

# Teacher's Pensions Cookie Preferences

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Web maintenance will take place on Sunday 28 April. We apologise for any inconvenience.

## Administration Charge



### Administration of compensation payments by Teachers' Pensions

If you choose us to provide the administration service for you, you'll be given a choice of how you wish to be invoiced for the reimbursement for your share of the benefits:

#### Method A - Pay as you go

We'll invoice you for your share of the lump sum at the date the teacher retires (unless you've ticked the box to say that you'll be paying the lump sum directly to the teacher). We'll then invoice you on a quarterly basis for the recovery of the pension. Invoices are issued in March, June, September and December.

#### Method B - Actuarial Lump Sum

A single actuarially determined lump sum payment.

#### Method C - Actuarial Lump Sum by instalments

An actuarial determined lump sum calculated as for option B, but with the option to pay it in annual instalments over a period of 2 to 5 years.

Please note HE Institutions and employers in the Independent section can only reimburse Teachers' Pensions by method B.

Should you wish to pay by method B or C, the value of the pension would need to be capitalised using actuarial factors based on life expectancy. There will be no refund of any portion of the actuarial amount if the teacher dies within a short period of retirement.

## Calculation of method B and C

To calculate the cost of method B or C, please click the relevant link below. If you're offering both Mandatory and Discretionary Compensation, click on both links.

➤ [Method B and C Calculation - Mandatory spreadsheet \(XLS, 40 KB\)](#) (This link opens in a new window)

➤ [Method B and C Calculation - Discretionary spreadsheet \(XLS, 40 KB\)](#) (This link opens in a new window)

Method B total is marked on both spreadsheets. This is the actuarial value of the pension and lump sum and is the amount that you would be invoiced when the teacher retires.

Method C is at the bottom of the spreadsheet. Take the figure under the number of years you wish to reimburse Teachers' Pensions, to get your annual instalment. Your annual instalment invoice will be issued each year on the anniversary of the teacher retiring. If the teacher should die within the repayment period, the invoices will still be issued each year until the actuarial value has been paid in full.

Don't forget that on top of the invoices for the payments above, you'll continue to get the annual administration charge for the life of the pensioner (and spouse in discretionary cases).

When the application form is received and the benefits have been calculated, Teachers' Pensions will issue an invoice. Please note that the mandatory lump sum will not be paid to the teacher until the invoice has been paid. The pension however, will be put into payment immediately.

## Revisions

If for any reason the teacher's benefits are revised, this may affect your mandatory pension and lump sum. In such cases a further invoice will be issued for the additional cost.

If you have any further queries regarding the calculation of the mandatory or discretionary benefits, please [contact us via the Employer Portal](#). If you require us to do the quote for you there'll be a charge of £50 plus VAT for each quote and this is subject to us confirming resources are available to complete your request within the necessary timescales.

Last Updated: 10/12/2021 12:24

## FAQ

Have you read our Retirement Benefits FAQs?

➤ [FAQs](#)

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## Form

Complete the premature retirement form.

➤ [Download \(PDF, 683 KB\)](#) (This link opens in a new window)

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## Resources

How to administer the scheme.

➤ [Explore](#)

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## Related Information

➤ [Employer Portal](#)

➤ [Answer a question](#)





## Latest News

The latest policy updates and announcements about the scheme and the news that affects it:

- > [Help shape your experience by taking this short survey](#)
- > [We've made updates to the MCR template](#)
- > [Multi Academy Trust and Academy submission](#)
- > [More News](#)

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