

Returning to work after claiming your benefits

October 2021



Can I return to teaching employment after taking pension benefits from the Teachers' Pension Scheme?

Put simply, yes. If your retirement was on the grounds of ill-health, your ill-health pension will stop if you return to teaching employment.

When do I need to tell you about my re-employment as a teacher?

If your employer provides us with details of your service and salary via our Monthly Data Collection (MDC) process, there's no need to do anything. For most members we'll be able to determine if and when abatement of pension benefits will apply.

Where we can't we'll get in touch with you and ask you to complete a Certificate of Re-employment. However, it's worth noting we only need to know if you've taken your benefits after reaching the Normal Pension Age for those benefits, known as Age Retirement, or if you've taken Premature Retirement.

Will my pension be affected if I take up employment under another scheme for teachers in the British Islands?

Yes, your benefits may be affected and you must complete a Certificate of Re-employment. If your retirement was on the grounds of ill-health, your benefits will stop if you return to employment elsewhere in the British Islands.

How do you decide if my pension should be reduced or stopped?

Any final salary benefits taken as an Age or Premature Retirement award will be affected if your pension and re-employment earnings exceed your Salary of Reference. Please note that this applies even if you have opted out of the Scheme in respect of your re-employment. Your Salary of Reference is the highest salary earned in the salaries used to make up your final average salary, and was included in the award papers we send when you receive your pension benefits.

We take the value of your pension(s) - (both final salary and career average) - including any mandatory or discretionary payments from Premature Retirement, and add in the eligible earnings from your re-employment. If the total of this is more than your revalued Salary of Reference we'll stop your final salary benefits for the remainder of the Scheme year. This is known as abatement. We'll not stop your career average pension benefits.

Your Salary of Reference is index-linked, and is revalued in line with Pensions Increase.

Can my teaching employment count towards further retirement benefits from the Teachers' Pension Scheme?

You'll accrue further benefits on any pensionable service in re-employment - you can opt-out of the Scheme if you wish but this will not affect the abatement calculations - and, if you complete a year of additional service after retirement you'll qualify for further pension benefits.

If you're re-employed after taking retirement benefits other than Phased Retirement, and have less than one year's service (365 days) and don't intend to continue in the Teachers' Pension Scheme, your contributions and interest will generate an annuity to add to your existing pension.

Unless you were in Additional Service After Retirement (ASAR) immediately before 1 April 2012 any service undertaken after 1 April 2015 will be in the career average arrangement. The standard Retirement types - Age, Premature, Early (AAB), Phased and Ill-health, apply to ASAR benefits.

Where there is any difference between the legislation governing the Teachers' Pension Scheme and the information in this factsheet, the legislation will apply.