

News Autumn, 07

Welcome to this year's autumn edition of TP News, the quarterly employer newsletter keeping you up-to-date with news from across the Scheme. We hope that you will find the contents of this newsletter interesting and informative and welcome any feedback or comments.

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For more information on any of the articles in your TP News or you wish to feedback any comments, please log on to www.teacherspensions.co.uk

2007 annual data return exercise

The deadline for the Annual Data Return exercise was 31 August and it is pleasing to report an excellent response from the majority of employers - we received data from almost 95% of you.

The bulk of the returns were received in the two days immediately before the deadline and this has had a knock-on effect on the data processing stage, which is underway, but expected to take some time.

What happens now?

- + The outstanding data from those employers who have not yet submitted their data returns will be collected. You should note that information about the outstanding returns is reported regularly to the DCSF.
- + We will process the data returns, validate the submitted data and produce error reports. Errors identified will be corrected immediately if possible or returned to the employer for action if not.
- + We will produce 'check lists' containing the names of teaching staff shown on previous returns that have not been updated on the current submission. These will be sent to employers for action.

Some of the errors already identified have been returned to those employers who used their own systems to produce the returns, enabling them to correct errors affecting individual member records and to address any inherent discrepancies in their systems.

Annual data return follow up

Members of TP's Employer Relationship Team (Allan, Chris, Graham and Vanda) are currently visiting Local Authorities to discuss differences identified between the value of salaries detailed on the annual return compared to contribution figures remitted and certified on the TR17, and also to assist you in understanding the possible causes of incorrect data submissions. If you have not heard from us yet, you will be contacted shortly to arrange an appointment. A letter from the DCSF has also been issued to Chief Finance Officers in those LAs with significant discrepancies to raise awareness of the effect these differences have on the TPS and its members.

Employing retired teachers

It's autumn and, with the start of the school year underway, September is traditionally the month when most retired teachers return to employment. When employing a retired teacher there are a number of considerations to take into account. This is because a retired teacher is already in receipt of his / her retirement benefits and care must be taken by the employer to ensure that the member's benefits are protected.

Employers should ensure that:

- + where a pensioner is re-employed, a break in service of their pensionable employment is shown (of at least one day) before they are re-employed.
- + if a pensioner retired on grounds of ill-health, it is your responsibility to ensure that the teacher has the health and physical capacity to teach **and** TP are notified without delay.

This is because:

- + a break in service ensures that the retirement benefits (i.e. the pension and lump sum paid to the member) are not affected following the member's return to work.
- + returning to work after an ill-health retirement **will** affect the pension rights of the member.

Employers should take care in this area. If you have any doubts please check with TP. Section 3 of the Employers' Guide provides guidance on the employment of retired teachers and is available on the TP website.

Please remember that, in cases where the earnings level is such that the teacher's retirement benefits are reduced, for those teachers in receipt of mandatory compensation payments by employers (as part of their Premature Retirement Benefits), these payments will also be affected.

Phased retirement

Employers should also take care in respect of staff opting for phased retirement.

What is phased retirement?

Phased retirement enables members to receive a portion of their pension and retirement lump sum whilst remaining in teaching employment or a related educational support role.

What should you take into account when a member opts for phased retirement?

- + A member's earnings (based on the 6 months prior to phased retirement) must reduce by a minimum of 25% from the commencement of this benefit.
- + This rule is applied for the first 12 months of phased retirement.
- + If the member's salary goes above the 25% reduction in the first 12 months the application will be void, pension will be stopped and any overpayment will be reclaimed.
- + The retirement lump sum previously paid will become an "unauthorised payment" and will be taxable at 40%.

Early retirement factors

New actuarial factors were introduced with effect from 1 October 2007. The Bulletin Board on the home page of the TP website provides details on this subject, including a link to the factors in use prior to 1 October. The factors are used by TP to calculate the reduced lump sum and pension payable from the Scheme to members who take 'Premature' retirement or 'Actuarially Reduced Benefit' retirement.

What are the main differences between the new factors and the pre-1 October factors?

- + There is now a single set of factors that apply to the reduction of both the pension and lump sum payable.
- + The new factors are more generous. The effect of this for employers is that your costs will be cheaper than at present (in a like-for-like comparison) when granting premature retirement.

Please refer to Appendix 5 of the Employer Guide from 1 October when the new factors will be incorporated into the text.



New fact sheets on Phased Retirement and Retirement Lump Sum are available on our website
www.teacherspensions.co.uk



Forms

We would like to remind all employers to destroy old forms and use the current forms available on the TP website. If we receive out-of-date forms they will be returned.

Teaching and learning responsibilities payments (TLR)

What's new?

Under the School Teachers' Pay and Conditions Document, TLR payments were increased from 1 September 2007 by 2.5%.

The new TLR ranges are as follows:

TLR1	
Salary Scale	Value of Payment
W06	£6,829 - £7,880
W07	£7,881 - £8,930
W08	£8,931 - £9,455
W09	£9,456 - £11,557

TLR2	
Salary Scale	Value of Payment
W02	£2,364 - £3,151
W03	£3,152 - £3,940
W04	£3,941 - £4,728
W05	£4,729 - £5,778

Trigger Mailing

In October the first of our trigger mailings will be issued to members. All members employed in Local Authority establishments who are aged 55 and over will receive information about the phased retirement option.

Customer Service Satisfaction Survey

We are also issuing the second Customer Service Satisfaction Survey to members and pensioners. This will be issued at random to people who have had recent contact with TP. Some of the survey forms are being distributed electronically, while others will be issued to home addresses held by TP.

Teachers' Pensions Administration Forum (TPAF)

The TPAF, formerly the Teachers' Pensions User Group, will meet in November. Please advise your employer representatives of any good or bad experiences so we can assess potential areas for improvement in our scheme administration.

Employer Seminars

Employer seminars are being held in Birmingham and Manchester in November and in London in December. Further information is available from graham.patrick@capita.co.uk or chris.mcmaster@capita.co.uk.



Please remember to include the payment in the annual salary rate and show the amount in the 'other allowances' field.