

Your Annual Update

Teachers' Pensions annual update

April 2016



Welcome to Teachers' Pensions annual update.

The way in which we communicate with you is changing, which means this is the last year you'll receive a paper P60 from Teachers' Pensions.

Don't worry; you'll still be able to access it online via My Pension Online at any time you choose, as well as viewing your monthly payslips, updating your personal details quickly and easily and completing online forms. You'll also be able to print copies of your P60 whenever you need to. We'll email you when it's ready to be viewed online.

It's fast and simple! Sign up today at www.teacherspensions.co.uk.

Pension Payments from April 2016

Your pension is reviewed each year in line with the cost of living. The increase each April is the percentage increase (if any) in the consumer prices index (CPI) in the year to the preceding September. The review for April 2016 takes account of the rate of CPI in the year to September 2015. Although the rate of CPI was negative your pension will

remain the same as legislation doesn't allow for a decrease to be applied to pensions in payment. As a result of this, your pension will not increase from April 2016 and you'll continue to be paid the same gross amount currently in payment. The net amount may vary if you become subject to other changes, for example, a change in tax rate.

Important:

To ensure the correct pension is paid to you, it's vital that we have your most up to date information on our records.

Please tell us:

- If you remarry, enter a civil partnership or co-habit and you are in receipt of a spouse's, civil partner's or nominated financial dependant's pension, provided by a person who retired or ceased pensionable service before 1 January 2007;
- If you change your personal details including your address or bank account;
- About any teaching employment you have after claiming your pension;
- If we pay your children a pension and they leave full-time education, they earn over £3082 per annum or they enter into a marriage or civil partnership;
- If you defer your State Pension; please provide confirmation of this from the DWP
- If you are the next of kin of a Teachers' Pension Scheme member and the member passes away.

You can update your details securely and quickly online via My Pension Online at www.teacherspensions.co.uk

Pension increases for teachers after 5 April 2016 and Guaranteed Minimum Pensions

As a result of the Pensions (Increase) Act 1971, pensions paid by the Teachers' Pension Scheme are indexed in line with the cost of living.

If you were contracted out at any point between 6 April 1978 and 5 April 1997, you may have an element of your pension from the Teachers' Pension Scheme which is known as the Guaranteed Minimum Pension (GMP). Certain elements of the GMP are not increased when a person reaches State Pension Age, as the Government has paid increases on the pre 1988 GMP and the post 1988 GMP above 3% (if applicable) as part of the State Additional Pension.

Please note that if you have already attained State Pension Age before 6 April 2016, there'll be no change to the existing system of providing pensions increase. Increases to the pre 1988 GMP and any increase above 3% in respect of the post 1988 GMP will continue to be provided by the Government, in the same way it was applied through the previous Additional State Pension. Any future increase involving a GMP may be payable through the Scheme and the State.

If you will reach State Pension Age after 5 April 2016, you can read more about how you'll be affected on our website:
www.teacherspensions.co.uk/gmp2016

Re-employment following retirement

If you return to pensionable employment, you'll need to let us know immediately, even if you decide not to make pension contributions.

This is because the Teachers' Pensions regulations state that the combination of your pension and any contributable salary in the tax year you are re-employed can't exceed your index-linked 'salary of reference'. The salary of reference is the highest rate of salary used in the calculation of your average salary, indexed to the tax year of re-employment.

The easiest way to tell us about your re-employment is to visit our website, log in to My Pension Online and complete a Certificate of Re-employment online. Alternatively, you can request a form from your employer.

Remember that for every tax year you are re-employed, you'll need to send us a Certificate of Re-employment. Failing to tell us about your employment could result in a possible overpayment of pension.

Please note this doesn't apply to members who are in receipt of an early retirement pension (Actuarially Adjusted Benefits), phased retirement benefits or Career Average benefits, unless you're also in receipt of Age, Premature Retirement or 'Additional Service After Retirement' (ASAR) benefits based on Final Salary service.

For more information on re-employment, or on any aspect of your pension, visit our website www.teacherspensions.co.uk to use our calculators and have a look at our Retired Teacher guide.

Explaining your P60

Your P60 outlines the pension we've paid to you and the tax deducted in the tax year 2015/2016. Sometimes, the amount shown before tax on your P60 will be different from the annual rate of your pension for that year.

This may be because:

- Your pension started during the tax year
- The first payment you received in the tax year included one or more days before 6 April 2015
- Your pension was not paid in full for the whole year.

View your P60 and monthly payslips online via My Pension Online at

www.teacherspensions.co.uk

You may also find the FAQs on our website useful.

Your tax code

HM Revenue & Customs (HMRC) tell us how much tax to take from your pension through your tax code. We are unable to change your tax code unless we have been instructed to do so by HMRC.

If you want to ask about your tax code or tax liability, please write to:

**HM Revenue & Customs
Customer Operations PSA
PO BOX 4000
Cardiff
CF14 8HR
Or call: 0300 200 3300**

You'll need to quote your National Insurance number, PAYE reference and your pension reference number which can be found on your pension advice note.



The New State Pension and the end of State Pension 'contracting-out' from April 2016

Summary of the changes

You may be aware that from 6 April 2016 a new 'single-tier' State Pension will be introduced.

This will replace the two-tier system, which existed up to 5 April 2016, of a first-tier 'Basic State Pension' and a second-tier 'Additional State Pension' for all people reaching State Pension Age. This two-tier arrangement will cease to exist from 6 April 2016, but the starting amount of new State Pension will take account of your previous National Insurance and periods you were 'contracted out'.

As the Teachers' Pension Scheme was contracted out of the Additional State Pension, members paid reduced rate National Insurance contributions up to 5 April 2016. This was on the basis that the Teachers' Pension Scheme provided at least the equivalent of the second-tier State Pension

as part of a member's overall Scheme pension.

The full rate of the new State Pension for 2016/17 is £155.65 but, as stated earlier, this starting amount will be reduced to take account of periods you've been contracted out.

For example, a person who has been contracted out via the Teachers' Pension Scheme since 1978 and who attains State Pension Age in April 2016, will receive a new State Pension of £119.30 per week for 2016/17. This is equivalent to the level of what the previous Basic State Pension would have been had the person reached State Pension Age in March 2016. To find out your State Pension Age visit:

www.gov.uk/state-pension-age

To get a statement from the Department for Work and Pensions and a forecast of how much State

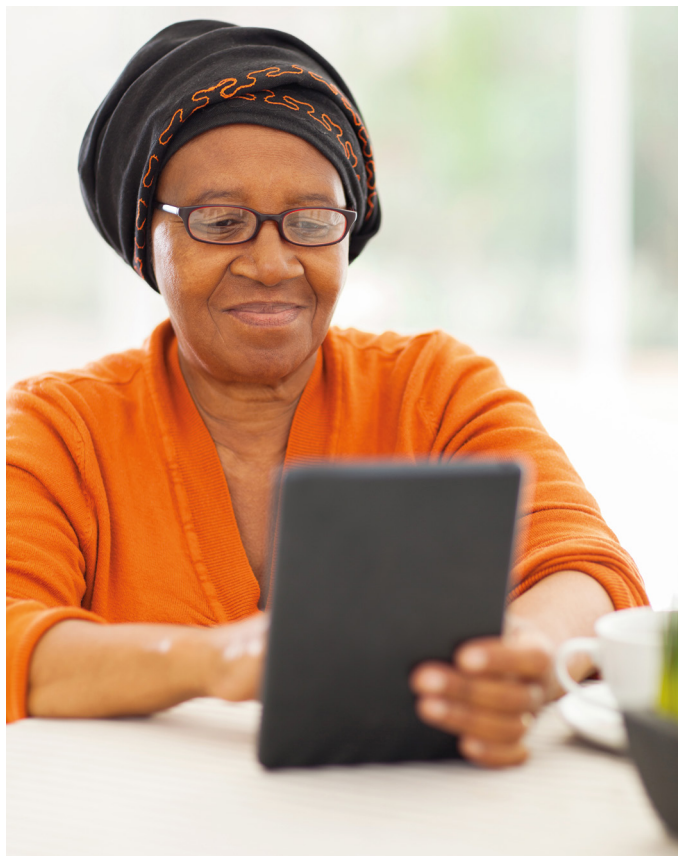
Pension you might expect visit **www.gov.uk/check-state-pension**

If your starting amount is less than the full new State Pension, please be aware that you can build up a higher amount of State Pension at a rate of 1/35th of the full State Pension ($£155.65 \times 1/35 = £4.45$ per annum) for each 'qualifying year' you remain in employment after 5 April 2016. This pension will be added to your starting amount, until you reach the full level of the new State Pension or you reach State Pension age, whichever occurs first.



Further information about the new State Pension can be found at: www.gov.uk/new-state-pension

Let's talk



Our Contact Centre Team is available from 8.30am to 6.00pm Monday to Friday if you can't find what you need on our website.

Please make sure you have your Teachers' Pensions reference number before calling.

Call us on:

03456 066 166

Monday–Friday, 8.30am–6.00pm

Email us at:

'Contact us' via your My Pension Online account

Visit us at:

www.teacherspensions.co.uk

Write to us at:

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

