

# News

# Summer

# 2010

Welcome to this summer edition of TP News, the quarterly Employer newsletter keeping you up-to-date with news from across the Teachers' Pension Scheme. We hope you will find the contents of this newsletter useful and informative and would welcome any feedback or comments.

#### **In this issue:**

- + Secure Transfer Utility
- + Contribution dates
- + Academies
- + Scheme Changes following Consolidation
- + "Preston" Claims
- + Members' secure website
- ...And More

For more information on any of the articles in TP News or should you wish to feedback any comments, please log on to [www.teacherspensions.co.uk](http://www.teacherspensions.co.uk)

## Secure Transfer Utility (STU)

TP have initiated a project with a Pilot Group of Employers to enhance STU. The development will take place over the next year and there will be a series of phased releases that will be announced on the TP website.

This year you will be able to use the template on STU to submit your Annual Return to TP.

You should use the templates provided on STU to send information to us. This will then enable Member records to be automatically and immediately updated by the system.



If you are a registered STU user please check on a regular basis if there are forms waiting your action.

## Contribution payable dates

- + Contributions must be with TP by the following dates. If payment is not received by these dates, then you will incur interest charges.

| Payment Month | Due date         |
|---------------|------------------|
| August        | 6 August 2010    |
| September     | 7 September 2010 |
| October       | 7 October 2010   |
| November      | 5 November 2010  |
| December      | 7 December 2010  |
| January       | 7 January 2011   |
| February      | 7 February 2011  |
| March         | 7 March 2011     |

## Academies

Where a school is leaving Local Authority control to become an Academy, the Local Authority should provide every assistance to the new Academy to ensure that they are fully aware of and understand their responsibilities in connection with the TPS.

TP are producing a leaflet that will be issued to each new Academy to provide them with an overview of their TPS role and responsibilities.

There are a number of issues that both existing Employers and the new Academies need to appreciate which are listed below. This list is not exhaustive and further information can be found on the TP website.

- + Where a teacher is employed by the Local Authority on a part time basis and has **not** elected to join the TPS when the Academy becomes the Employer, the teacher will automatically become a Member of the TPS unless they opt out.
- + Academies will require their own individual STU registration and log in.
- + Where a short term pension is in payment at the point of transfer, the Local Authority are responsible for continuing payments.
- + Retirement application forms where the last day of service is before the school became an Academy must be signed by the Local Authority.
- + Where an Academy purchases services from the LA, the Academy retains responsibility for those services. Any transactions undertaken through STU must use the Academy's registration, not the LAs.
- + Depending upon the start date of an Academy both the Local Authority and the Academy will be required to complete the three annual exercises: end of year certificate; annual return and annual audit certification (TR17).

# Scheme Changes following the Consolidation of the TP Regulations

Following a period of consultation undertaken by the Department for Education (DfE), the Teachers' Pensions Regulations 2010 will come into force on 1 September 2010. TP have provided detailed guidance for Employers and Members in a separate "TP Update" in the Announcements section of the website, but some of the main points are included below.

## Phased retirement

With effect from 1 September 2010, the contributable salary at the point of the Phased retirement must be no greater than 80% of the pre phased average salary (rather than 75%) for one year, upon taking Phased retirement.

## provision to restrict average salary in certain cases

The revised provision to restrict salary in certain cases comes into effect on 2 September 2010. This provision only applies where the average salary in the last 365 days applies.

All Members becoming entitled to benefits and having a payable date on or after 2 September 2010 will have the new calculation applied.

## New interest rate from 1 December 2010

A single "standard rate" of the Retail Price Index (RPI) + 3.5% will apply in respect of invoices raised on or after 1 December 2010. In any financial year commencing 1 April, the RPI is determined by the level of RPI up to the previous September.

## Residential Emoluments

From 1 September 2010, to treat a residential emolument as pensionable, an election must be made within 3 months of taking up the post or the accommodation first becoming available, if later. Reviews must be undertaken every two years.

## Further exclusions from Contributable Salary

From 1 September 2010, the following exclusions will be added to list of payments which are not contributable salary in accordance with existing practice.

- + Any payment covering the loss of any contractual holiday pay
- + Pay-in-lieu of Notice
- + Honoraria
- + Payments not associated with teaching duties

## Changes affecting Independent or "Accepted schools"

The new Regulations provide additional grounds for the removal of accepted status. These additional reasons include:

- + Where a school has failed to keep a guarantee, indemnity or bond in place or has failed to maintain the value of the guarantee.
- + If the proprietor or school goes into administration.
- + If the proprietor is an undischarged bankrupt or is the subject of bankruptcy restrictions.

## Recovery of unpaid contributions from employees still employed

The new Regulations give employers the statutory power to recover unpaid contributions from the salary of an employee should this power be required.



Please check the TP website for changes about Additional pension, Pensionable family leave and other changes on the Announcement

## “Preston” claims

Following a judgement in the High Court in favour of Mrs Preston, individuals are able to claim for periods of excluded (in the main, non-fractional hourly paid) employment prior to 1 May 1995. This is provided that a claim is lodged with an employment tribunal whilst in a continuous stable employment relationship or within 6 months of ceasing a continuous stable employment relationship. If a valid claim is made, the service to be applied is in accordance with a Model Settlement agreement, using factors supplied by the Scheme Actuary. As there are still Members who could potentially lodge a claim, the consolidated Regulations which come into force from 1 September 2010 contain a time limit for the settlement of Preston claims through the TPS. The provision to compensate Members by adding the Preston service to their TPS record will continue up to 31 August 2012, at which point the Department will review whether the Model Settlement is to be withdrawn.

## Re-employment following retirement

With the start of a new academic year, please remember that if you employ a teacher who is in receipt of pension benefits from the TPS in a post which is normally covered by the TP Regulations, you must arrange with your employee to complete a Certificate of Re-employment. This should be submitted as soon as employment commences, irrespective of whether or not the employee is currently a Member of the TPS.

The Certificate of Re-employment is available online for completion by the Member and Employer.



Failure by the Member and Employer to tell TP in writing about their employment could result in an overpayment of pension which must be recovered.

## Arrears of Contributions

If you and a Member wish to apply for service to be discounted when arrears of contributions have been identified, you must ensure that a detailed submission is made to TP. This must explain the reason for the failure to deduct contributions and that the employee fully understands the benefits that they are relinquishing.

If you are a Local Authority Employer, LGE have indicated that they are willing to review submissions before they are forwarded to TP to ensure that submissions are as comprehensive as possible.

The decision to accept a retrospective opt out is the Secretary of State's and it should not be

## Retirement applications

When you authorise a retirement application for a Member, please ensure that you provide service and salary details to the last day of pensionable employment. Recently, some Employers have only provided details up to the end of the financial year.

Where a Member works on a part-time basis, can you please ensure that the correct indicator code of 7 or 8 is included within the service line.

# Members' Secure Area of the Website

The TPS is a contributory scheme administered by Teachers' Pensions (TP) on behalf of the Department for Education (DfE). It is a defined benefit 'final salary' scheme and is one of the most important and valuable benefits available to teachers.

Information regarding the scheme can be found on the Teachers Pensions website at: [www.teacherspensions.co.uk](http://www.teacherspensions.co.uk)

Teachers are advised to register on the 'My pension online' section of the website so they can then do the following:-

- + View their latest retirement benefit statement.
- + Submit death grant nomination forms.
- + Update personal information such as address and national insurance number.
- + Make an additional pension application.
- + Complete a Certificate of Re-employment if they undertake any further teaching after claiming retirement benefits.
- + Opt out of the scheme.
- + If they are in receipt of a pension they can update their bank account details, and also view their payslips and P60 details.
- + Complete an increasing range of application forms and undertake "what if" calculations.

In order to register they are asked to create their own unique login name and password, choose a personal question and set an appropriate answer (which will be used if they require a reminder of their login details), and be required to input their TP Reference Number, Date of Birth, Surname, and First Name. Once the registration is complete a PIN number will be issued either by text or e-mail and to enable them to log on.

There are also various calculators available on the website that can help in pension planning.

## **Pension and Lump Sum ready reckoner**

This facility allows members to obtain an estimate of their pension and lump sum based on the service and salary details input. This is for teachers who have attained or are over their normal pension age.

## **Actuarially Reduced Benefits (ARB)/ Premature Retirement calculator**

This facility can be used to calculate an estimate of ARB retirement benefits for teachers wanting to retire before their normal pension age (55-59 years, 11 months for people with a normal pension age of 60 or 55-64 years, 11 months for people with a normal pension age of 65).

## **Re-employment calculator**

This facility can be used by Members who have taken Premature retirement, Age benefits or have pre-1997 ill-health benefits to work out how much they can earn without affecting their pension under the abatement provisions.

## **Buying Additional Service for Partners Calculator**

This calculator can be used to work out the estimated cost of purchasing additional service for Civil Partners and unmarried nominated partners.

## **Additional Pension modeller**

This modeller can be used for teachers who want to increase the pension they receive on retirement by buying blocks of Additional Pension.

There is also a FAQ section that may be able to help with any queries.

**YOU MAY FIND IT USEFUL TO PASS THIS PAGE TO TEACHERS TO ENSURE THAT THEY ARE AWARE OF THE BENEFITS OF THE WEBSITE**

# Employer Seminars 2010

## Workshops 2010

| Date       | Area         | Workshop                          | Venue  |
|------------|--------------|-----------------------------------|--|
| 17/08/2010 | Birmingham   | Provision of Data                 | University of Central Birmingham               |
| 18/08/2010 | Birmingham   | Retirement Flexibilities          | University of Central Birmingham               |
| 08/09/2010 | North West   | Provision of Data                 | Lancashire College Chorley                     |
| 09/09/2010 | North West   | Retirement Flexibilities          | Lancashire College Chorley                     |
| 28/09/2010 | Bristol      | Provision of Data                 | Badock Hall Bristol                            |
| 29/09/2010 | Bristol      | Retirement Flexibilities          | Badock Hall Bristol                            |
| 30/09/2010 | Bristol      | Employer Roles and Responsibility | Badock Hall Bristol                            |
| 12/10/2010 | Southampton  | Provision of Data                 | Southampton Solent University                  |
| 13/10/2010 | Southampton  | Retirement Flexibilities          | Southampton Solent University                  |
| 02/11/2010 | Peterborough | Provision of Data                 | Deaf Blind U.K. Conference Centre Peterborough |
| 03/11/2010 | Peterborough | Retirement Flexibilities          | Deaf Blind U.K. Conference Centre Peterborough |
| 04/11/2010 | Peterborough | Employer Roles and Responsibility | Deaf Blind U.K. Conference Centre Peterborough |
| 23/11/2010 | Liverpool    | Provision of Data                 | Carnatic House Liverpool                       |
| 24/11/2010 | Liverpool    | Retirement Flexibilities          | Carnatic House Liverpool                       |
| 07/12/2010 | London       | Provision of Data                 | NUT Hamilton House London                      |
| 08/12/2010 | London       | Retirement Flexibilities          | NUT Hamilton House London                      |
| 09/12/2010 | London       | Provision of Data                 | NUT Hamilton House London                      |

To find out more information about workshops please contact, Chris McMaster at [chris.mcmaster@teacherspensions.co.uk](mailto:chris.mcmaster@teacherspensions.co.uk), Allan Downing at [allan.downing@teacherspensions.co.uk](mailto:allan.downing@teacherspensions.co.uk) or Keith Fenney at [keith.fenney@teacherspensions.co.uk](mailto:keith.fenney@teacherspensions.co.uk).

It is with deep sadness that we have to inform you that Sue Blewitt passed away following a short illness. Sue's career with Teachers' Pensions spanned 39 years and during that time she has undertaken a number of roles within Teachers' Pensions but in the main these roles have always involved a high level of interaction with Employers both on a face to face basis and through other media.

Many of you will have attended Seminars or Workshops delivered by Sue or have sought her advice about service and salary related issues. A number of employers have commented that Sue was the public face of Teachers' Pensions. Her warmth, helpfulness and commitment will be sadly missed by us all.

