

Important Information About 'Salary Sacrifice' Initiatives

Updated information has been provided to TP by the DfES. This affects the advice that has been given in the past to LEAs.

TPS members subject to the School Teachers Pay and Conditions Document

The DfES Pay Team has confirmed that 'salary sacrifice' initiatives are not covered by the School Teachers Pay and Conditions Document. Teachers must be paid in accordance with the provisions of the Document. Teachers who are paid under the Document can participate in the Childcare Voucher or Home Computer (or similar) initiatives, but not on a 'salary sacrifice' basis.

LEAs who have already set up a 'salary sacrifice' scheme for any teachers should take immediate steps to regularise the pay, tax and national insurance position from commencement of the arrangement.

TPS members who are outside of the School Teachers Pay and Conditions Document

The Teachers' Pension Regulations do not permit contributions to be paid on 'payments in kind'. Therefore, if Childcare Vouchers etc are provided on a 'salary sacrifice' basis, the salary on which TPS contributions are paid (contributable salary) must be reduced accordingly. Employers who have deducted TPS contributions on a notional (unreduced) salary rate should notify the teachers concerned that the incorrect contributable salary has been used, refund contributions paid in error and make sure that TP are informed of the correct contributable salary for the period(s) in question. It is the employer's responsibility to make sure that teachers who participate in a 'salary sacrifice' arrangement are fully aware of the pension implications associated with a reduction in contributable salary.

If you require any further clarification please contact the Employer Helpline on 0845 3003756.

Ill-Health Retirement Procedure

With effect from 1/1/04 the ill-health procedure changed. It is now the responsibility of the applicant to provide all medical evidence, including all relevant consultants' reports, to support their application.

Each in-service application must be considered by an employers Occupational Health Advisor, to endorse that there is sufficient evidence to enable a decision to be made by the Department for Education and Skills Medical Advisors.

The Occupational Health Advisor should be either an Occupational Health Physician or Occupational Health Nurse. The term advisor is used so as not to rule out one category or the other.

When employers are submitting applications for ill health retirement, the correct process is to submit form 18, form 20, and any other medical evidence as a whole package. Application forms not submitted in this way will not be accepted and will be returned. Forms are returned to avoid any doubt as to whether all the relevant medical information has been forwarded to Teachers' Pensions for referral to the Medical Advisors.

The returned Forms 18 and 20 will be sent to the employer and the Occupational Health Physician/Nurse respectively.

Seminar Dates and Locations 2005

Employer Seminars provide an overview of the Teachers' Pension Scheme and the responsibilities of the employer under the scheme.

Confirmation of 2005 dates and venues are shown below:

LOCATION	DATES	HOTEL
Exeter	September 13th	Thistle
Southampton	September 14th	Hilton, Bracken Place
Peterborough	October 11th	Moat House
Leeds	October 12th	Queens Hotel City Square
Liverpool	November 9th	Suites Hotel Knowsley
London	December 6th-8th	Radisson Vanderbilt

The cost per delegate is £211.36 plus VAT. The price includes morning and afternoon refreshments plus lunch. If you wish to book a place on the seminar or require further information please contact Teachers' Pensions on:

01325-745759 or email graham.patrick@capita.co.uk or allan.downing@capita.co.uk

Annual Auditor Certification 2004/2005

All auditor certificates have now been issued. The completed TR17/TR17a must be returned by 30th September 2005.

Should you require any assistance in completing the TR17/TR17a please contact Ann Botwright on 01325-745073.

Employer Relationship Managers

During the first half of the year we have visited:

- 51 Local Education Authorities
- 12 Universities
- 36 Colleges
- 14 Independent Schools
- 2 Payroll Agencies

We would like to thank those employers who we have visited for taking the time to see us and discuss the administration of the scheme, the service they have received from Teachers' Pensions, and suggestions for improvement.

It has been encouraging to find that in the main comments have been positive. But for those of you who have not had the service that neither you nor Teachers' Pensions would expect, we hope that our visit has helped to improve the relationship and we will continue to work together to identify and solve problems.

We look forward to continuing with our visits and hope to see as many of you as possible over the coming months.

If any of you would like to make an appointment please contact us as follows:



judith.gordon@capita.co.uk



chris.mcmaster@capita.co.uk

TR6 and TR8 Procedure

To enable Teachers' Pensions to maintain up to date records and accurately issue estimates of retirement benefits, it is essential that notification of a teacher's appointment is submitted on form TR6, and a leaver on form TR8. You can obtain both forms from us or if you subscribe to TP Online use the TR6 and TR8 facility.

Both forms must be completed and returned within 2 weeks of an appointment being made or a teacher leaves your employment. There is no need to complete a TR8 if the teacher is moving schools within the LEA or retiring.

Further details on the information which should be included on the forms can be found in the Employers Guide on the Teachers' Pensions website www.teacherspensions.co.uk.

Useful information you will find inside the Summer 2005 edition of TP News

- Annual Return of Service, Salary and Additional Contributions 2004/2005
- Annual Auditor Certification 2004/2005
- Salary Sacrifice
- Recording of Pensionable Allowances
- Ill-Health Retirement Procedure
- Update on Scheme Modernisation

Regular/Irregular Part-Time Service

In some cases employers are incorrectly recording part-time employment on the retirement application forms.

Regular part-time is where a teacher is contracted to work on a regular basis. This should be recorded on retirement forms and service returns as a 7. Irregular part-time is where a teacher is available to work but only does so as and when requested. This should be recorded as an 8.

Dealing with Interfund Adjustments

Where an employer has paid contributions into the incorrect pension scheme, it is their responsibility to correct the position for the current financial year only. Contributions relating to an interfund adjustment for a previous financial year should not be adjusted through the monthly remittance of contributions.

For previous financial years the employer should provide TP with the following information, to enable us to action the case without referral back to you:

- **Contributions paid to TP in error**

The amount of contributions that were paid over to the Teachers' Pension Scheme in error should be split between employers, employees and additional contributions showing the service that these contributions relate to.

- **Contributions paid to another pension scheme in error**

The full service and salary details for the period involved should be provided as per the annual return of service format. Teachers' Pensions will calculate the amount due to the scheme and issue an invoice to the employer for payment.

TP will only correspond with the employer and not with the other pension scheme.

Teachers' Pension Scheme Modernisation Review

Following the consultation exercise which took place from 17 September until 10 December 2004 a total of 4247 responses were received (125 from employers). The purpose of the consultation was to seek views on a number of possible changes that could be made to the Teachers' Pension Scheme (TPS).

The full analysis of the consultation exercise can be found by using the link on the TeacherNet website at: www.teachernet.gov.uk/pensions or by visiting the DfES Consultation website at www.dfes.gov.uk/consultations

The Government has announced that all public service pension scheme reviews will be subject to fresh negotiations and discussions with union and employer representatives.

Employer Helpline

This is to remind employers that a dedicated helpline has been introduced in Teachers' Pensions to assist all employers with the administration of the scheme. If you have any problems with procedures for submitting data including TR6, TR8 Annual Return, the collection of contributions or TP Online please ring 0845 3003756.

Recording of Pensionable Allowances

Over this last year it has become more apparent that there are differing views within employers as to which allowances/payments are pensionable.

The problems are occurring when the service is recorded on the retirement application forms. As this is confirmation of the last three years of employment this will be used in the calculation. However when the employer receives the schedule from TP indicating the average salary used amendments are being made causing a revision of benefits. There has been a marked increase in these revisions and it is clear that the problem relates to additional payments.

Outlined below are the additional pensionable payments and how they should be recorded:-

- General Teaching Council Fee (£33) should be included in the annual salary of the period in which it was paid;
- Out of School Learning Activity Payments should be grossed to an annual rate, included in the annual salary and shown in other allowances field;
- Residential Emolument which has been agreed by TP to be pensionable should be included in the annual salary and the amount shown in other allowances field;
- Special Educational Needs allowance should be included in the annual salary and an indicator of 3 or 4 shown in the Social Priority field;
- Retention and Recruitment allowance should be included in the annual salary and the amount should be shown in the 'Supp' field with 1 in the salary scale ie W01;
- Payments in respect of continuing professional development undertaken outside the school day and activities relating to the provision of initial teacher training should be included in the annual salary and shown in the other allowances field, and;
- Performance Related Pay should be included in the salary of the year to which it related and NOT the year it was paid

It should be pointed out that under the Teachers' Pension Regulations that overtime is not pensionable and nor are bonuses.

Annual Return of Service, Salary and Additional Contributions 2004/2005

Your annual return for 2004/2005 has now been issued. Please complete and return no later than the **31st August 2005**. There will be **no** extensions to this deadline. **It is important for you to inform Teachers' Pensions immediately if you anticipate any problems in making this deadline in order for us to work together to find a solution.**

If you are experiencing problems in completing the return please contact us on the following numbers:

Sharon Peacock	01325-745752
Adrian Bell	01325-745750
Dan Wicking	01325-745755

Congratulations go to Northumberland and the London Borough of Greenwich for being the first LEAs to submit their return.

Teachers' Pensions User Group

A user group exists made up of delegates from all interested parties dealing with the administration of the Teachers' Pension Scheme, including, Capita, DfES, Teacher Unions and Employer Associations.

The remit of the group is to consider the service provided to employers and the members through the administration of the scheme, and discuss any changes and/or improvements.

If you have any issues or improvements you wish to suggest, you may like to raise them with your relevant representative.

Representatives are:

Capita	Peter Hood
UCEA	Judy Bennington
AOC	Nathan Lucas
SFCF	Sue Witham
ISBA	Gill Forward
NEOST	Mike Walker
Foundation and Voluntary Aided Association	Lawrence Upton

Changes to TP literature since issue 16 of TP News

DESCRIPTION	REFERENCE NUMBER	DATE LAST AMENDED
A Guide to Teachers' Pension Scheme	Your Pension	March 05
Stationery Requisition	TR13	Feb 05
Application for Actuarially Reduced Benefits	Form 14ARB	Jan 05
Application for Premature Retirement Benefits	Form 14PR	March 05
Benefits payable to members' beneficiaries	Leaflet 450	April 05
Election to opt out of the Teachers' Pension Scheme	Form 263	Jan 05
Application for repayment of Teachers' Pensions contributions	Form 151	Jan 05
Election for membership of the Teachers' Pension Scheme	Form 261	Jan 05