



COVID - 19 Support measures

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Teachers' Pensions has received several enquiries about the impact of COVID-19 and how some of the support measures may affect membership of the Teachers' Pension Scheme. We've provided the following FAQs explaining the impact on issues including pension contributions, member status and the reporting of salary and service. We hope this helps you to understand what's required, and what you need to communicate to members of the Scheme.

Specific guidance from the Department for Education on COVID-19 financial support for the education sector is available on the [Government website](#).

The guidance includes information on the following schemes:

- The Coronavirus Business Interruption Loan Scheme (CBILS), delivered through commercial lenders and backed by the Government-owned British Business Bank, may provide access to loans, overdrafts and finance. The full rules of the scheme and guidance on how to apply is available on the [British Business Bank website](#).
- The [Coronavirus Statutory Sick Pay Rebate Scheme](#), allows some employers to reclaim up to two weeks of SSP, starting from the first day of sickness, if an employee is unable to work because they either have coronavirus or cannot work because they have self-isolated.
- The [Coronavirus Job Retention Scheme](#) allows eligible employers to claim for employee wages and other costs in respect of employees that have been furloughed as a result of coronavirus.

Independent schools' participation

Q. Can independent schools experiencing temporary financial difficulty suspend participation in the Teachers' Pension Scheme?

Independent schools have the option to leave the Scheme (cease to be an accepted school) but participation cannot be suspended on a temporary basis. Any independent school that is experiencing financial difficulties should contact the Scheme administrator via tpestabs@teacherspensions.co.uk to discuss their options and responsibilities.

Coronavirus Job Retention Scheme / Furloughed staff

Q. What are furloughed staff?

Employees who are being paid under the Government's **Coronavirus Job Retention Scheme (CJRS)** are referred to as furloughed staff.

Government guidance available [here](#) explains when you might furlough staff, and that public sector organisations, and employers receiving public funding for staff costs, are generally not expected to use the CJRS.

Q. What if they're on sick leave when furloughed?

In accordance with the CJRS [guidance](#), we expect that you'll either keep the member on sick leave, or the sick leave will come to an end and you'll put the member on furlough and pay them in accordance with the furlough terms. If you keep the member on sick leave, please continue to deduct contributions and report service and salary in the usual way.

Q. Is furlough pay pensionable? What contributions are paid?

Yes, furlough pay is pensionable under the regulations.

You must still pay the usual 23.68% contribution rate against the actual pay in the pay period, not the normal rate of pensionable pay.

Employee contributions should be deducted based on the actual pay the furloughed employee receives, not the normal rate of pensionable pay*.

If an employee who is normally paid £2,500 per month (gross) is paid at 80%, they'll be paid £2,000 per month. Contributions of 7.4% will be payable on £2,000 (as opposed to the usual 8.6% on £2,500).

If you "top-up" the furlough pay, please determine the contribution rate by annualising the furlough pay + top-up, and apply this to the furlough pay + top-up paid in the month. For example, if you top up an employee's furlough pay of £2,000 by £500 per month, the contribution rate will be 8.6% (based on annualised gross of £30,000) applied to £2,500.

* Pensionable leave is an exception to this; if the same member is on pensionable leave and furloughed, their contribution rate will remain at the normal rate, but it'll be applied to their actual pay during furlough. Please see the question on furlough pay and family leave.

Q. How should I record service and salary for furloughed employees?

Please continue to submit service and salary via your MDC return. If the amount paid is less than the normal pay, you should also provide the actual amount of pensionable pay in the period. **If your employee is full-time, you'll need to provide the service line as Part-Time Regular (7) if paying less than 100% of the normal pay**, otherwise an error will occur because the actual pay is less than the annual full-time salary rate.

Q How will furlough pay affect the build-up (accrual) of a member's pension?

The accrual of pension is proportionate to the pensionable pay*.

In the Career Average arrangement, if furlough pay is less than normal pay (because you as the employer choose not to top it up) the amount of pension built-up will be less. For example, if the amount of pensionable pay is 20% less than normal, the amount of pension added to the total Career Average pension will be 20% less in relation to the period of furlough. As the CJRS is a temporary scheme, the impact on overall pension accrual at retirement will be minimal for most members.

In the Final Salary arrangement, if furlough pay is less than normal pay, the amount of service that counts towards pension benefits (known as reckonable service) during this period will be less. For example, if the amount of pensionable pay is 20% less than normal, the amount of reckonable service added to the total reckonable service will be 20% less. For most members the impact on overall pension accrual will be minimal.

Please note that average salary is unaffected. Average salary is calculated on the full-time equivalent (FTE) salary, not actual pay. We're treating furlough pay as part-time, and we'll continue to use the normal FTE salary to calculate the average salary. This means there'll be no change to the average salary during or after the furlough period, when members return to their normal pre-furlough salary.

* Pensionable leave is an exception here, as accrual continues to be based on normal pay. Please see the question on furlough pay and family leave.

Q. How will being on furlough affect a member's death in service benefits?

Death in service benefits are unaffected.

In the Career Average arrangement, the in-service Death Grant is three times the FTE salary. As we're asking you to record service for furloughed employees as part-time (if not already part-time), we'll still have the FTE salary and that's what we'll use.

In the Final Salary arrangement, the in-service Death Grant is three times the average salary. The average salary is calculated using the FTE salary. As we're asking you to record service for furloughed employees as part-time (if not already part-time), we'll still have the FTE salary to calculate the average salary, and that's what we'll use.

Q. How will being on furlough affect survivor pensions?

The enhancement to survivor pensions will be unaffected, as it's based on the normal full-time equivalent salary rate.

There may be a slight reduction in the part of the survivor pension based on benefits already built-up in the Scheme, relating to the reduced level of build-up during the furlough period, if applicable. However, for most members the effect will be minimal.

Q. What if the member is on pensionable family leave when furloughed?

If they're on pensionable family leave (adoption leave, maternity leave, parental leave, shared parental leave, parental bereavement leave or paternity leave) and their pay is furloughed, the contribution percentage they pay will remain unchanged, but it'll be applied to their actual pensionable earnings. While they continue to receive pay (including statutory pay) they'll continue to build-up pension benefits based on their normal pay.

Q. Can I reclaim pension contributions from furlough pay?

You're required to pay the full 23.68% of employer contributions to the Scheme.

You can claim pension contributions for furloughed employees up to the minimum required for automatic enrolment, that is 3% of income above the lower limit of qualifying earnings (which is £512 per month until 5 April and will be £520 per month from 6 April 2020 onwards).

Emergency Volunteering Leave

Q. What is statutory Emergency Volunteering Leave (EVL)?

[Schedule 7 of the Coronavirus Act 2020](#) allows for workers with certain skills in the health and social sector to volunteer for periods of emergency volunteering leave.

Q. What contributions are due while on EVL?

Periods of EVL are unpaid, however there may be allowances payable. In some circumstances, employers may decide to continue to pay staff undertaking EVL. Member/Employer contributions will be due on any payment made to the member by their employer. For employee contributions the rate should be determined on the annualised rate of the actual pay in the period of EVL. Employer contributions will be at the usual rate of 23.68%

Q. Will EVL affect the build-up (accrual) of pension?

No, the accrual of pension is unaffected by EVL. Members who receive no pay, or reduced pay, will continue to accrue pension as if they were being fully paid during this period.

Q. How should I record service and salary for employees on EVL?

Please **continue to submit service and salary information based on normal pay** even if pay while on EVL is less than normal. This will allow us to credit the member with their normal pension accrual.

If the pay received is less than normal, please account for the differences in contributions via the usual process in the monthly contributions slip.

Q. How will being on EVL affect a member's death in-service and ill-health benefits?

Ill-health and death in-service benefits are unaffected. Members undertaking EVL are still considered to be in-service in the Teachers' Pension Scheme and will therefore continue to receive the full protection of these provisions.

In the Career Average arrangement, the in-service Death Grant is three times the full-time equivalent (FTE) salary. A reduction in pensionable earnings while on EVL, if any, will not affect the FTE salary rate.

In the Final Salary arrangement, the in-service Death Grant is three times the average salary. The average salary is calculated using the FTE salary, and a reduction in pensionable earnings while on EVL, if any, will not affect the FTE salary rate.

Q. How will being on EVL affect survivor pensions?

As members are treated as being in-service and continue to accrue pension as normal, there's no impact on survivors' pensions if the member is on EVL.