

News

Winter

09/10

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

In this issue:

- + Forms - Automation of application processes.
- + Secure Transfer Utility.
- + Pensions Increase.
- + One to One Tuition.
- + Minimum Retirement Age 55.
- + Grant Aided Voluntary Organisations (GAVOs).
- + Employer Seminars.
- ...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

Forms - Automation of some application processes

Certain application forms have been available on the website for some time via 'My Pension Online' allowing members to complete and submit them electronically or alternatively print the form, complete it and submit it by traditional means. The forms referred to are:-

- + Nomination for Death Grant;
- + Nomination of Financially Dependent Relative;
- + Opting Out of the TPS;
- + Election to purchase Additional Pension;
- + Certificate of Re-employment.

From mid January 2010 TP's preferred method of receiving such member applications is by electronic transmission. Consequently, the option to print these forms will be withdrawn at that time.

Upon completion of a Web Form by a member, employers will receive an email informing them that there is a form for them to complete via STU. Please note that the email is issued to the Web Form contact as held on our records. It is therefore, vitally important that employers notify TP of any change to the Web Form contact so that our records may be updated and we can ensure the correct person is notified of such forms.

Please can all employers who are registered for STU check STU to see if there are any Web Forms awaiting their attention. If so please can employers take the appropriate action promptly.

The next set of forms being developed for online completion within 'My Pension Online' are the various retirement applications. These are expected to be available soon.

Secure Transfer Utility (STU)

TP have received a positive response from employers wishing to register for the secure transfer utility available through the TP website. So far 97% of Local Authorities and 60% of other employers have enrolled for this free service. In doing so they have removed the risk of members' personal data being accessed during transmission.

Employers are using STU to notify TP of the following updates:-

- + Starter information (TR6);
- + Leaver information (TR8);
- + Service and salary updates; and
- + Monthly pension contributions (paying in slip).

When information is sent using the templates available in STU, it is loaded automatically into TP's system thereby improving the timeliness and accuracy of the pensions data held on behalf of members.



Important: You must use the templates provided on STU to send information to us. This will then enable member records to be updated immediately by the system. If information is submitted via STU that is in any other format e.g. your own spreadsheet (even if it looks the same), this will not be automatically processed by the system and may result in a delay in updating members' records.

Annual Return data files can also be submitted using STU instead of sending CDs or diskettes through the mail. This is the method preferred by TP because of the security provided through the data encryption.

More developments are underway to expand the facilities available on STU. For example at the recent LGE Advisory Group, TP sought views from Local Authority employers about the content and format that would be beneficial to them on the Appointment Statement notification. This is currently being developed for inclusion on STU and will be available soon.

The User Guide for STU is currently being revised and we expect to release the updated version in the first quarter of this year.

If you have not yet requested access to STU please email us at:

TPSTU@teacherspensions.co.uk. We will then issue you with the relevant access information.

Pensions Increase

Following the announcement by the Chancellor that basic state pensions are to increase by 2.5% we received guidance from another public sector client in anticipation of enquiries from pensioners. The following information may be helpful to those employers who pay an element of Premature Retirement benefits to former employees.

Public Service Pension upratings are linked by primary legislation to those for State Second Pension, not the State pension.

Decisions on the uprating of benefits for April 2010 will be taken in due course, taking account of the rate of inflation in the year to September 2009. In the event that average prices fall over this period as measured by the RPI, all benefits will be protected at least in nominal terms (i.e. not reduced on account of deflation), thereby providing an increase in support in real terms.

Member Packs

The distribution to employers of New Member Welcome Packs has been completed. The final packs were posted very recently and any employers that have not received their consignment by the start of the new term should contact Shaun McCormack at Teachers' Pensions, email shaun.mccormack@capita.co.uk or telephone him on 01325 745503.

Distribution of Annual Benefit Statements

Production of the Annual Benefit Statements, including members' service to 31 March 2009 and their estimated State Pension Benefits, is now underway. The first member records being printed are those where employers submitted their annual returns early and the data had no, or very few, errors. Despatch of these will commence in January. Where the members are employed in maintained schools, the Local Authority will be contacted by email in advance of their benefit statements being despatched.



Information Concerning High Earners: The Announcements section of the TP website contains important information about the "Annual Allowance" and the "Special Annual Allowance". This contains an example of how a large Annual Allowance charge could be incurred as a result of a significant increase in accrued benefits. It also shows the affect of a one-off increase in benefits and the extra charge to the member arising on account of the "Special Annual Allowance" (SAA).

Grant Aided Voluntary Organisations (GAVOs)

Staff employed in GAVOs are not automatically members of the TPS. Grant aided employers must apply in writing to participate in the TPS. On acceptance of a grant aided establishment, the teaching staff employed there may be treated as pensionable under the Teachers' Pensions Regulations provided that they:

- + Meet the required criteria; and,
- + Elect to join the TPS by completing the 'Join TPS' form (available on the website in the area "Forms: for Employers").

Contributions will be due from the date of acceptance of the election.

Minimum Retirement Age 55

This is to remind you that it will no longer be possible for employers to offer Premature Retirement to members under the age of 55 from 6 April 2010. Since 6 April 2006, new entrants to the TPS have not been permitted to take Premature Retirement benefits under the age of 55, but members with service prior to 6 April 2006 have been able to retire on premature grounds from age 50 with employer consent.

The legislation covering the change in Normal Minimum Pension Age (NMPA) is contained in the Finance Act 2004 and states that:

"Normal Minimum Pension Age" means
(a) before 6th April 2010, 50 (years of age), and
(b) on and after that date, 55 (years of age).

Any pension or lump sum (other than for ill-health retirement) which comes into payment before age 55 from 6 April 2010 will be treated as an "unauthorised payment" (UP) and would be subject to a UP charge of 40% on each payment until the member reaches the NMPA.

HM Revenue and Customs has confirmed the position of members retiring before the age of 55 in Pension Scheme Newsletter 38. In order to avoid an UP arising, all requirements must be satisfied before 6 April 2010.



As far as the Teachers' Pensions is concerned, a fully completed application form and birth certificate (if age has not already been verified) must be received as early as possible but certainly no later than 5 April 2010.

Please be aware that under the TPS, in order to become entitled to Premature Retirement benefits under the TP Regulations, a member must have:

- + Attained the age of 50 by no later than 4 April 2010; and
- + Left pensionable employment no later than 4 April 2010;

in order to have a payable date of 5 April 2010 which is the very latest date that Premature Retirement can be awarded below the age of 55 years.

As employers, you may wish to take your own legal and financial advice or liaise with your employer associations in dealing with any specific individual cases in the run up to 6 April 2010.

Re-employment following retirement

If you employ a teacher who is in receipt of pension benefits from the TP Scheme 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 they are paying pension contributions.

As an employer you should be aware of the following:

- + In some circumstances there is a limit on the amount of salary a member can earn before their pension is affected; and ;
- + TP will make any necessary adjustments to their pension payments;
- + Both you and your employee are required to complete a Certificate of Re-employment **for each tax year** in which they are employed;
- + There is a responsibility on the employer as well as the member to notify TP of any re-employment and changes to salary whilst in re-employment;
- + The Certificate of Re-employment is available on-line for completion by the member and employer.



Failure by the member to provide TP with a fully completed Certificate of Re-employment for each tax year could result in an overpayment of pension which must be recovered.

One to One and Out of School Learning



If the member's only employment is the One to One Tuition then the employer must still provide a full-time equivalent salary as well as the part-time earnings in order for the service to be calculated and added to the member record

TP have received a number of enquiries from Local Authorities who are uncertain about the pensionability of One to One Tuition compared to payment for Out of School Learning Activity (OSLA) and whether there is a difference of treatment. There is no difference of treatment - the pension position flows from the employment (contractual position, whether it is One to One Tuition (within the normal school day or outside the normal school day) or any other OSLA.

Full-time teachers:

- + If the person is a full-time teacher and the work is carried out under the teacher's full-time contract (as with OSLA activities), then the payment forms part of the contributable salary. Thus, the contributable salary for the year is increased, although the teacher does not get any additional days of pensionable service.
- + If the person is a full-time teacher with a separate (part-time) contract, then the part-time employment cannot be pensionable. This is because part-time employment undertaken concurrently with full-time employment is excluded under the teachers' pensions regulations.

Part-time teachers:

- + If the person is an existing part-time teacher, and the work is carried out as an extension to the contracted hours, then contributions are payable on the whole of the earnings. The full-time equivalent salary will be unchanged, but the additional earnings will mean that the person will increase the pensionable service credited to the person over the period in question.
- + If the person is an existing part-time teacher and the work is carried out under a separate contract, then the person is in concurrent employment. As with other concurrent employment, the Local Authority must submit a single line of service which combines the two employments and the two full-time equivalent salaries on a proportionate basis. The spreadsheet for concurrent employment is available in the Employers' Guide (Appendix 8).

Concern has also been expressed by Local Authorities about their ability to know whether a person employed for One to One Tuition has other employment. Multiple employment (where a person is employed by more than one TPS employer) is not new, although it is recognised that the incidence of such employment will increase as more people get involved with One to One Tuition. TP hold information centrally - but please remember that our records are only as good as the information supplied to us by employers. Provided employers have submitted appointment notifications then TP's records should, at least, indicate that the person has other jobs. A member print is available via TP Online. Other than this, the only central source of information is the person themselves - and the safest and most sensible approach, therefore, would be for the employer to encourage the tutor to be open about their various employments.

Example: If a member is employed full-time with another employer elsewhere, the One to One Tuition under a new contract would not be pensionable. However One to One Tuition would become pensionable if the member leaves full-time employment but continues with One to One Tuition. Contributions would need to be deducted in respect of the One to One Tuition.

Please remember that if a person is a pensioner then the employer and the individual **must** notify TP that employment has commenced so that the abatement position can be assessed.

In addition please note that if the person is in receipt of an Ill-health retirement pension from the TPS and the person is still aged under 60 (and assuming the Local Authority has satisfied itself that the person is fit to undertake the duties of the employment), then employment on One to One Tuition could have an impact on the person's entitlement to the pension:-

- + If the pension commenced before 1 April 1997, the employment should be notified to TP so that consideration can be given to whether it is necessary to review the person's continued entitlement to the Ill-health retirement pension.

- + If the pension commenced on or after 1 April 1997, then, on taking up employment as a One to One Tutor, the person would cease to be entitled to the Ill-health pension. Cessation would take effect from the first day of the employment.

In order to avoid overpayments of pension on grounds of abatement or cessation of incapacity, it is crucial that Local Authorities submit prompt notification of all employment.



If you employ a member who retired on ill health grounds after 31 March 1997 their pension will be stopped.

New Literature/Changes to Existing Literature

We are in the process of introducing a new leaflet, 'Information for Dependants' following the death of a TPS member' which will be issued with the Death Benefits application form. It will also be available on the website.

DCSF is currently reviewing the Ill-health application forms and associated literature.

Cover for "in-service" death benefits

A reminder to employers that members of the scheme are not covered for the 3 times salary "in-service" death grant on leaving pensionable employment or, if in poor health, 12 months after at least half pay has ended.

Example: A member on sick leave dies having been on nil pay for 13 months. As the member was under Normal Pension Age, the "out of service" death grant is payable which is equivalent to the member's retirement lump sum.

Employers should make members who have been on a prolonged period of less than half pay as a result of long term sickness absence aware of the differences in death benefits to avoid any loss of expectation from potential beneficiaries.

Transfer-in of previous pension rights

Employers should ensure that members are told immediately of their right to transfer their benefits into the TPS if an individual enters pensionable teaching employment for the first time, or re-enters pensionable employment having been in pensionable service elsewhere. Employers should be aware that there is a **12 months** time limit which applies to certain transfers and members should therefore be encouraged to pursue their transfer options at the earliest opportunity after first entering or re-entering the TPS after accruing service elsewhere. This timescale does not apply to transfers in respect of teaching service in Scotland and Northern Ireland, the Channel Isles or the Isle of Man, but such members should still be notified of their transfer option.

Entitlement to benefits - Break of at least one day

Employers are reminded that members need at least one days break from all pensionable teaching employment before they become entitled to benefits, except in the case of phased retirement where other criteria need to be satisfied.

For teachers and lecturers in more than one employment, employers and members should ensure that the break in employment is co-ordinated to fall on the same day. If this does not happen, the member is not entitled to receive pension benefits. By co-ordinating the break in employment, this will avoid the recovery of benefits to which the member is not entitled.

Employer Seminars 2010

Workshops 2010

Date	Area	Workshop	Venue
26/01/2010	Birmingham	Provision of Data	University of Central Birmingham
27/01/2010	Birmingham	Retirement Flexibilities	University of Central Birmingham
09/02/2010	Leeds	Provision of Data	Leeds Metropolitan University
10/02/2010	Leeds	Retirement Flexibilities	Leeds Metropolitan University
09/03/2010	London	Provision of Data	NUT Hamilton House London
10/03/2010	London	Retirement Flexibilities	NUT Hamilton House London
11/03/2010	London	Employer Roles and Responsibility	NUT Hamilton House London
23/03/2010	Bristol	Provision of Data	Badock Hall Bristol
24/03/2010	Bristol	Retirement Flexibilities	Badock Hall Bristol
15/04/2010	North West	Provision of Data	Lancashire College Chorley
16/04/2010	North West	Retirement Flexibilities	Lancashire College Chorley
11/05/2010	Brighton	Provision of Data	Clarendon Centre Brighton
12/05/2010	Brighton	Retirement Flexibilities	Clarendon Centre Brighton
01/06/2010	Cardiff	Provision of Data	University of Wales Cardiff
02/06/2010	Cardiff	Retirement Flexibilities	University of Wales Cardiff
03/06/2010	Cardiff	Employer Roles and Responsibility	University of Wales Cardiff
22/06/2010	York	Provision of Data	Bedern Hall York
23/06/2010	York	Retirement Flexibilities	Bedern Hall York
24/06/2010	York	Employer Roles and Responsibility	Bedern Hall York
20/07/2010	London	Provision of Data	NUT Hamilton House London
21/07/2010	London	Retirement Flexibilities	NUT Hamilton House London
22/07/2010	London	Provision of Data	NUT Hamilton House London
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