



Retired member:

# Your guide to retirement.



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

# Introduction

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**Well you've retired.**

**But before we get into those 'now you've retired' clichés, it's worth remembering that, where your pension is concerned, being retired isn't the end.**

**On the contrary, if there's one time you want to really get on top of your pension, it's now.**

# Basic things about my pension

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## Here are the top things to remember when it comes to understanding the benefits of your teacher's pension.

Each month your pension will be paid into your nominated bank account. Your monthly pension payment will be made on the day before your birth date. So, for example, if you were born on the 7th of the month, your pension will be paid on the 6th of each month. Each year you'll be able to view your updated P60 online via My Pension Online (MPO). This will outline the amount of pension you've received and the tax you've paid in that tax year.

The good news is your pension is index-linked to protect it from increases in the cost of living. The increases are paid in April, on the same date as increases in State social security benefits. They're based on figures provided by HM Treasury. Pension Increase also applies to pensions paid by the Teachers' Pension Scheme to widows, widowers, pension credit members, nominated partners, civil partners, children and dependants.

If you move house or change your bank details, you'll need to let us know so we can ensure your details are correct. [You can do this via MPO.](#)

# Guaranteed Minimum Pension

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**When you start claiming your State pension, the government may pay some of the increase on your teacher's pension with your State Pension. This is because you may be entitled to a Guaranteed Minimum Pension (GMP) in the State scheme.**

The GMP consists of two elements:

- For service up to 5 April 1988, the government will pay all Pension Increases (PI) with your State Pension. This part does not attract increases from the Teachers' Pension Scheme
- For service after 5 April 1988, Pension Increase (up to 3%) is paid by the Teachers' Pension Scheme. The balance will be paid by the Government with your State Pension.

When we receive confirmation of your GMP from HMRC, we'll adjust your pension. If you're not entitled to a GMP or your State Additional Pension (AP) is of greater value than your GMP, you'll receive the full increase from the Teachers' Pension Scheme. If you look at the information provided with your P60 you'll see a breakdown of how the different elements of your pension have been increased.

If you've any further questions about State Benefits or GMP, please contact the Department for Work and Pensions (DWP) on 0845 300 0168.

# What if I start work again?

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## **Re-employment is teaching employment undertaken after you've accessed your pension benefits in full (i.e. not phased retirement).**

If you're receiving Age or Premature final salary benefits, your pension may be temporarily suspended (abated), depending upon your earnings and irrespective of whether your new service is pensionable or not.

If you're receiving career average benefits they won't be affected by re-employment.

If you took final salary benefits and you're receiving Early Retirement (Actuarially Adjusted Benefits), your pension won't be affected. If you return to work and subsequently take Age, Premature or Ill-health Retirement your benefits may be affected.

## **How do Teachers' Pensions decide if my pension should be suspended?**

Your final salary pension will be suspended if your pension and re-employment earnings exceed your salary of reference. Any career average benefits that you're receiving won't be affected by your re-employment but will be counted against your salary of reference.

## **What is the salary of reference?**

Your salary of reference is the highest salary in the average salary period, as calculated at retirement.

## **Where can I find out what my salary of reference is?**

You can find your salary of reference in your retirement award papers. Your salary of reference is index-linked.

## **What is the limit that I can earn in a tax year?**

Your salary of reference minus your annual pension is the limit that you can earn in a tax year before your pension is affected. If your earnings in the tax year exceed that limit, your pension is suspended. Your employer will send us your service and salary information each month which means we can check if you're nearing your earnings limit.

# What if I'm receiving Ill-health benefits and am returning to teaching?

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**If you're receiving Ill-health Retirement, it's because you had been judged permanently medically unfit to teach. So if you return to teaching, these benefits must stop immediately.**

If you wish to return to teaching, your employer must be satisfied that you're fit to teach in the capacity required. It's your responsibility to notify us in writing immediately of any employment undertaken if you're in receipt of Ill-health benefits.

If your pension is stopped because you return to work, you'll only be awarded another Ill-health pension if you become ill again and satisfy us that you're unfit to teach. You can retire on any other grounds at the appropriate age.

If you're receiving an enhanced pension and you intend to return to employment outside of teaching, you must provide a certificate from a registered medical practitioner. The medical practitioner must be satisfied that you still have the medical condition that caused your enhanced pension to be paid. The nature of your proposed employment will also help us decide whether or not the enhanced pension can continue to be paid.

# Will I earn a further pension if I return to work?

**If your teaching service is pensionable, and providing you have enough service to re-qualify for benefits then you'll gain further retirement benefits. They'll be based on your pensionable employment completed since returning to work and your current salary. This is known as Additional Service After Retirement (ASAR).**

If you're re-employed after taking retirement benefits other than Phased Retirement, you must have one year (365 days) of ASAR to qualify for further benefits. However, if you've less than one year's service 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.

**Note** - If you're working part-time, the whole period counts towards your qualifying service including the days you don't work. However, your benefits are based on the pensionable earnings that you actually receive.

You don't have to claim your benefits immediately if you stop ASAR and plan to do further work, as all your ASAR benefits will be added together when you decide to claim them.

Unless you were in 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 will apply to ASAR benefits.

## What's an annuity?

A short service annuity is payable when a member enters post benefit service, has not re-qualified for benefits in respect of that service, and has left all eligible employment. It's the actuarial equivalent of your contributions in respect of the post benefit service plus interest to the date of payment at 3% per year. An annuity is payable for your life only, it doesn't revert to dependants should the worst happen.



# After I'm gone

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**It goes without saying that your pension isn't just about you. It's also about the people you love and care for.**

**If I'm retired what will my beneficiary or nominee(s) receive after I die?**

As a pensioner, if your pension has been in payment for less than five years, a death grant will be paid that's equal to five times your annual pension, less any pension you've received. A death grant is not payable if your pension has been in payment for more than five years. This is the same for all pensioners regardless of whether you were in the final salary or career average arrangements when you left service. If there's no death grant nomination or adult beneficiary at the time of your death, any death grant that's due will be paid to your estate.

If you wish to make a death grant nomination or would like to amend a previous nomination [the death grant nomination form can be found on our website here](#).

**What pension will be payable in the event of my death?**

If you die after retiring we'll continue to pay your pension in full for three months. These payments are called short term pension. After the short term pension ends a long term pension is put into place for payment.

**Pensions for a Spouse or Civil Partner**

If you're married or in a civil partnership, your spouse or civil partner will automatically receive a pension after you die, provided you've a minimum of two years pensionable service. If you've a surviving qualifying partner, a pension will only be paid if you've been living together for at least two years when you die and are still interdependent.

# After I'm gone

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## Adult short term pension

The rate of the short term pension is the annual rate you were receiving at the date of your death.

## Adult long term pension

**Final salary arrangement** - If you're in the final salary arrangement the long term pension for an adult survivor is 1/160th of the final average salary for each year of your survivor benefit service.

**Career average arrangement** - If you're in the career average arrangement the long term pension is the value of 37.5% of the pension you've earned up to your date of death.

**Benefits in both arrangements** - If you have benefits in both arrangements, two calculations will be made, one for each type of benefit and these will be paid together.

## Pensions for eligible child/children

In order for a child to be entitled to benefits upon your death, they must meet the criteria to be deemed an eligible child.

To be eligible, your child/children must be:

- Born during your lifetime or within 12 months of your death, or
- Adopted by you, or
- Financially dependent on you at the date of your death, and
- Under 17; or if over 17 has remained in full time education or has been in training for a trade or profession for at least two years, without a break of more than one academic year and up to age 23 at the latest, or
- Incapacitated and unable to earn a living due to ill-health at the time of your death. A doctor will need to confirm this. We'll also need to know if they're receiving any benefits.

# After I'm gone

## Child short term pension

Where an adult pension is payable for three months, and there is an eligible child/ children the child short term pension is paid for the same period as the adult pension. The amount is the rate of your retirement pension at the date of death divided by the number of eligible children who are entitled to a pension.

Where no adult pension is payable the rate of the eligible child short term pension is the rate of your retirement pension at the date of your death divided by the number of eligible children who are entitled to a pension.

This is payable for six months, or if shorter the date in which the child ceases to be deemed an eligible child.

## Child long term pension

**Final salary arrangement** - If you're in the final salary arrangement the long term pension for an eligible child is:

- If an adult pension is payable then the rate of the child long term pension is  $\frac{1}{160}$ th of the final average salary for each year of your survivor benefit service

- If no adult pension is payable or was payable on death but has now ceased to be payable then the rate of the child long term pension is  $\frac{1}{120}$ th of the final average salary for each year of your survivor benefit service.

**Career average arrangement** - If you're in the career average arrangement the long term pension for an eligible child is:

- If an adult pension is payable then the rate of the child long term pension is  $37.5\% \times$  your accrued earned pension at the date of death / the number of eligible children
- If an adult pension is not payable then the rate of the child long term pension is  $50\% \times$  your accrued pension at date of death / the number of eligible children.

**Benefits in both arrangements** - If you've benefits in both arrangements, two calculations will be made, one for each type of benefit and these will be paid together.

# After I'm gone

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## What about my financially dependant relative?

If you're unmarried and haven't registered as a civil partner or don't have a surviving qualifying partner to receive a pension you may have/ wish to nominate one financially dependant close relative to receive a pension when you die. This is provided they're widowed or have never been married or been a registered civil partner. The nomination will no longer stand if you marry, become a civil partner or have a surviving qualifying partner for benefits or your nominated financially dependant relative marries or forms a civil partnership.

## How long will my family continue to receive a pension?

If you were in service on or after 1 January 2007 any adult pension will be paid for your beneficiary's lifetime. If you weren't in service on or after 1 January 2007 then any adult pension will cease if the recipient remarries, registers a civil partnership or cohabits with another person as husband and wife or as civil partners. Your children will receive a pension as long as they're under age 17.

Once they're over age 17, if they're receiving full-time education and have received full-time education since reaching the age of 17 without a break, their pension will stop when they reach age 23.

## How much of my service counts towards family benefits?

If you've a surviving qualifying partner for family benefits your service from 1 January 2007 will automatically be used in the calculation of family benefits. You can pay for service before that date to be counted towards family benefits if you apply within six months of nominating your partner.

If you're married or have registered a civil partnership prior to retiring whether same sex or opposite sex, all your service from 6 April 1972 automatically counts for family benefits.

Different rules apply for female teachers who died before 5 December 2005. In those instances the survivor will have received or be in receipt of a pension based on the female teachers' service from 6 April 1988.

# After I'm gone

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## What happens if I marry or register a civil partnership after I've retired?

Only your service from 6 April 1978 will count for an adult beneficiary's pension if your marriage or civil partnership occurred following your retirement.

When marrying, forming a civil partnership, those meeting the surviving qualifying partner criteria, or nominating a financial dependant, it may be possible to make an election to cover pensionable service for inclusion in adult pension qualification service.

[Further details can be found here.](#)

## How would my beneficiary claim the benefits should the worst happen?

Your beneficiary should inform us of the death, by either calling our Contact Centre on 0345 606 6166 (8.30am-6.00pm, Monday to Friday) or by [downloading the application for death benefits form which can be found here.](#)

The Application for death benefits form should be completed in all cases, even if it's thought that there aren't any benefits to pass on.

# What happens if I die whilst I'm re-employed?

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**If you go back to work after claiming benefits from the Scheme, in service death benefits may be available for your loved ones.**

A death grant lump sum will be calculated depending on which arrangement you're in.

- If you're in the career average arrangement the calculation will use three times your salary
- If you're in the final salary arrangement it will be three times your average salary.

In either case any lump sum benefits you've already been paid will be deducted from the death grant that's due.

# If you have a complaint

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If you wish to make a complaint about the service provided by Teachers' Pensions or to dispute a decision reached in the administration of your benefits, then the best method of getting in touch is via your My Pension Online account.

Alternatively, you can contact us by telephone or in writing. Please remember to use your Teachers' Pensions Reference number and National Insurance number in all correspondence.

For details of the Scheme's Internal Dispute Resolution Procedure (IDRP) please see the '[Member complaints and appeals](#)' section of our website. The Scheme operates a one- step IDRP, where a dispute with the administrator can be raised with the Department for Education in their capacity as the Scheme Manager. If you remain dissatisfied you can then escalate your complaint to The Pensions Ombudsman, who is an independent and impartial adjudicator.

The Ombudsman's details are:

Pensions Ombudsman 10 South  
Colonnade Canary Wharf  
London  
E14 4PU

0800 917 4487

At any stage during a complaint you may wish to approach The Pensions Advisory Service for assistance. They offer a free service and their address is:

The Advisory's Service's details are:

The Pensions Advisory Service  
11 Belgrave Road  
London  
SW1V 1RB

0800 011 3797

The Teachers' Pension Scheme is a statutory scheme. The latest set of regulations, SI 2014 No. 512, established the Teachers' Pensions Scheme 2017 and are available on the [legislation.gov.uk](http://legislation.gov.uk) website.

The pension scheme registry number is 10276733.

# Contact information

If you'd like any further information about the Scheme including guidance on Death Benefits and Ill-Health, it can all be found in our [website](#). If you'd like to contact us, the easiest way is through your My Pension Online account where you can send us a secure direct message.



## Visit us at:

[www.teacherspensions.co.uk](http://www.teacherspensions.co.uk)

## Call us on:

0345 606 6166 Monday - Friday, 8.30am - 6.00pm

## Write to us at:

Teachers' Pensions,  
11b Lingfield Point,  
Darlington, DL1 1AX

## My Pension Online (MPO)

MPO is the best way to access your pension information online anytime you want, you can interact with your pension in a whole new way. **Log in** or **register** online today.

The tools and resources available online are designed to make things easier and give you all the answers you need. [www.teacherspensions.co.uk/login](http://www.teacherspensions.co.uk/login)

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The information contained in this guide is correct at the time of press, but may be subject to change. If there is any difference between the legislation governing the Teachers' Pension Scheme and the information contained in this guide, the legislation will apply.

**Department for Work and Pensions** – For questions about State Pension please contact the Department for Work and Pensions on: 0800 731 0175.

**HM Revenue & Customs (HMRC)** – If you have any other questions about your income tax or P45 please contact: HMRC, HM Revenue & Customs Customer Operations, PSA PO BOX 4000, Cardiff, CF14 8HR. Contact telephone number: 0300 200 3300. The PAYE number in respect of your teacher's pension is 948 400.