	44 - 46
School / Type of Employment Number	2323	47- 50
Salary Scale	W02	51 - 53
Full or Part-Time Indicator	P	54
Start Date	010406 010906	55 - 60
End Date	310806 311206	61 - 66
Withdrawal Confirmation	W	67
Days Excluded		68 - 70
Annual Full-Time Salary Rate (This must include all pensionable allowances)	32763 33600	71 - 76
Incremental Point	00	77 - 78
Part-Time Salary Paid	6866 5615	79 - 84
Safeguarded Salary Fast Track		85
London Scale Indicator		86
Social Priority - Allowance Payable	3	87
Special Needs	3	
Special Class Addition (Part-time indicator)	7	88
Other Allowances	3000 3075	89- 93
Record Type Indicator	1	94
Record Serial Number	1	95
Supplement	0	96 - 100

Annual return 2006/2007 (continued)

Example 2

Bob Black is employed in Inner London as a post-threshold teacher. He receives a basic salary of £36,885 and as the TLR awarded was less than his previous management allowance he is safeguarded on management allowance 3. In addition he receives a Social Priority allowance of £276. His date of birth is 4 April 1950 and his reference number is 68/00000. The return for Bob is given below.

Please note:

It is possible that a teacher would receive a TLR payment which is less than the management allowance. In these cases the management allowance indicator should be shown in the middle position and the appropriate TLR indicator in the end position. These payments should be the full amount and no account taken of any safeguarded element. For their own analysis, the DfES will calculate the value of the safeguarded element by subtracting the value of any TLRs from the full management allowance value.

Field	Format	Character Position
DfES Reference Number	6800000	1 - 7
National Insurance Number	AB010101A	9 - 17
Surname	BLACK	18 - 26
Initials	B	27 - 28
Previous Surname		29 - 37
Date of Birth	040450	38 - 43
LA Number	212	44 - 46
School / Type of Employment Number	5432	47- 50
Salary Scale	P34	51 - 53
Full or Part-Time Indicator	F	54
Start Date	010906	55 - 60
End Date	310307	61 - 66
Withdrawal Confirmation	.	67
Days Excluded	000	68 - 70
Annual Full-Time Salary Rate (This must include all pensionable allowances)	42849	71 - 76
Incremental Point	00	77 - 78
Part-Time Salary Paid	000000	79 - 84
Safeguarded Salary Fast Track		85
London Scale Indicator	1	86
Social Priority - Allowance Payable	2	87
Special Needs		
Special Class Addition (Part-time indicator)	0	88
Other Allowances	4612	89- 93
Record Type Indicator	1	94
Record Serial Number	1	95
Supplement		96 - 100

Annual return 2006/2007 (continued)

Example 3

Bella Mary Brown is employed in Durham as a head teacher. She commenced employment with Durham in May 2006, having just moved into the area from London where she worked full time as a head of department with fast track and social priority allowance. She receives a basic salary of £42,627. Her date of birth is 4 May 1960. The returns for Bella are given below.

Where two figures are provided this indicates that the service line must be split, the first figures show those to be included in the first line of service and the second figures show the ones to be included in the second line of service.

Field	London Employer Format	Durham Employer Format		Character Position
DfES Reference Number	7800000	7800000		1 - 7
National Insurance Number	AB030303A	AB030303A		9 - 17
Surname	BROWN	BROWN		18 - 26
Initials	B M	B M		27 - 28
Previous Surname	WHITE	WHITE		29 - 37
Date of Birth	040560	040560		38 - 43
LA Number	213	840		44 - 46
School / Type of Employment Number	5234	2123		47- 50
Salary Scale	L00	H03		51 - 53
Full or Part-Time Indicator	F	F		54
Start Date	010406	010506	010906	55 - 60
End Date	300406	310806	310307	61 - 66
Withdrawal Confirmation	W			67
Days Excluded	0			68 - 70
Annual Full-Time Salary Rate (This must include all pensionable allowances)	43149	42627	43695	71 - 76
Incremental Point	00	00		77 - 78
Part-Time Salary Paid	000000	000000		79 - 84
Safeguarded Salary Fast Track	F			85
London Scale Indicator	O			86
Social Priority - Allowance Payable	1	0		87
Special Needs				
Special Class Addition (Part-time indicator)	0			88
Other Allowances	0	0		89- 93
Record Type Indicator	1	1		94
Record Serial Number	1	1		95
Supplement	0	0		96 - 100

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Example 4

Jenny Jones is employed as a classroom teacher in Flintshire and is considering leaving. The authority has decided to award Jenny a Retention and Recruitment (R&R) allowance as they don't want her to go. She receives a basic salary of £28,005 and an R&R allowance of £2,500. Her date of birth is 12 June 1958. The return for Jenny is given below.

Where two figures are provided this indicates that the service line must be split, the first figures show

those to be included in the first line of service and the second figures show the ones to be included in the second line of service.

Please note:

If a teacher receives a R&R payment, the amount must be included in the annual salary rate with the monetary value of all R&R payments shown in the 'Supplement' field.

Field	Format	Character Position
DfES Reference Number	7900000	1 - 7
National Insurance Number	AB040404A	9 - 17
Surname	JONES	18 - 26
Initials	J	27 - 28
Previous Surname		29 - 37
Date of Birth	120658	38 - 43
LA Number	664	44 - 46
School / Type of Employment Number	3333	47- 50
Salary Scale	W00	51 - 53
Full or Part-Time Indicator	F	54
Start Date	010406 010906	55 - 60
End Date	310806 310307	61 - 66
Withdrawal Confirmation		67
Days Excluded	000	68 - 70
Annual Full-Time Salary Rate (This must include all pensionable allowances)	30505 31207	71 - 76
Incremental Point	00	77 - 78
Part-Time Salary Paid	000000	79 - 84
Safeguarded Salary Fast Track		85
London Scale Indicator		86
Social Priority - Allowance Payable Special Needs		87
Special Class Addition (Part-time indicator)	0	88
Other Allowances		89- 93
Record Type Indicator	1	94
Record Serial Number	1	95
Supplement	2500 2500	96 - 100

Retirement applications - Commutation

TR17/ TR17A deadlines

One of the new provisions for members is that they can commute part of their pension to lump sum. Members with pensionable service before 1 January 2007 will continue to receive an automatic lump sum of 3 times the pension but can increase that amount, if they wish, provided they also have pensionable service after 1 January 2007.

Members appear to be confused with this provision and think that they have to commute to receive a lump sum. **This is only the case for new members entering pensionable service after 1 January 2007.**

We would be grateful if when signing application forms this could be brought to the member's attention.

In May 2007 all Local Authorities were issued with a TR17 and those Non Local Authorities who had not returned an audited End of Year Certificate (EOYC) were issued with a TR17A.

As an employer you have a statutory duty to provide audited information regarding the contributions in respect of all teachers in pensionable employment. **The audited TR17/ TR17A must be received at TP by the completion date of 28 September 2007.**

We are working closely with the DfES and will be using rigorous hastening procedures to ensure all deadlines are achieved. We will be reporting regularly to them where there appear to be any delays and in particular advising them of authorities or establishments who fail to meet the deadline.

The deadlines you need to be aware of are as follows:

- + Submit TR17 to reach your appointed auditor by **29 June 2007** and provide confirmation to TP by email that this has been achieved. (Local Authority only)
- + Return audited TR17/ TR17A to reach TP no later than **28 September 2007**.

Please note in the case of Local Authorities that your auditor requires three months to process your TR17. You must ensure you submit the form to reach your auditor no later than **29 June 2007**.

It is an employer's responsibility to ensure that their appointed auditor completes the work in time for the form to be received by TP, by the final deadline of **28 September 2007**. Information required to assist in the audit must be available to your appointed auditor from **29 June 2007**, to ensure no delays or qualification occurs. (Local Authority only)

For further information please contact **Ann Botwright** on **01325 745073** or by email at **tpcontributions@capita.co.uk**.

Earnings cap

The earnings cap for 2007/ 2008 tax year is £112,800 and continues to be a feature of the TPS.

New Statutory Maternity and Adoption Regulations

The Teachers' Pensions regulations state that any member is in pensionable employment if she is on maternity leave and entitled to Statutory Maternity Pay (SMP) [B 4 (1) (b)]. Pensionable employment in the TPS continues whilst the member is in receipt of SMP or any contractual remuneration. Consequently, no change in the Regulations is required and both the employer and the member will be required to pay contributions for the full 39 week period.

As far as the paid SMP period is concerned, this will be 26 weeks for babies due before 1 April 2007 and 39 weeks for babies due on or after 1 April 2007.

Pensions accrual will therefore continue under the Teachers' Pension Scheme during these periods of paid SMP.



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Please also contact the employer helpline, 0845 3003756, with the correct contact details so future issues can be correctly distributed.