

## Appendix

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### Notional Salaries for Part-time Lecturers in Higher Education

In calculating the notional salaries for part-time lecturers I have started from Incremental Point 12 for a Lecturer Grade I at 8 April 1976 and progressed this point through to 30 April 1995.

<b>Pay date</b>	<b>Salary</b>
<b>01.04.1976</b>	<b>4089</b>
<b>01.04.1977</b>	<b>4089</b>
<b>01.04.1978</b>	<b>5019</b>
<b>01.04.1979</b>	<b>5472</b>
<b>01.01.1980</b>	<b>5937</b>
<b>01.04.1980</b>	<b>6705</b>
<b>01.09.1980</b>	<b>7362</b>
<b>01.04.1981</b>	<b>7914</b>
<b>01.04.1982</b>	<b>8379</b>
<b>01.04.1983</b>	<b>8808</b>
<b>01.04.1984</b>	<b>9213</b>
<b>01.04.1985</b>	<b>9675</b>
<b>01.12.1985</b>	<b>9858</b>
<b>01.04.1986</b>	<b>10401</b>
<b>01.04.1987</b>	<b>10920</b>
<b>01.09.1987</b>	<b>13500</b>
<b>01.07.1988</b>	<b>14310</b>
<b>01.09.1988</b>	<b>15384</b>
<b>01.09.1989</b>	<b>16860</b>
<b>01.09.1991</b>	<b>17703</b>
<b>01.09.1992</b>	<b>18393</b>
<b>01.09.1993</b>	<b>18669</b>
<b>01.09.1994</b>	<b>19137</b>

**Notional Salaries for Part-time Lecturers in Higher Education**

<b>Period</b>	<b>Up to 20%</b>	<b>Up to 40%</b>	<b>Up to 60%</b>	<b>Up to 80%</b>	<b>FTE</b>
01.04.76 - 30.03.77	818	1636	2453	3271	4089
01.04.77 - 30.03.78	818	1636	2453	3271	4089
01.04.78 - 30.03.79	1004	2008	3011	4015	5019
01.04.79 - 30.03.80	1149	2297	3446	4594	5743
01.04.80 - 30.03.81	1418	2835	4253	5670	7088
01.04.81 - 30.03.82	1583	3166	4748	6331	7914
01.04.82 - 30.03.83	1676	3352	5027	6703	8379
01.04.83 - 30.03.84	1762	3523	5285	7046	8808
01.04.84 - 30.03.85	1843	3685	5528	7370	9213
01.04.85 - 30.03.86	1947	3894	5842	7789	9736
01.04.86 - 30.03.87	2080	4160	6241	8321	10401
01.04.87 - 30.03.88	2485	4970	7455	9940	12425
01.04.88 - 30.03.89	2822	5643	8465	11286	14108
01.04.89 - 30.03.90	2987	5975	8962	11950	14937
01.04.90 - 30.03.91	3160	6319	9479	12638	15798
01.04.91 - 30.03.92	3470	6941	10411	13882	17352
01.04.92 - 30.03.93	3621	7242	10864	14485	18106
01.04.93 - 30.03.94	3711	7422	11132	14843	18554
01.04.94 - 30.03.95	3788	7577	11365	15154	18942

**PART-TIME HOURLY RATES AGREED NATIONAL WITH REGIONAL  
DIFFERENCES 1978 – 1981**

**Table 1: Regional Rates 1978**

<b>1.4.78 Grade Counties*</b>	<b>1</b>	<b>11</b>	<b>111</b>	<b>1V</b>	<b>V or VA</b>	<b>VB</b>
<b>1</b>	6.55	6.55	6.55	5.44	4.55	4.03
<b>2</b>	6.60	6.27	6.07	5.03	4.48	
<b>3</b>	6.33	6.33	6.16	5.20	4.24	3.51
<b>4</b>	6.55	6.12	5.61	5.05	3.96	
<b>5</b>	6.25	6.25	5.87	5.07	4.15	3.55
<b>6</b>	6.44	5.84	5.68	4.77	3.96	3.35
<b>7</b>	6.62	6.62	6.62	5.48	4.52	3.59
<b>8</b>	11.22	11.22	11.22	9.15	7.47	
<b>9</b>	6.46	6.46	6.27	4.89	4.45	3.81
<b>10</b>	6.42	6.42	6.33	5.45	4.25	3.45

**Part time hourly rates for Grade VB have been assimilated to point 5 of the salary scale for pension purposes only**

**Part-time hourly rates for Grade IV, V or VA have been assimilated to point 9 of the salary scale for pension purposes only**

**Part-time hourly rates for Grade I,II, III have been assimilated to point 9 of the salary scale for pension purposes only**

**Table 2: Regional Rates from 1.4.79**

(except for rate for Category 11/111 which comes in September 1979.  
Category 11 and Category 111 apply 1.4.1979 to 31.8.1979)

Same counties groupings for pay

<b>Grades Counties*</b>	<b>1</b>	<b>11 and 11/111</b>	<b>111</b>	<b>1V</b>	<b>V or VA</b>	<b>VB</b>
<b>1</b>	7.21	7.21	7.21	6.00	5.03	4.47
<b>2</b>	7.27	6.91	6.69	5.56	4.96	4.78
<b>3</b>	6.97	6.97	6.79	5.74	4.70	4.01
<b>4</b>	7.21	6.75	6.19	5.58	4.47	
<b>5</b>	6.89	6.89	6.47	5.60	4.60	4.01
<b>6</b>	7.09	6.44	6.27	5.27	4.47	4.01
<b>7</b>	7.29	7.29	7.29	6.05	5.00	4.01
<b>8</b>	12.38	12.38	12.38	10.12	8.29	
<b>9</b>	7.12	7.12	6.91	5.41	4.93	4.23
<b>10</b>	7.07	7.07	6.97	6.02	4.71	4.01

**Table 3: Regional Rates 1.9.80 to 31.3.81**

Same counties groupings for pay

	<b>Grades</b>	<b>1</b>	<b>11/111</b>	<b>1V</b>	<b>V</b>
<b>Counties*</b>					
<b>1</b>		9.49	9.49	8.10	6.11
<b>2</b>		9.53	9.31	7.83	6.11
<b>3</b>		9.35	9.35	7.94	6.11
<b>4</b>		9.49	9.21	7.84	6.11
<b>5</b>		9.30	9.30	7.85	6.11
<b>6</b>		9.42	9.02	7.65	6.11
<b>7</b>		9.54	9.54	8.13	6.11
<b>8</b>		8.86	8.86	7.52	6.11
<b>9</b>		9.44	9.44	7.74	6.11
<b>10</b>		9.40	9.40	8.11	6.11

**Table 4: Regional Rates 1.4.81 to 31.8.81**

Same counties grouping for pay

Grades	1	11/111	1V	V
Counties*				
1	10.20	10.20	8.71	6.57
2	10.24	10.01	8.42	6.57
3	10.05	10.05	8.54	6.57
4	10.20	9.90	8.43	6.57
5	10.00	10.00	8.44	6.57
6	10.13	9.70	8.22	6.57
7	10.26	10.26	8.74	6.57
8	9.52	9.52	8.08	6.57
9	10.15	10.15	8.32	6.57
10	10.11	10.11	8.72	6.57

**\*Counties:**

- Counties of Buckinghamshire, East Sussex, Essex, Hertfordshire, Kent, Surrey, the Greater London Council area and the area of Berkshire within the former county of Buckinghamshire.
- Counties of Berkshire excluding the area formerly within Buckinghamshire, Hampshire, Isle of Wight. Oxfordshire and West Sussex
- Counties of Avon, Cornwall, Devon, Dorset, Gloucestershire, Isles of Scilly, Somerset and Wiltshire
- Counties of Hereford and Worcester, Salop, Staffordshire, Warwickshire, and the Metropolitan Districts of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton
- Counties of Derbyshire, Leicestershire, Lincolnshire, Northampton and Nottinghamshire
- Counties of Bedfordshire, Cambridgeshire and Norfolk and Suffolk
- Counties of Humberside and North Yorkshire and the Metropolitan Districts of Barnsley, Bradford, Calderdale, Doncaster, Kirklees, Leeds, Rotherham, Sheffield and Wakefield.
- Counties of Cheshire and Lancashire and the Metropolitan Districts of Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford, Wigan, Knowsley, Liverpool, St. Helens, Sefton and Wirral.
- Counties of Cleveland, Cumbria, Durham and Northumberland and the Metropolitan Districts of Gateshead, Newcastle upon Tyne, North Tyneside, South Tyneside and Sunderland.
- Counties of Clwyd, Dyfed, Gwent, Gwynedd, Mid Glamorgan, Powys, South Glamorgan and West Glamorgan

**Hourly part-time rates of pay for Higher Education****1981 to 1995**

<b>Date of pay</b>	<b>Grade V</b>	<b>Grade IV</b>	<b>Grade I, II &amp; III</b>	<b>London Allowance Inner</b>	<b>London Allowance Outer</b>	<b>London Allowance Fringe</b>
01.04.1976				0.42	0.31	0.16
01.04.1977				0.42	0.31	0.16
01.04.1978				0.50	0.34	0.17
01.04.1979				0.64	0.43	0.19
01.04.1980				0.80	0.52	0.22
01.04.1981				0.88	0.58	0.24
01.09.1981	6.80	9.56	10.94			
01.04.1982	7.21	10.12	11.57	0.99	0.65	0.26
01.04.1983	7.58	10.63	12.15	1.04	0.68	0.27
01.04.1984	7.96	11.12	12.70	1.09	0.71	1.27
01.04.1985	8.35	11.68	13.35	1.17	3.76	0.30
01.12.1985	8.52	11.90	13.60			
01.04.1986	9.05	12.57	14.36	1.28	0.84	0.32
01.04.1987	9.51	13.20	15.09	1.38	0.90	0.35
01.09.1987	10.00	13.60	15.96			
01.07.1988	10.59	14.43	16.92	1.45	0.96	0.37
01.04.1989	11.38	15.51	18.19			
01.07.1989				1.58	1.04	0.40
01.04.1990	12.47	17.00	19.94			
01.07.1990				1.73	1.13	0.44
01.07.1991				1.84	1.21	0.47
01.09.1991	13.09	17.85	20.94			
01.07.1992				1.92	1.26	0.49
01.09.1992	13.60	18.56	21.76			
01.07.1993				1.93	1.27	0.49
01.09.1993	13.80	18.84	22.09			
01.08.1994				1.96	1.30	0.50
01.09.1994	14.17	19.35	22.69			



**Higher Education Notional Salary HE hourly paid grades in Financial Years and with London Allowances**

Pay date	Grade V@ point 5	Grade IV@ point 9	Grade I,II & III@ point 12	Inner London Allowance	Outer London Allowance	Fringe London Allowance
01.04.1976	3099	3657	4089	402	297	150
01.04.1977	3099	3657	4089	402	297	150
01.04.1978	3894	4536	5019	474	327	159
01.04.1979	4245	4944	5472	609	408	177
01.01.1980	4608	5364	5937	609	408	177
01.04.1980	5205	6057	6705	759	498	213
01.09.1980	5712	6651	7362	759	498	213
01.04.1981	6141	7149	7914	834	549	231
01.04.1982	6515	7575	8379	939	615	246
01.04.1983	6861	7968	8808	987	645	258
01.04.1984	7176	8334	9213	1038	678	264
01.04.1985	7536	8751	9675	1110	726	282
01.12.1985	7677	8916	9858	1110	726	282
01.04.1986	8196	9435	10401	1110	726	282
01.07.1986				1215	795	309
01.04.1987	8607	9906	10920	1215	795	309
01.07.1987				1305	855	333
01.09.1987	9999	12000	13500	1305	855	333
01.07.1988	10599	12720	14310	1377	903	351
01.07.1989				1500	984	384
01.09.1989	11394	13674	15384	1500	984	384
01.07.1990				1641	1077	420
01.09.1990	12489	14988	16860	1641	1077	420
01.07.1991				1723	1131	447
01.09.1991	13112	15738	17703	1723	1131	447
01.07.1992				1803	1180	460
01.09.1992	13923	16353	18393	1803	1180	460
01.07.1993				1830	1198	468
01.09.1993	13827	16599	18669	1830	1198	468
01.08.1994				1875	1230	480
01.09.1994	14172	17013	19137	1875	1230	480

## Summary of FTE for HE divided into terms for the financial year.

Financial Year	Grade V Summer	Autumn	Spring	FTE	Grade IV Summer	Autumn	Spring	FTE	Grade I,II,III, Summer	Autumn	Spring	FTE
Apr76-Mar77				3099				3657				4089
Apr77-Mar78				3099				3657				4089
Apr78-Mar79				3894				4536				5019
Apr79-Mar80				1769				4944				5743
Apr80-Mar81				5501				5768				7088
Apr81-Mar82				6141				7149				7914
Apr82-Mar83				6516				7575				8379
Apr83-Mar84				6861				7968				8808
Apr84-Mar85				7176				8334				9213
Apr85-Mar86				7583				8806				9736
Apr86-Mar87				8196				9435				10401
Apr87-Mar88				9419				11158				12425
Apr88-Mar89				10499				12540				14108
Apr89-Mar90				11062				13277				14937
Apr90-Mar91				12033				14441				15798
Apr91-Mar92				12853				15426				17352
Apr92-Mar93				13410				16097				18106
Apr93-Mar94				13742				16497				18554
Apr94-Mar95				14028				16844				18942

**HE with London Allowances Summary of FTE for HE with Inner London Allowance divided into terms for the financial year.**

<b>Financial Year</b>	<b>Grade V Summer</b>	<b>Autumn</b>	<b>Spring</b>	<b>FTE</b>	<b>Grade IV Summer</b>	<b>Autumn</b>	<b>Spring</b>	<b>FTE</b>	<b>Grade I,II,III, Summer</b>	<b>Autumn</b>	<b>Spring</b>	<b>FTE</b>
<b>Apr76-Mar77</b>				<b>3501</b>				<b>4059</b>				<b>4491</b>
<b>Apr77-Mar78</b>				<b>3501</b>				<b>4059</b>				<b>4491</b>
<b>Apr78-Mar79</b>				<b>4368</b>				<b>5010</b>				<b>5493</b>
<b>Apr79-Mar80</b>				<b>5066</b>				<b>5658</b>				<b>6206</b>
<b>Apr80-Mar81</b>				<b>6260</b>				<b>7163</b>				<b>7847</b>
<b>Apr81-Mar82</b>				<b>6975</b>				<b>7983</b>				<b>8748</b>
<b>Apr82-Mar83</b>				<b>7454</b>				<b>8514</b>				<b>9318</b>
<b>Apr83-Mar84</b>				<b>7848</b>				<b>8955</b>				<b>9795</b>
<b>Apr84-Mar85</b>				<b>8214</b>				<b>9372</b>				<b>10251</b>
<b>Apr85-Mar86</b>				<b>8696</b>				<b>9916</b>				<b>10846</b>
<b>Apr86-Mar87</b>				<b>9385</b>				<b>10624</b>				<b>11590</b>
<b>Apr87-Mar88</b>				<b>10702</b>				<b>12411</b>				<b>13707</b>
<b>Apr88-Mar89</b>				<b>11808</b>				<b>13798</b>				<b>15395</b>
<b>Apr89-Mar90</b>				<b>13000</b>				<b>15308</b>				<b>17036</b>
<b>Apr90-Mar91</b>				<b>13775</b>				<b>16212</b>				<b>18036</b>
<b>Apr91-Mar92</b>				<b>14759</b>				<b>17377</b>				<b>19333</b>
<b>Apr92-Mar93</b>				<b>15496</b>				<b>18245</b>				<b>203</b>
<b>Apr93-Mar94</b>				<b>15899</b>				<b>18720</b>				<b>20828</b>
<b>Apr94-Mar95</b>				<b>16263</b>				<b>19148</b>				<b>23056</b>

**Summary of FTE for HE with Outer London Allowance divided into terms for the financial year.**

<b>Financial Year</b>	<b>Grade V Summer</b>	<b>Autumn</b>	<b>Spring</b>	<b>FTE</b>	<b>Grade IV Summer</b>	<b>Autumn</b>	<b>Spring</b>	<b>FTE</b>	<b>Grade I,II,III, Summer</b>	<b>Autumn</b>	<b>Spring</b>	<b>FTE</b>
<b>Apr76-Mar77</b>				<b>3396</b>				<b>3945</b>				<b>4386</b>
<b>Apr77-Mar78</b>				<b>3396</b>				<b>3945</b>				<b>4386</b>
<b>Apr78-Mar79</b>				<b>4221</b>				<b>4863</b>				<b>5346</b>
<b>Apr79-Mar80</b>				<b>4744</b>				<b>5457</b>				<b>5996</b>
<b>Apr80-Mar81</b>				<b>5999</b>				<b>6902</b>				<b>7586</b>
<b>Apr81-Mar82</b>				<b>6690</b>				<b>7698</b>				<b>8463</b>
<b>Apr82-Mar83</b>				<b>7130</b>				<b>8190</b>				<b>8994</b>
<b>Apr83-Mar84</b>				<b>7506</b>				<b>8613</b>				<b>9453</b>
<b>Apr84-Mar85</b>				<b>7854</b>				<b>9012</b>				<b>9891</b>
<b>Apr85-Mar86</b>				<b>8482</b>				<b>9533</b>				<b>10462</b>
<b>Apr86-Mar87</b>				<b>8974</b>				<b>10213</b>				<b>11179</b>
<b>Apr87-Mar88</b>				<b>10260</b>				<b>11968</b>				<b>13265</b>
<b>Apr88-Mar89</b>				<b>11341</b>				<b>13431</b>				<b>14998</b>
<b>Apr89-Mar90</b>				<b>12494</b>				<b>14803</b>				<b>16531</b>
<b>Apr90-Mar91</b>				<b>13223</b>				<b>15660</b>				<b>17484</b>
<b>Apr91-Mar92</b>				<b>14186</b>				<b>16803</b>				<b>18759</b>
<b>Apr92-Mar93</b>				<b>14895</b>				<b>17644</b>				<b>19699</b>
<b>Apr93-Mar94</b>				<b>15283</b>				<b>18103</b>				<b>20213</b>
<b>Apr94-Mar95</b>				<b>15639</b>				<b>18524</b>				<b>20607</b>

**Summary of FTE for HE with Fringe London Allowance divided into terms for the financial year.**

<b>Financial Year</b>	<b>Grade V Summer</b>	<b>Autumn</b>	<b>Spring</b>	<b>FTE</b>	<b>Grade IV Summer</b>	<b>Autumn</b>	<b>Spring</b>	<b>FTE</b>	<b>Grade I,II,III, Summer</b>	<b>Autumn</b>	<b>Spring</b>	<b>FTE</b>
<b>Apr76-Mar77</b>				<b>3249</b>				<b>3807</b>				<b>4239</b>
<b>Apr77-Mar78</b>				<b>3249</b>				<b>3807</b>				<b>4239</b>
<b>Apr78-Mar79</b>				<b>4053</b>				<b>4695</b>				<b>5178</b>
<b>Apr79-Mar80</b>				<b>4785</b>				<b>5226</b>				<b>5765</b>
<b>Apr80-Mar81</b>				<b>5714</b>				<b>6617</b>				<b>7301</b>
<b>Apr81-Mar82</b>				<b>6372</b>				<b>7380</b>				<b>8145</b>
<b>Apr82-Mar83</b>				<b>6761</b>				<b>7821</b>				<b>8625</b>
<b>Apr83-Mar84</b>				<b>7119</b>				<b>8226</b>				<b>9066</b>
<b>Apr84-Mar85</b>				<b>7440</b>				<b>8598</b>				<b>9577</b>
<b>Apr85-Mar86</b>				<b>7865</b>				<b>9113</b>				<b>10020</b>
<b>Apr86-Mar87</b>				<b>8498</b>				<b>9737</b>				<b>10707</b>
<b>Apr87-Mar88</b>				<b>9746</b>				<b>11400</b>				<b>12752</b>
<b>Apr88-Mar89</b>				<b>10796</b>				<b>12887</b>				<b>14454</b>
<b>Apr89-Mar90</b>				<b>11439</b>				<b>13659</b>				<b>15510</b>
<b>Apr90-Mar91</b>				<b>12444</b>				<b>14852</b>				<b>16581</b>
<b>Apr91-Mar92</b>				<b>13292</b>				<b>15866</b>				<b>17793</b>
<b>Apr92-Mar93</b>				<b>13867</b>				<b>16554</b>				<b>18563</b>
<b>Apr93-Mar94</b>				<b>14211</b>				<b>16965</b>				<b>19021</b>
<b>Apr94-Mar95</b>				<b>14510</b>				<b>18746</b>				<b>19422</b>

**Under the full assessment as they had all evidence and requested it**

Using page 8 for the hourly rates and page 9 for the FTE in the Appendix, and remembering that for annual contracts only 26 weeks will fall in one financial year and the weeks worked in the summer term will fall in the next financial year

			<i><b>FTE</b></i>
1990/1	3 hours per week for 32 weeks @ grade 2, £19.94 (26 weeks only calculated here)	£1555.32	£15798
	2 hours per week for 14 weeks @ grade 5, £12.47	£ 349.16	£12033
1991/2	(3 hours per week of 6 weeks from above annual contract) 5 hours per week for 32 weeks @ grade 2, £20.94 (26 weeks only calculated here)	£ 358.92 £2722.20	£17352 £17352
	4 hours per week for 20 weeks @ grade 5, £13.09	£1047.20	£12853
1992/3	(5 hours per week of 6 weeks from above annual contract) 10 hours per week for 32 weeks @ grade 2, £21.76 (26 weeks only calculated here)	£ 628.20 £5657.60	£18106 £18106
1993/4	(5 hours per week of 6 weeks from above annual contract) 5 hours per week for 32 weeks @ grade 2, £19.29 (26 weeks only calculated here)	£1305.60 £2507.70	£18554 £18554
	5 hours per week for 20 weeks @ grade 5, £13.80	£1380.00	£13742
1994/5	(5 hours per week of 6 weeks from above annual contract) 5 hours per week for 32 weeks @ grade 2, £22.69 (26 weeks only calculated here)	£ 578.70 £2949.70	£18942 £18942
	4 hours per week for 20 weeks @ grade 5, £14.17	£1133.60	£14028

(only 26 weeks to be used in the same financial year, remainder carried over into the next financial year)

You would have to input each year into the Treasury Model and added them up like so

1990/1	tax relief £ 58 £ 36
1991/2	tax relief £ 32 £250 £95
1992/4	tax relief £ 55 £498
1993/4	tax relief £107 £206 £113

1994/5            tax relief £ 45  
                         £229  
                         £ 88

*Remember to change the date of salary information to the end of each reinstatement period.*

The lecturer would have to make the following contributions  
Contributions due            £1812  
(where tax relief available)

### Using the notional salary

The same lecturer without the evidence, but enough to satisfy the employer of their employment and rough earnings, would use the table on page 3 of the Appendix, using them in the following way.

The total of the earnings in each financial year have been inserted into the banding to show why that column would have been ticked and for you to see the process.

Year	Up to 20%	Up to 40%
1990/1	£1904	
1991/2		£4128
1992/3		£6286
1993/4		£5194
1994/5		£4663

*Average banding 40% for the 5 years*

The FTE at the end of the reinstatement period was £18942.

The lecturer would have to make the following contributions

Contributions due                      £3013  
(where tax relief available)



## If the evidence is all contract based

You will need to use the tables to calculate the earnings e.g. September 1987 annual contract of 10 hours at grade IV work for 32 weeks in HE institution. Using table on page 7 of the Appendix the hourly rate is £13.60

Using a copy of table on Page 9 you would enter in the Autumn term 1987 the total of 14 weeks x 10 hours x £13.60 = £1904. In the Spring term 12 weeks x 10 hours x £13.60 = £1632. In the next financial year for the Summer term you would enter 6 weeks (annual contract 32 minus the autumn and spring term work 25, leaves 6 weeks for summer term work) x 10 hours x but not £13.60 = £816. There was a pay rise on 1<sup>st</sup> July 1988 but the individual's contract did not extend to then.

If the next annual contract was 15 hours at Grade IV for 34 weeks you would enter in the Autumn term 1988 the total of 14 weeks x 15 hours x £14.43 = £3030.30. In the Spring term it would be 12 weeks x 15 hours x £14.43 = £2597.40. In Summer Term there was a salary rise 1<sup>st</sup> April 1989 so the calculation would be 8 weeks x 15 hours x £15.51 = £1861.20

You would enter it into the correct part of the table.

Financial Year	Grade IV Summer	Autumn	Spring	Total	FTE
Apr87-Mar88		1904	1632		3657
Apr88-Mar89	816	3030	2597	6442	3657

If there were other contracts of work during this time at this grade of work then you would add them in as you work.

The individual may have had work at different grades so you would need to work all those out as well this should enable you to see the pattern of work over the year and the other years claimed for. Once you have achieved that you will need to arrive at a total earnings for the financial year and the averaged FTE.

If the evidence is a mixture of contract work and pay slips then you would need to work out the contract evidence in the way above and incorporate with pay information that you have.

If you are an employer within the areas that pays London Allowances then you would select the appropriate table.

### If the evidence is pay based with gaps

You are likely to use the notional salary table, if you are an employer covered by London Allowances then you ignore this fact.

For example the individual has some P60's for some years and a bunch of pay slips for another, and it is known that the individual worked throughout this time and was working in an HE Institution then you would use Table on page 3.

P60s for March 1989 showed £7534, March 1988 showed £6850 and March 1986 showed £5709.

The pay slips in the Autumn term of 1987 totalled £2400 for 14 weeks which suggest that the individual continued to earn in the same pay banding range as the other years namely 60%.

### Notional Salaries for Part-time Lecturers in Higher Education

Period	Up to 20%	Up to 40%	Up to 60%	Up to 80%	FTE
01.04.84 – 30.03.85	1843	3685	5528	7370	<b>9213</b>
01.04.85 – 30.03.86	1947	3894	5842 <b>5709</b>	7789	<b>9736</b>
01.04.86 – 30.03.87	2080	4160	6241	8321	<b>10401</b>
01.04.87 – 30.03.88	2485	4970	7455 <b>6850</b>	9940	<b>12425</b>
01.04.88 – 30.03.89	2822	5643	8465 <b>7534</b>	11286	<b>14108</b>

If the pattern of work is variable then using the notional salary for the appropriate section you will need to put it down against the pay bandings and see if a pattern emerges. If it does not then see if the periods of work form blocks and handle the information that way. If it does not then you are going to have to average the work over the period of time.

***Incomplete history of employment***

When you have used all the evidence you have on an individual and there is still gaps, you will need to organise a meeting with the individual and their representative, and together look at the material and agree a way of handling the gaps. The most promising is to look at the pattern of the work on either side and mirror it across the gap. If the work pattern is very erratic then seek to mirror the average of the work across the time to fill the gap in.

It is in the interests of the individual and yourself to reach an agreement on this matter.

## Here are some examples of how to use the Settlement Model

An hourly paid lecturer in an HE Institution is claiming for 5 years 1990 to 1995 when they were allowed access to the pension scheme. They worked roughly the same each year and in their final year earned £3424.80. Using the HE table for that year you can see that the earnings are in the 20% and the FTE is £18942

### Under the Settlement Model calculations

The formula is Start of Re-instatement period ( <i>cell 20</i> )	09/1990
End of Re-instatement period ( <i>cell 21</i> )	03/1995
Applicable month and year for salary Data ( <i>cell 26</i> )	03/1995
Annual full-time salary( <i>cell 27</i> )	£18942
Part time proportion ( <i>cell 28</i> )	20%
Contribution rate	6%
Tax rate for active members ( <i>cell 32</i> )	22%

*The model would use this information to calculate the contributions that the individual will have to make*

Contributions due                      £1507  
(where tax relief available)

*The model also calculates the monthly regular deduction that the individual can agree.*

*Details of the payment option are on page ? in the appendix.*

**Options for payment of employee contributions in the TPS**

The Teachers Pension Scheme has recently reached an Agreement between the national employer and national union representatives.

1. The claimant will be able to purchase all or part of the period. If only part of the period is to be purchased, it must be a complete calendar year or a multiple of complete calendar years.		
2. The decision by the claimant will be a one-off, once and for all decision.		
3. The claimant should be offered a six month period from the date they are notified of the amount due within which to notify their intention to proceed.		
4.If the claimant wishes to proceed the following options should be made available:-		
<b>ACTIVE MEMBERS</b>	<b>DEFERRED MEMBERS</b>	<b>PENSIONER MEMBERS</b>
5A;  They can choose to pay off the sum within 6 months from the date they opt to purchase the service, OR;	5B;  They can choose to pay off the sum notified to them within 6 months from the date they opt to purchase the service, OR;	5C;  They will have the sum due deducted from the retirement lump sum and, if necessary, by making a deduction from the pension in payment until the outstanding sum is recovered. The deductions should not exceed the additional pension payable as a result of the buy back unless the person agrees to a higher deduction.
6A;  They can spread the payments of the sum due (including interest) over a longer period of time with additional interest to take account of the extended repayment period.	6B;  They can pay as much of the sum due, in respect of the period they opt to purchase, as they can afford and have the outstanding balance (plus interest) deducted from the retirement lump sum (or death grant) when it is paid, OR;	

<p><b>The repayment period is equal to the period being purchased or, if earlier, the period up to the member's 60<sup>th</sup> birthday.</b></p> <p>Any deduction from salary will not be expressed as a percentage of pay, but will be as a fixed monthly amount.</p>		
<p>7A;</p> <p>If the person leaves <b>with</b> immediate payment of retirement benefits, before completion of the payments, the balance will be deducted from the retirement lump sum and, if necessary, by making a deduction from the pension in payment (the deductions should not exceed the additional pension payable as a result of the buy back unless the person agrees to a higher deduction).</p>	<p>7B;</p> <p>They can have the sum due (plus interest) deducted from the retirement lump sum (or death grant) when it is paid.</p>	
<p>8A;</p> <p>If the person leaves <b>without</b> immediate payment of pension benefits before completion of payment they can opt to;</p> <p>i) pay off the balance of the outstanding amount within 6 months of leaving, or</p> <p>ii) have any balance of the outstanding amount (plus interest) deducted from the deferred lump sum (or death grant) when it is paid and, if necessary, by making a deduction from the pension in payment etc (see above).</p>	<p>8B;</p> <p>At any time before the deferred benefit (or death grant) becomes payable, a person can pay off, in a single payment, the whole of the outstanding balance (plus interest).</p>	

Higher Education Appendix Tables

<p>9A;</p> <p>Any person paying the arrears over a longer period who dies or who is retired on the ground of permanent incapacity will not be treated as having completed payment of any outstanding arrears. The balance of the sum due will, in the case of ill health retirement, be recovered from any benefits due and, in the case of a death, from the lump sum death grant.</p>	<p>9B;</p> <p>If, before the deferred benefits become payable, the person wishes to transfer their accrued pension rights to another pension scheme they must pay off any balance (plus interest) within 6 months of the “guarantee date” of the CETV.</p>	
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GAD SPREADSHEET MODEL TO ASSIST IN CALCULATING REPAYMENT  
AMOUNTS

**A guide to use of the spreadsheet model**



***The tax contributions***

- 1. There are likely to be few applicants who fall into the “no tax relief” bracket, but institutions are advised to obtain a list, from the payroll manager of the applicants who have additional deductions from salary for pension contribution purposes only (i.e. AVC’s) and what % of tax relief is allocated to this contribution.*
- 2. It should then be possible to identify whether the applicant is already receiving any tax relief for pension purposes and whether the applicant is entitled to tax relief for this contribution or not.*
- 3. Tax relief totalling 15% of earnings is allowed for pension purposes.*
- 4. Tax relief of 6% is allocated to individuals for contribution to the TPS.*
- 5. If the only pension that the applicant contributes to is TP then the calculation that should be used is 6% which shows the contribution, including tax relief.*
- 6. If the applicant contributes to additional pensions schemes or is purchasing AVC’s and the tax relief they receive is in excess of 9%, this, combined with 6% tax relief related to TP will take the applicant over the 15% limit and the contributions that are due will be calculated by the Settlement Model excluding tax relief.*

**Standard Offer Letter**

**Active Scheme Members**

[Name  
and  
Address  
Of Applicant]

[Date]  
[My ref]  
[Your ref]

Dear [Applicant]

**Teachers' Pension Scheme (TPS)**

**Backdating of Part Time Membership – Active Scheme Members**

Thank you for your claim to backdate membership in respect of part time service.

I am pleased to inform you that **[name of employer]** has accepted your claim for service between **[dd/mm/yy]** and **[dd/mm/yy]** to count for pension purposes upon payment of the relevant pension contributions. A total of \* years and \* days.

*If a part-time election has not previously been completed by the you and accepted by Teachers' Pensions, then any part-time service after 1 May 1995 can be pensionable if the you so wish by ticking the appropriate box on Form 1. However, any such service will be pensionable under the terms of the Teachers' Pensions Regulations 1997 and contributions will be collected by Teachers' Pensions accordingly (the information contained in this guidance document cannot be applied to an election for part-time service after 1 May 1995)."*

**How much service can I purchase?**

You can purchase all of the service shown above or, if the period is greater than one year, you can if you wish purchase part of the service. If you wish to purchase only part of the service the amount you purchase must be a complete number of years.

Therefore, for example, if you only have 183 calendar days of eligible part time service you can purchase all of that service, or none of the service. If you have 3 years 200 days eligible part time service you can purchase all of that service or 1, 2 or 3 complete years (but not, for example, 3 years 50 days).

**How much will it cost me to purchase the service?**

The cost of purchasing all of your eligible part time service is **[£amount]** if you make full payment within 6 months of the date you confirm your election on the attached Form 1.

## Higher Education Appendix Tables

If you only wish to purchase part of your eligible part time service, the cost is **[£amount]** for each year you wish to purchase, provided you make full payment within 6 months of the date you confirm your election on the attached Form 1.

If you opt to pay contributions by deduction from pay over a period of more than 6 months, from the date you confirm your election, you will receive automatic tax relief on the contributions, through the PAYE system (on total pension contributions of up to a maximum of 15% of your pay in the year).

If you choose to pay by a lump sum, please send a cheque made payable to **[name of institute] to [name and address of institute]**. *If you pay tax* You will need to claim the tax relief due on this sum from your Tax Office. **[Name of institute]** will issue you with a Certificate to present to your Tax Office confirming the contribution you have made.

### **What if I want to spread payment over a period of longer than 6 months?**

You can, if you wish, spread your payments by deduction from pay over a period of longer than 6 months but interest will be added to the amount of contributions you have to pay. The period you can spread payments over is the shorter of:

- a) a period equal to the number of calendar years of service you are purchasing. For example, three years retrospective membership can be purchased over a period of three years, or
- b) the period to your 60<sup>th</sup> birthday. For example, if your 60<sup>th</sup> birthday is within two years and you are eligible to purchase three years retrospective membership, this can only be purchased over a period of two years.

If you choose to purchase all of your eligible part time service and to spread payments over the six month repayment period, specified above, the contributions payable by you over that time would be a total of **[£amount]** per month, assuming contributions were paid between **[dd/mm/yy]** and **[dd/mm/yy]**.

If you choose to purchase only part of your eligible part time service and to spread payments over a period longer than six months, specified above, the contributions payable by you over that time for each year of service you wish to purchase would be a total of **[£amount]** per month, assuming contributions were paid between **[dd/mm/yy]** and **[dd/mm/yy]**.

### **How have the amount of contributions been calculated?**

The contributions have been calculated based on (either, actual salary or) notional salary rates, as agreed between the Employer Associations and Trade Union representatives.

### **What benefits will I receive in return for the contributions?**

Benefits under the Teachers' Pension Scheme are based on a an aggregate of pensionable service and an average salary which is the highest amount of full-time equivalent salary for any successive 365 days of pensionable employment (ignoring gaps), during the last three years of such employment.

## Higher Education Appendix Tables

Assuming that you do not retire before age 60, then, for each calendar year of part time service that you decide to purchase, the benefits *under the TPS would, based on the Model settlement full time equivalent salary, be increased by approximately:*

Annual Pension	*[£amount]	[available from ready reckoner on TP website. The formula is 1/2 of the annual pension for each year]
Plus Lump Sum	*[£amount]	
Spouse's pension	*[£amount]	

Thus, if you purchased all of your relevant part time service the benefits would be increased by:

Annual Pension	*[£amount]
Plus Lump Sum	*[£amount]
Spouse's pension	*[£amount]

### **Previous part-time elections.**

If you have not previously completed a part-time election which has been accepted by Teachers' Pensions, then any part-time service after 1 May 1995 can be pensionable if you wish by ticking the appropriate box on Form 1.

### **By when must I make a decision?**

You must confirm your decision on the attached the attached Form 1 by no later than 6 months from the date of this letter, by **[date of return]** and return it to the address shown on the option form.

Whether you decide to purchase all, some or none of your service you must also complete the enclosed "Withdrawal of Employment Tribunal Application" (Form 2) and send it to the relevant address shown on form.

This is because by agreeing to accept the terms of the offer, your claim with the Employment Tribunal will become settled and can be withdrawn. The same is true if you decide to decline the offer. Again this matter will be considered settled and the claim can be withdrawn.

Failure to respond within the six month timescale will mean that we will be able to ask the Employment Tribunal to "strike out" your claim.

Before making a final decision on whether or not to purchase any or all of the service outlined in this letter, you are strongly advised to consider any implications there might be in respect of National Insurance Contributions (NIC) and the State Earnings Related Pension Scheme (SERPS), both of which are discussed later in this letter.

## Higher Education Appendix Tables

If you do decide to purchase some or all of your service you should, together with Forms 1 and 2, also complete and return Form 64-8, a copy of which is enclosed. Completion of this form authorises the Inland Revenue to give us a breakdown of any National Insurance Contributions (NIC) refund that you may be eligible to receive and will enable us to calculate and pay you interest on the NIC refund that you receive (see the 'General Information' section at the end of this letter). Please note that for the purposes of Form 64-8 your "agent" is the employer dealing with your claim for backdated membership of the Teachers' Pension Scheme.

### **PLEASE NOTE:**

- any decision you make will be a one off, once and for all, decision;
- in opting to purchase a period of service you will be entering into a contractual commitment to pay the required pension contributions. It will not be possible, at some later stage, to withdraw from that commitment; and
- if you decide to purchase none of your service you will not be able to subsequently alter your decision and opt to purchase service. Similarly, if you opt to purchase part of your service you will not subsequently be able to opt to purchase a further part of your service.

### **What will happen after I have completed the forms mentioned above?**

If you decide not to purchase any of your eligible part-time service, you will have to complete the "Withdrawal of Employment Tribunal Application" and complete and return a completed Form 1.

When your completed "Withdrawal of Employment Tribunal Application" is received by the Employment Tribunal, your claim will be withdrawn and the case will be closed.

If you decide to purchase some or all of your eligible part time service by deduction from your pay, we will commence deduction of additional contributions from the next available payroll in accordance with your instructions, provided on Form 1.

If you pay by a lump sum cheque this will be acknowledged by us and we will also issue a Certificate for you to present to your Tax Office confirming the contribution you have made. If you pay tax, this will enable you to claim from the Tax Office any tax relief due on the contributions.

Cheques should be made payable to [name of payee] and sent to [name and address of employer].

Form 2 is simply to notify the Tribunal that your claim has been brought to a satisfactory conclusion and allows the Tribunal to complete its paperwork.

If you opt to purchase some, or all, of your eligible part time service, we will arrange for the Inland Revenue to pay any National Insurance refund due. We will then calculate and pay you interest on the refund, provided you have completed and returned to us the attached Form 64-8.

**What happens if I opt to pay contributions by deduction from pay but leave my employer before completing payment of the contributions due?**

If you leave before completing payment of the contributions you will have the following options:

- a) if you leave with the immediate payment of pension benefits, the balance of outstanding contributions (plus interest) will be deducted from the retirement lump sum and, if necessary, by making a reduction from your monthly pension in payment until any outstanding contributions (plus interest) are recovered. Any reduction from the pension payment will not exceed the additional amount of pension derived from your decision to buy back part time service for pension purposes, unless you agree otherwise at the time;
- b) if you die in service, the balance of outstanding contributions (plus interest) will be deducted from the lump sum death grant due; and
- c) if you leave without immediate payment of pension benefits you will be able to:
  - i) pay off the balance of the outstanding contributions (plus interest), or as much of the outstanding contributions (plus interest) as you can afford, within 6 months of leaving; or
  - ii) have any balance of the outstanding contributions (plus interest) deducted from your deferred retirement lump sum and, if necessary, your annual pension payment, or from a death grant if appropriate, when it is paid.

In the case of c), ii) above, you should note that:

- you will be able, at any time before the deferred benefits come into payment, to pay off in a single payment the whole of the outstanding balance of the contributions (including interest);
- if, before the deferred benefits come into payment, you opt to transfer your accrued pension rights to another pension scheme, you will have to pay off the outstanding contributions (including interest) within 6 months, of the date of transfer; and
- if you die before the deferred benefits are brought into payment, the outstanding contributions (including interest) will be deducted from the lump sum death grant due.

In all the above cases, the outstanding balance of the contributions due will be reduced by the amount of tax relief you would have received on that amount and you would only be required to pay the net payment.

**Are there any other matters I should take into consideration?**

When considering whether or not to backdate membership of the TPS you will need to compare the cost to you of doing so and the TPS benefits that you will get in return, against the amount of the NIC refund and interest that would be due to you (if any) and the effect this will have on your State Earnings Related Pension Scheme (SERPS) benefits.

## Higher Education Appendix Tables

This and other matters, which you may wish to consider, are detailed below. Some, all or none of these may be applicable in your particular case:

### Potential drawbacks of backdating membership of the TPS

Backdating membership of the TPS could, when the TPS benefits become payable, impact on means tested benefits that a person may be entitled to from the State, for example the Minimum Income Guarantee or Pension Credit and benefits from other sources for example council rent and council tax rebates);

A person already drawing a TPS pension who has become re-employed by an employer offering membership of the TPS could find that the increase in their TPS pension resulting from the buy-back of previous part time service could be abated in full or in part during the period of re-employment, depending on the overall level of income and the abatement policy operated by the scheme. If this applies to you, please contact Teachers Pensions direct for further information.

### General information

You may have overpaid NIC for any period of service in respect of which you opt to pay backdated pension contributions and in respect of which you paid full not contracted-out rate NIC and therefore, your NI record will need to be adjusted.

This could mean that you will be eligible to a refund of the overpaid NIC (plus interest), which could reduce the pension payable from the State Earnings Related Pension Scheme (SERPS).

No refund of NIC will be due in respect of any period during which you did not pay any National Insurance contributions (due to the level of your earnings) or for any period during which you held a married woman's or widow's reduced rate election.

If you are already over State Pension Age and you are receiving the additional state pension (SERPS) and you opt to backdate membership of the TPS, the SERPS benefit you are receiving may have been overpaid.

Any refund of NIC you may be entitled to will be reduced by the amount of any overpaid SERPS pension. You will not, however, be asked to repay any remaining SERPS overpayment.

Before electing to pay contributions to backdate membership of the TPS it is strongly recommended that you seek information from the Inland Revenue in respect of the amount of NIC refund you may be entitled to and from the Department for Work and Pensions in respect of the effect the NIC refund may have on your SERPS benefits.

You will need to take this information into account and consider the likely benefits from the TPS if you pay contributions to backdate membership of the TPS, before deciding whether or not to elect to backdate membership of the TPS.

## Higher Education Appendix Tables

To obtain details of any refund of NIC you may be due, you should write quoting your name and address, your NI Number, the start and end date of the period for which you wish to backdate membership of the TPS, and the reference "PRESTON" to:

Inland Revenue  
National Insurance Contributions Office  
Benton Park View  
Newcastle upon Tyne, NE98 1ZZ

To obtain details of the effect on your SERPS benefits you should contact the Pensions Information Order line on 08457 313233 and ask for leaflet BMO1, "*Backdating membership of an occupational pension scheme: what this might mean for you*".

We make no representation that an individual will be better off being in the TPS rather than in SERPS, or vice versa.

If you do decide to backdate membership of the TPS, please complete and return the enclosed Form 64-8. This authorises the Inland Revenue to give us a breakdown of any NIC refund that you may be eligible to receive and will enable us to calculate and pay you interest on any NIC refund that you receive. Please note that for the purposes of Form 64-8 your "agent" is the employer dealing with your claim for backdated membership of the Teachers' Pension Scheme.

You should note that claims for a refund of NIC may take some time to be processed.

### **Additional Voluntary Contributions (AVCs)**

If you are already paying Additional Voluntary Contributions or have entered into a contract to purchase added years to make up for a period when you were excluded from the Scheme, you can opt to cease payment of the AVCs or cancel the added years contract if you so wish.

However, you cannot use the AVCs or added year's contributions paid so far to offset the cost of 'buying back' your part-time service.

### ***Personal Pension Schemes***

The Department for Work and Pensions (DWP) leaflet BMO1 "*Backdating membership of an occupational pension scheme: what this might mean for you*" states that up to April 2001, in most circumstances, Inland Revenue rules did not permit people to be a member of an occupational and personal pension scheme at the same time.

However, the Inland Revenue has advised that there is no need to unscramble personal pensions as they will have been validly entered into at the time. The Inland Revenue will nonetheless seek to recover from a contracted-out personal pension fund any overpaid NI minimum contribution paid to the personal pension scheme (which will reduce the size of the personal pension pot).

Also, if a person is already in receipt of an annuity (a pension) from the proceeds of that contracted-out personal pension pot, the Inland Revenue may seek to recover the NI minimum contributions directly from the individual.

If you were a member of a contracted-out personal pension scheme during any of the period you wish to buy back membership of the Teachers' Pension Scheme please provide the relevant details requested on Form 1.



**Before making a decision on how you may wish to proceed you are strongly advised to seek advice from your solicitor, your union or an independent Financial Adviser.**

Yours sincerely

**[Title of signatory]**

**Form 1 Active Scheme Members**

**Election Form to Backdate Membership of the Teachers' Pension Scheme (TPS) in cases where a claim has been lodged with an Employment Tribunal**

**THIS IS A LEGALLY BINDING AGREEMENT TO COMPROMISE YOUR CLAIM IN THE ET MADE BETWEEN THE PARTIES TO THAT CLAIM.**

Forenames .....

Surname ..... Title: Mr/Mrs/Miss/Ms/Other .....

Date of Birth .....

NI Number .....

Home address .....

.....

Payroll Number (from payslip).....

DfES reference number (if known).....

Having considered the relevant merits of backdating membership of the Teachers' Pension Scheme and the terms of the settlement, I hereby elect to purchase:

- a) none of my eligible part time service [please tick if appropriate]  
b) all of my eligible part time service [please tick if appropriate]  
c) part of my eligible part time service [please enter number of complete years you wish to purchase]

.....whole years

I wish to make the payments by:

- a) deductions from my pay over:
- the period equal to the number of years of service I am purchasing, or
  - the period to my 60<sup>th</sup> birthday whichever is the earlier [please tick if appropriate]
- b) a single lump sum payment [please tick if appropriate and attach a cheque for the sum due made payable to **(name of payee)**]
- c) I wish my part-time service since 1 May 1995 to be pensionable under the terms of The Teachers' Pensions Regulations 1997

Yes <input type="checkbox"/> No <input type="checkbox"/>

## Higher Education Appendix Tables

I acknowledge that:

- this completed option form represents a one off, once and for all, decision on my part;
- I agree to the terms of the settlement;
- in making any option to purchase a period of service I am entering into a contractual commitment to pay the required pension contributions and it will not be possible, at some later stage, to withdraw from that commitment; and
- if I have decided not to purchase any of my eligible part time service I will not be able to subsequently opt to purchase the service. Similarly, if I have opted to purchase only part of my eligible part time service I will not be able to subsequently opt to purchase a further part of my service;
- I authorise for deductions to be made from my salary, retirement lump sum, death grant and monthly pension payments, as the case may be, in accordance with the terms of this agreement;
- I agree to withdraw my claim or claims brought in the Employment tribunal or in any other forum relating to admission to the Teachers' Pension Scheme

I confirm that I have returned Form 2 to the relevant address shown on that Form.

If I have opted to purchase some or all of my eligible part time service I attach the completed Form 64-8.

If I have opted to purchase some or all of my eligible part time service, I confirm that:

Please ticks as appropriate

- a) I WAS NOT a member of a contracted out personal pension scheme during a part or all of that period; OR
- b) I WAS a member of a contracted out personal pension scheme with (name of policy provider) during a part or all of that period and the Appropriate Scheme Contracted Out Number referred to in the policy/scheme documents was A\_\_\_\_\_ (please enter the ASCON number – from the Pension Policy document).


Signed .....Date .....

Upon completion, please return this form to: [Educational institution name and address]

.....

.....

**Standard Offer Letter  
Deferred Scheme Members**

[Name  
and  
Address  
Of Applicant]

[Date]  
[My ref]  
[Your ref]

Dear [Applicant]

**Teachers' Pension Scheme (TPS)  
Backdating of Part Time Membership – Deferred Scheme Members**

Thank you for your claim to backdate membership in respect of part time service.

I am pleased to inform you that [name of employer] has accepted your claim for service between [dd/mm/yy] and [dd/mm/yy] to count for pension purposes upon payment of the relevant pension contributions. A total of \* years and \* days.

*If a part-time election has not previously been completed by the you and accepted by Teachers' Pensions, then any part-time service after 1 May 1995 can be pensionable if the you so wish by ticking the appropriate box on Form 1. However, any such service will be pensionable under the terms of the Teachers' Pensions Regulations 1997 and contributions will be collected by Teachers' Pensions accordingly (the information contained in this guidance document cannot be applied to an election for part-time service after 1 May 1995)."*

**How much service can I purchase?**

You can purchase all of the service shown above or, if the period is greater than one year, you can if you wish purchase part of the service. If you wish to purchase only part of the service the amount you purchase must be a complete number of years.

Therefore, for example, if you only have 183 calendar days of eligible part time service you can purchase all of that service, or none of the service. If you have 3 years 200 days eligible part time service you can purchase all of that service or 1, 2 or 3 complete years (but not, for example, 3 years 50 days).

**How much will it cost me to purchase the service?**

The cost of purchasing all of your eligible part time service is [£amount] if you make full payment within 6 months of the date you confirm your election on the attached Form 1.

If you only wish to purchase part of your eligible part time service, the cost is [£amount] for each calendar year you wish to purchase provided you make full payment within 6 months of the date you confirm your election on the attached Form 1.

## Higher Education Appendix Tables

Alternatively, you can elect to pay as much of the sum due in respect of the period you wish to purchase as you can afford now and have the outstanding balance (plus interest) deducted from the retirement lump sum and, if necessary, from your pension (or, if appropriate, from the death grant) when it is paid.

OR you could pay nothing now and have the sum due (plus interest) in respect of the period you wish to buy back deducted from the retirement lump sum and, if necessary, from your pension (or, if appropriate, from any death grant) when it is paid. If you choose this option and the sum (plus interest) is recovered from your lump sum on retirement, it is anticipated that, if you purchase one year of service, it would reduce your total lump sum. This would be worked out by Teachers' Pension when you come to retire.

### **How have the amount of contributions been calculated?**

The contributions have been calculated based on (either, actual salary or) notional salary rates, as agreed between the Employer Associations and Trade Union representatives.

### **What benefits will I receive in return for the contributions?**

Benefits under the Teachers' Pension Scheme are based on an aggregate of pensionable service and an average salary which is the highest amount of full-time equivalent salary for any 365 days of pensionable employment (ignoring gaps), during the last three years of such employment.

Assuming that you have completed payment of the contributions and do not draw your benefits before **[dd/mm/yy]** (being the date you attain Normal Retirement Age) then, for each calendar year of part time service you decide to purchase, the benefits under the TPS would, *based on the salary used in the settlement model*.

Annual Pension	*[£amount]
Plus Lump Sum	*[£amount]
Spouse's pension	*[£amount]

*Thus, if you purchased all of your relevant part time service, your existing new deferred benefits would be:*

Annual Pension	*[£amount]
Plus Lump Sum	*[£amount]
Spouse's pension	*[£amount]

*To see the full affect on your pension you need to contact Teachers' Pension who hold all the information on you.*

BUT, if you opt to have the contributions due in respect of all your relevant part time service recovered from your benefits, it is anticipated that the lump sum would be reduced. This will be worked out by Teachers' Pension when you come to retire.

Deferred benefits in the TPS are increased each year in line with the rise in the Retail Prices Index.

### **Previous part-time elections.**

If you have not previously completed a part-time election which has been accepted by Teachers' Pensions, then any part-time service after 1 May 1995 can be pensionable if you wish by ticking the appropriate box on Form 1.

### **By when must I make a decision?**

You must confirm your decision on the attached Form 1 by no later than 6 months from the date of this letter (date of return) and return it to the address shown on the form.

Whether you decide to purchase all, some or none of your service you must also complete the enclosed "Withdrawal of Employment Tribunal Application" (Form 2) and send it to the relevant address shown on the form.

This is because by agreeing to accept the terms of the offer, your claim with the Employment Tribunal will become settled and can be withdrawn. The same is true if you decide to decline the offer. Again this matter will be considered settled and the claim can be withdrawn.

Failure to respond within the 6 months timescale will mean that we will be able to ask the Employment Tribunal to "strike out" your claim.

Before making a final decision on whether or not to purchase any or all of the service outlined in this letter, you are strongly advised to consider any implications there might be in respect of National Insurance Contributions (NIC) and the State Earnings Related Pension Scheme (SERPS), both of which are discussed later in this letter.

If you do decide to purchase some or all of your service you should, as well as completing Forms 1 and 2, also complete and return Form 64-8, a copy of which is enclosed. Completion of this form authorises the Inland Revenue to give us a breakdown of any National Insurance Contributions (NIC) refund that you may be eligible to receive and will enable us to calculate and pay you interest on the NIC refund that you receive (see the 'General Information' section at the end of this letter).

### **PLEASE NOTE:**

- any decision you make will be a one off, once and for all, decision;
- in opting to purchase a period of service you will be entering into a contractual commitment to pay the required pension contributions. It will not be possible, at some later stage, to withdraw from that commitment; and
- if you decide to purchase none of your service you will not be able to subsequently alter your decision and opt to purchase service. Similarly, if you opt to purchase part of your service you will not subsequently be able to opt to purchase a further part of your service.

### **What will happen after I have completed the forms mentioned above?**

If you decide not to purchase any of your eligible part-time service, you will have to complete the "Withdrawal of Employment Tribunal Application" and complete and return a completed Form 1.

When your completed “Withdrawal of Employment Tribunal Application” is received by the Employment Tribunal, your claim will be withdrawn and the case will be closed.

If you decide to purchase some or all of your eligible part time service by a lump sum payment, please send a cheque **[name of payee]** to the [name and address of employer]. You will subsequently be issued with a revised deferred benefit statement showing your increased deferred benefits.

If you decide to purchase some or all of your eligible part time service by deduction from your benefits when they become paid, you will be issued with an updated deferred benefits statement showing your increased deferred benefits and confirming that these will be reduced by the contributions (plus interest) due when the benefits become payable.

Form 2 is simply to notify the Tribunal that your claim has been brought to a satisfactory conclusion and allows the Tribunal to complete its paperwork.

If you opt to purchase some or all of your eligible part time service we will arrange for the Department for the Inland Revenue to pay any NIC refund due to you and we will calculate and pay you interest on that sum (provided you have completed and returned to us Form 64-8).

**If I opt to pay some contributions now and have the rest deducted (with interest) from my benefits when they are paid, can I pay off the balance of the contributions due (with interest) before the benefits become payable?**

Yes, you will be able, at any time before the deferred benefits come into payment, to pay off in a single payment the whole of the outstanding balance of the contributions (including interest).

**What happens if, instead of paying all the contributions now, I opt to have some or all of the contributions deducted from my benefits when they are paid but, before my benefits become payable, I either want to transfer my benefits to another pension scheme or arrangement or I die?**

You would have the following options:

- a) if, before the deferred benefits come into payment, you opt to transfer your accrued pension rights to another pension scheme you would have to pay off the outstanding contributions (including interest) within 6 months; and
- b) if you die before the deferred benefits are brought into payment, the outstanding contributions (including interest) would be deducted from the lump sum death grant due.

In the above cases, the outstanding balance due will be reduced by the amount of tax relief you would have received on that amount and you would only be required to pay the net payment.

**Are there any other matters I should take into consideration?**

When considering whether or not to backdate membership of the TPS you will need to compare the cost to you of doing so and the TPS benefits that you will get in return against the amount of the NIC refund rebate that would be due to you (if any) and the effect this will have on your State Earnings Related Pension Scheme (SERPS) benefits. This and other matters, which you may wish to consider, are detailed below. Some, all or none of these may be applicable in your particular case:

**Potential drawbacks of backdating membership of the TPS**

Backdating membership of the TPS could, when the TPS benefits become payable, impact on means tested benefits that a person may be entitled to from the State for example the Minimum Income Guarantee or Pension Credit and from other sources for example council rent and council tax rebates.

**General information**

You may have overpaid National Insurance contributions for any period of service in respect of which you opt to pay backdated pension contributions and in respect of which you paid full not contracted-out rate NIC and therefore, your NI record will need to be adjusted.

This may mean that you will receive a refund of the overpaid NIC (plus interest) which could reduce the pension payable from the State Earnings Related Pension Scheme (SERPS).

No refund of NIC will be due in respect of any period during which you did not pay any National Insurance contributions (due to the level of your earnings) or for any period during which you held a married woman's or widow's reduced rate election.

If you are already over State Pension Age and you are receiving the additional state pension (SERPS) and you opt to backdate membership of the TPS, the SERPS benefit you are receiving may have been overpaid.

Any refund of NIC contributions you may be entitled to will be reduced by the amount of any overpaid SERPS pension. You will not, however, be asked to repay any remaining SERPS overpayment.

Before electing to pay contributions to backdate membership of the TPS it is strongly recommended that you seek information from the Inland Revenue in respect of the amount of any NIC refund you may be eligible to receive and from the Department for Work and Pensions about the effect this may have on your SERPS benefits.

You will need to take these into account and consider the likely benefits from the TPS if you pay contributions to backdate membership of the TPS, before deciding whether or not to elect to backdate membership of the TPS.

To obtain details of any refund of NIC you may be due you should write quoting your name and address, your NI Number, the start and end date of the period for which you wish to backdate membership of the TPS, and the reference "PRESTON" to:



Inland Revenue  
National Insurance Contributions Office  
Benton Park View  
Newcastle upon Tyne, NE98 1ZZ.

To obtain details of the effect on your SERPS benefits you should contact the Pensions Information Order line on 08457 313233 and ask for leaflet BMO1, "Backdating membership of an occupational pension scheme: what this might mean for you".

We make no representation that an individual will be better off being in the TPS rather than in SERPS, or vice versa.

If you do decide to backdate membership of the TPS, please complete and return the enclosed Form 64-8. This authorises the Inland Revenue to give us a breakdown of any NIC refund that you may be eligible to receive and will enable us to calculate and pay you interest on the NIC refund that you receive.

Please note that for the purposes of Form 64-8 your "agent" is the employer dealing with your claim for backdated membership of the Teachers' Pension Scheme.

You should note that claims for a refund of NIC contributions can take some time to be processed.

#### **Additional Voluntary Contributions (AVCs)**

If you have already paid Additional Voluntary Contributions or you have already purchased added years to make up for a period when you were excluded from the Scheme, you cannot use these AVCs or added years contributions to offset the cost of 'buying back' your part-time service;

#### **Personal Pension Schemes**

The Department for Work and Pensions (DWP) leaflet BMO1 "*Backdating membership of an occupational pension scheme: what this might mean for you*" states that up to April 2001, in most circumstances, Inland Revenue rules did not permit people to be a member of an occupational and personal pension scheme at the same time.

However, the Inland Revenue has advised that there is no need to unscramble personal pensions as they will have been validly entered into at the time. The Inland Revenue will nonetheless seek to recover from a contracted-out personal pension any overpaid NI minimum contribution paid to the personal pension scheme (which will reduce the size of the personal pension pot).

Also, if a person is already in receipt of an annuity (a pension) from the proceeds of that contracted-out personal pension pot, the Inland Revenue may seek to recover the NI minimum contributions directly from the individual.

If you were a member of a contracted-out personal pension scheme during any of the period you wish to buy back membership of the Teachers' Pension Scheme please provide the relevant details requested on Form 1.

**Before making a decision on how you may wish to proceed, we strongly advise that you seek advice from your solicitor, your union or an independent financial adviser.**

Yours sincerely

**[Title of signatory]**

**Form 1 Deferred Scheme Members**

**Election Form to Backdate Membership of the Teachers' Pension Scheme (TPS) in cases where a claim has been lodged with an Employment Tribunal**

**THIS IS A LEGALLY BINDING AGREEMENT TO COMPROMISE YOUR CLAIM IN THE ET MADE BETWEEN THE PARTIES TO THAT CLAIM.**

Forenames .....

Surname .....

Title: Mr/Mrs/Miss/Ms/Other .....

Date of Birth .....

NI Number .....

Home address .....

.....

DfES reference number (if known).....

Having considered the relevant merits of backdating membership of the Teachers' Pension Scheme and the terms of the settlement, I hereby elect to purchase:

- a) none of my eligible part time service [please tick if appropriate]
- b) all of my eligible part time service [please tick if appropriate]
- c) part of my eligible part time service [please enter number of complete years you wish to purchase]

.....whole years

I wish to make the payments by:

- a) a one off lump sum payment [please tick if appropriate and attach a cheque for the sum due made payable to **(name of payee)**]
- b) part by a lump sum payment of (**£amount**) [please attach a cheque for the relevant sum made payable to **(name of payee)**] with the balance being deducted from my benefits when they become payable [please tick if appropriate]
- c) by deduction from my benefits when they become [please tick if appropriate]
- d) I wish my part-time service since 1 May 1995 to be pensionable under the terms of the Teachers' Pensions Regulations 1997

Yes <input type="checkbox"/> No <input type="checkbox"/>

## Higher Education Appendix Tables

I acknowledge that:

- This completed option form represents a one off, once and for all, decision on my part;
- I agree to the terms of the settlement;
- In making any option to purchase a period of service I am entering into a contractual commitment to pay the required pension contributions and it will not be possible, at some later stage, to withdraw from that commitment; and
- If I have decided not to purchase any of my eligible part time service I will not be able to subsequently opt to purchase the service. Similarly, if I have opted to purchase only part of my eligible part time service I will not be able to subsequently opt to purchase a further part of my service.
- I authorise for deductions to be made from my retirement lump sum, death grant and monthly pension payments, as the case may be, in accordance with the terms of this agreement.
- I agree to withdraw my claim or claims brought in the Employment Tribunal or in any other forum relating to admission to the Teachers' Pension Scheme.
- I confirm that I have returned Form 2 to the relevant address shown on that Form.

If I have opted to purchase some or all of my eligible part time service I attach the completed Form 64-8.

If I have opted to purchase some or all of my eligible part time service, I confirm that:  
Please tick as appropriate

- a) I WAS NOT a member of a contracted out personal pension scheme during a part or all of that period; OR
- b) I WAS a member of a contracted out personal pension scheme with.....(name of policy provider) during a part or all of that period and the Appropriate Scheme Contracted Out Number referred to in the policy/scheme documents was A\_\_\_\_\_ (please enter the ASCON number from the Pension Policy document).


Signed .....Date .....

Upon completion, please return this form to [Employer's name and address]

.....

.....

**Standard Offer Letter to  
Pensioner Scheme Members**

[Name  
and  
Address  
Of Applicant]

[Date]  
[My ref]  
[Your ref]

Dear [Applicant,]

**Teachers' Pension Scheme (TPS)  
Backdating of Part Time Membership – Pensioner Scheme Members**

Thank you for your claim to backdate membership in respect of part time service.

I am pleased to inform you that [name of employer] has accepted your claim for service between [dd/mm/yy] and [dd/mm/yy] to count for pension purposes upon payment of the relevant pension contributions. A total of \* years and \* days.

*If a part-time election has not previously been completed by you and accepted by Teachers' Pensions, then any part-time service after 1 May 1995 can be pensionable if you so wish by ticking the appropriate box on Form 1. However, any such service will be pensionable under the terms of the Teachers' Pensions Regulations 1997 and contributions will be collected by Teachers' Pensions accordingly (the information contained in this guidance document cannot be applied to an election for part-time service after 1 May 1995)."*

**How much service can I purchase?**

You can purchase all of the service shown above or, if the period is greater than one year, you can if you wish purchase part of the service. If you wish to purchase only part of the service the amount you purchase must be a complete number of years.

Therefore, for example, if you only have 183 calendar days of eligible part time service you can purchase all of that service, or none of the service. If you have 3 years 200 days eligible part time service you can purchase all of that service or 1, 2 or 3 complete years (but not, for example, 3 years 50 days).

**How much will it cost me to purchase the service?**

The cost of purchasing all of your eligible part time service is [£amount].

## Higher Education Appendix Tables

If you only wish to purchase part of your eligible part time service, the cost is **[£amount]** for each calendar year you wish to purchase.

### **How have the amount of contributions been calculated?**

The contributions have been calculated based on (either, actual salary or) the notional salary rates, as agreed between the Employer Associations and Trade Union representatives.

### **What benefits will I receive in return for the contributions?**

Benefits under the Teachers' Pension Scheme are based on a person's length of membership of the scheme and, usually, the final years full time equivalent salary. *But the model settlement final average salary has been used for these calculations.* Thus, for each calendar year of your part time service that you decide to purchase, the benefits under the TPS would be increased by:

Annual Pension	<b>*[£amount]</b> (
Plus Lump Sum	<b>*[£amount]</b> )

Please note that if your benefits were drawn early with an actuarial reduction, the above figures take the reduction into account.

Spouse's pension	<b>*[£amount]</b>
------------------	-------------------

If you purchased all of your relevant part time service the benefits would be increased by:

Annual Pension	<b>*[£amount]</b>
Plus Lump Sum	<b>*[£amount]</b>

Please note that if your benefits were drawn early with an actuarial reduction, the above figures take the reduction into account.

Spouse's pension	<b>*[£amount]</b>
------------------	-------------------

*These figures do not include the price increase for this information you would need to contact Teachers Pension.*

### **Previous part-time elections.**

If you have not previously completed a part-time election which has been accepted by Teachers' Pensions, then any part-time service after 1 May 1995 can be pensionable if you wish by ticking the appropriate box on Form 1.

### **By when must I make a decision?**

You must confirm your decision on the attached Form 1 by no later than 6 months from the date of this letter by [date of return] and return it to the address shown on the form.

Whether you decide to purchase all, some or none of your service you must also complete the enclosed "Withdrawal of Employment Tribunal Application" (Form 2) and send it to the relevant address shown on that form.

This is because by agreeing to accept the terms of the offer, your claim with the Employment Tribunal will become settled and can be withdrawn. The same is true if you decide to decline the offer. Again this matter will be considered settled and the claim can be withdrawn.

Failure to respond within the 6 months timescale will mean that we will be able to ask the Employment Tribunal to “strike out” your claim.

Before making a final decision on whether or not to purchase any or all of the service outlined in this letter, you are strongly advised to consider any implications there might be in respect of National Insurance Contributions (NIC) and the State Earnings Related Pension Scheme (SERPS), both of which are discussed later in this letter.

If you do decide to purchase some or all of your service you should, as well as completing Forms 1 and 2, also complete and return Form 64-8, a copy of which is enclosed.

Completion of this form authorises the Inland Revenue to give us a breakdown of any National Insurance Contributions (NIC) refund that you may be eligible to receive and will enable us to calculate and pay you interest on the NIC refund that you receive (see the ‘General Information’ section at the end of this letter).

### PLEASE NOTE:

- any decision you make will be a one off, once and for all, decision;
- in opting to purchase a period of service you will be entering into a contractual commitment to pay the required pension contributions. It will not be possible, at some later stage, to withdraw from that commitment; and
- if you decide to purchase none of your service you will not be able to subsequently alter your decision and opt to purchase service. Similarly, if you opt to purchase part of your service you will not subsequently be able to opt to purchase a further part of your service.

### **What will happen after I have completed the forms mentioned above?**

If you decide not to purchase any of your eligible part-time service, you will have to complete the “Withdrawal of Employment Tribunal Application” and complete and return a completed Form 1.

When your completed “Withdrawal of Employment Tribunal Application” is received by the Employment Tribunal, your claim will be withdrawn and the case will be closed.

If you decide to purchase some or all of your eligible part time service, your TPS benefits will be recalculated. The additional benefits due, less the amount of contributions you owe, will be paid to you.

If the additional lump sum due to you is less than the contributions due from you, the outstanding contributions will be recovered from the additional monthly pension due to you, as a result of your purchase of the retrospective access.

## Higher Education Appendix Tables

Form 2 is simply to notify the Tribunal that your claim has been brought to a satisfactory conclusion and allows the Tribunal to complete its paperwork.

If you opt to purchase some or all of your eligible part time service we will arrange for the Inland Revenue to pay any NIC refund which may be due to you and we will calculate and pay you interest on the refund (provided you have completed and returned to us Form 64-8).

### **Are there any other matters I should take into consideration?**

When considering whether or not to backdate membership of the TPS you will need to compare the cost to you of doing so and the TPS benefits that you will get in return, against the amount of the NIC refund that may be due to you (if any) and the effect this will have on your State Earnings Related Pension Scheme (SERPS) benefits.

This and other matters, which you may wish to consider, are detailed below. Some, all or none of these may be applicable in your particular case:

#### Potential drawbacks of backdating membership of the TPS

Backdating membership of the TPS could impact on means tested benefits that a person may be entitled to from the State for example the Minimum Income Guarantee or Pension Credit and from other sources for example council rent and council tax rebates.

A person already drawing a TPS pension who has become re-employed by an employer offering membership of the TPS could find that the increase in their TPS pension resulting from the buy-back of previous part time service could be abated in full or in part during the period of re-employment, depending on the overall level of income and the abatement policy operated by the scheme. If this applies to you, please contact Teachers Pensions for further information.

### **General information**

You may have overpaid NIC for any period of service in respect of which you opt to pay backdated pension contributions and in respect of which you paid full not contracted-out rate NIC, in which case your National Insurance record will need to be adjusted.

This could mean that you may be eligible for a refund of the overpaid NIC (plus interest) which could reduce the pension payable from the State Earnings Related Pension Scheme (SERPS).

No refund of NIC will be due in respect of any period during which you did not pay any NIC (due to the level of your earnings) or for any period during which you held a married woman's or widow's reduced rate election.

If you are already over State Pension Age and you are receiving the additional state pension (SERPS) and you opt to backdate membership of the TPS, the SERPS benefit you are receiving may have been overpaid.



## Higher Education Appendix Tables

Any refund of NIC you may be entitled to will be reduced by the amount of any overpaid SERPS pension. You will not, however, be asked to repay any remaining SERPS overpayment.

Before electing to pay contributions to backdate membership of the TPS it is strongly recommended that you seek information from the Inland Revenue in respect of the amount of NIC refund you may be eligible to receive and from the Department for Work and Pensions about the effect this may have on your SERPS benefits.

You will need to take these into account and consider the likely benefits from the TPS if you pay contributions to backdate membership of the TPS, before deciding whether or not to elect to backdate membership of the TPS.

To obtain details of any refund of NIC you may be due you should write quoting your name and address, your NI Number, the start and end date of the period for which you wish to backdate membership of the TPS, and the reference "PRESTON" to :

Inland Revenue  
National Insurance Contributions Office  
Benton Park View  
Newcastle upon Tyne, NE98 1ZZ.

To obtain details of the effect on your SERPS benefits you should contact the Pensions Information Order line on 08457 313233 and ask for leaflet BMO1, Backdating membership of an occupational pension scheme: what this might mean for you.

We make no representation that an individual will be better off being in the TPS rather than in SERPS, or vice versa.

If you do decide to backdate membership of the TPS, please complete and return the enclosed Form 64-8. This authorises the Inland Revenue to give us a breakdown of any NIC refund that you may be eligible to receive and will enable us to calculate and pay you interest on the NIC refund that you receive. Please note that for the purposes of Form 64-8 your "agent" is the employer dealing with your claim for backdated membership of the Teachers' Pension Scheme.

You should note that claims for a refund of NIC contributions can take some time to be processed.

### **Additional Voluntary Contributions (AVCs)**

If you have already paid Additional Voluntary Contributions or you have already purchased added years to make up for a period when you were excluded from the Scheme, you cannot use the AVCs or added years contributions to offset the cost of 'buying back' your part-time service;

### ***Personal Pension Schemes***

The Department for Work and Pensions (DWP) leaflet BMO1 *Backdating membership of an occupational pension scheme: what this might mean for you* says that up to April 2001, in most

## Higher Education Appendix Tables

circumstances, Inland Revenue rules did not permit people to be a member of an occupational and personal pension scheme at the same time.

However, the Inland Revenue has advised that there is no need to unscramble personal pensions as they will have been validly entered into at the time. The Inland Revenue will nonetheless seek to recover from a contracted-out personal pension any overpaid NI minimum contribution paid to the personal pension scheme (which will reduce the size of the personal pension pot).

Also, if a person is already in receipt of an annuity (a pension) from the proceeds of that contracted-out personal pension pot, the Inland Revenue may seek to recover the NI minimum contributions directly from the individual person.

If you were a member of a contracted-out personal pension scheme during any of the period you wish to buy back membership of the Teachers' Pension Scheme please provide the relevant details requested on Form 1.

**Before making a decision on how you may wish to proceed you are strongly advised to seek advice from your solicitor, your union or independent financial adviser.**

Yours sincerely

**[Title of signatory]**

**Form 1 Pensioner Scheme Members**

**Election Form to Backdate Membership of the Teachers' Pension Scheme (TPS) in cases where a claim has been lodged with an Employment Tribunal**

**THIS IS A LEGALLY BINDING AGREEMENT TO COMPROMISE YOUR CLAIM IN THE ET MADE BETWEEN THE PARTIES TO THAT CLAIM.**

Forenames .....

Surname ..... Title: Mr/Mrs/Miss/Ms/Other .....

Date of Birth .....

NI Number .....

Home address .....

.....

DfES Pensions reference number .....

Having considered the relevant merits of backdating membership of the Teachers' Pension Scheme and the terms of the settlement, I hereby elect to purchase:

- a) none of my eligible part time service [please tick if appropriate]
- b) all of my eligible part time service [please tick if appropriate]
- c) part of my eligible part time service [please enter number of complete years you wish to purchase]
- d) I wish my part-time service since 1 May 1995 to be pensionable under the terms of the Teachers' Pensions Regulations 1997

.....whole years
Yes <input type="checkbox"/> No <input type="checkbox"/>

I authorise the deduction of the contributions due from the additional benefits due to me under the TPS i.e. by deduction from the additional retirement lump sum and, if the amount of contributions due exceeds the additional lump sum, by recovering the balance from the additional pension due to me, in accordance with the terms of this agreement.

I acknowledge that:

- this completed option form represents a one off, once and for all, decision on my part;
- I agree to the terms of the settlement;
- in making any option to purchase a period of service I am entering into a contractual commitment to pay the required pension contributions and it will not be possible, at some later stage, to withdraw from that commitment; and

## Higher Education Appendix Tables

- if I have decided not to purchase any of my eligible part time service I will not be able to subsequently opt to purchase the service. Similarly, if I have opted to purchase only part of my eligible part time service I will not be able to subsequently opt to purchase a further part of my service.

I confirm that I have returned Form 2 to the relevant address shown on that Form.

If I have opted to purchase some or all of my eligible part time service I attach the completed Form 64-8.

If I have opted to purchase some or all of my eligible part time service, I confirm that:

Please tick as appropriate

- a) I WAS NOT a member of a contracted out personal pension Scheme during a part or all of that period; OR
- b) I WAS a member of a contracted out personal pension scheme with.....(name of policy provider) during a part or all of that period and the Appropriate Scheme Contracted Out Number referred to in the policy/scheme Documents was A\_\_\_\_\_ (please enter the ASCON if you have this information available).


Signed .....Date .....

Upon completion, please return this form to [Employer's address].....

.....

.....

**FORM 2 - WITHDRAWAL OF EMPLOYMENT TRIBUNAL APPLICATION**  
**TO BE SENT TO ALL APPLICANTS**

**APPLICANT'S FULL NAME** (please include all surnames used since 1994)

--

**APPLICANT'S EMPLOYMENT TRIBUNAL CASE NUMBER**

--

**APPLICANT'S DATE OF BIRTH**

--

**NAMED RESPONDENT**

--

I wish to withdraw my application to the Employment Tribunal.

**APPLICANT'S**  
**SIGNATURE** \_\_\_\_\_ **DATE** \_\_\_\_\_

The applicant should sign the form above and return it to one of the addresses shown overleaf.

**ADDRESSES TO RETURN THIS FORM TO**

**If you are represented by one of the following unions, please sign and return this form to the address shown, marking your envelope “Part Time Pension: Tribunal Case Withdrawal”**

<b><u>ATL</u></b>	7 Northumberland Street, London, WC2N 5RD
<b>NAHT</b>	1 Heath Square, Boltro Road, Haywards Heath, West Sussex, RH16 1BL
<b><u>NASUWT</u></b>	c/o Reynolds Porter Chamberlain, 278-282 High Holborn, London WC1V 7HA
<b><u>NUT</u></b>	Hamilton House, Mabledon Place, London, WC1H 9BD
<b>PAT</b>	No 2 St James’ Court, Friar Gate, Derby, DE1 1BT
<b>SHA</b>	21 Monmouth Drive, Sutton Coldfield, West Midlands, B73 6JQ

**If you are not represented by one of the unions named above please sign and return this form to the address below, marking your envelope “Part Time Pension : Tribunal Case Withdrawal”**

Clayton Hayward, National Pensions Coordinator, ETS, 3rd Floor, Byron House, 2a Maid Marian Way, Nottingham, NG1

**TO BE SENT TO ALL APPLICANTS**

**GUIDANCE NOTES FOR COMPLETION OF FORM 2  
WITHDRAWAL OF EMPLOYMENT TRIBUNAL APPLICATION**

This form is to be completed by the applicant stating that they wish to withdraw their case. The case number, full name and signature are essential. The applicant's date of birth would also be useful.

Where an applicant is unrepresented, they should send the completed withdrawal form to the National Co-ordinator, Employment Tribunal Service (currently Clayton Hayward) who will forward it to the local ET office for a withdrawal letter to be issued and the file closed. (Where an applicant is represented, withdrawals will be actioned by the National Co-ordinator personally).

Applicants represented by a union are to return the signed form to their union.

Unions will collate their members' withdrawal forms and send monthly schedules to the National Coordinator instructing him to withdraw all cases listed in the schedule.

Cases will be disposed of by the tribunal issuing a letter confirming that the cases have been withdrawn and the files closed. "Dismissed on Withdrawal" decisions will not be issued.

The named respondent on the withdrawal letter will be The Secretary of State for Education & Others to avoid the complication of adding all named respondents

Unions will inform their members that their ET case has been withdrawn upon receipt of the withdrawal letter from the tribunal

The tribunal will copy withdrawal letters to Treasury Solicitor/Office of the Solicitor who will notify the employing respondents of the withdrawal

Copy of withdrawal letters issued by the National Co-ordinator will be sent to each tribunal office to enable them to close local records.

**TO BE SENT TO ALL APPLICANTS**

**INLAND REVENUE FORM 64-8**

<http://www.inlandrevenue.gov.uk/pdfs/64-8.pdf>



### **Estimate of Retirement Benefits**

This facility is accessible via the Teachers' Pensions website at [www.teacherspensions.co.uk](http://www.teacherspensions.co.uk). It enables the customer to perform an approximate calculation of their retirement benefits. It can be utilised any number of times and allows the user to enter any combination of service and salary details from which to obtain an approximate estimate of retirement benefits.

#### **Access to Function**

Choose the option ' Teachers' Guide ' by clicking on the relevant button located on the left hand side of the ' Welcome ' page, then click on the ' Pension and lump sum ready reckoner ' button at the head of the next page.

#### **Information Required to Access Your Estimate**

Upon accessing the site you may care to enter an approximate amount in the average salary box. You do not need to enter a pound sign the salary can be a string of numbers Le. 30000. This might be your gross annual salary and the amount of service you have undertaken or, the amount of service you may have completed by retirement. It can also be full years only, or a combination of years and days.

It is suggested that you use this particular function if you wish to perform multiple calculations to enable you to reach a decision on the date from which you may decide to retire.

#### **Calculator Disclaimer**

You should also be aware that the result quoted will be calculated using information you have provided and should be used for estimate purposes only. Whilst every care has been taken to provide a facility which will make accurate calculations based on the information you input, Teachers' Pensions will not be held responsible for any discrepancies between the figures calculated here and those which actually become payable.

NB. If you want a more accurate estimate and are aged between 50 and 59 inclusive, currently employed in pensionable employment and have not previously had an award of pension benefits you may choose the alternative option " On-line Estimate of Retirement Benefits " located on the Welcome Page. You will be guided through the registration process on choosing this option.

**Sample Tax Certificate to be issued to those current employees who make a lump sum payment by cheque to purchase part time service. The employee can then pass the certificate on to the Inspector of Taxes to claim any tax relief due.**

To: H. M. Inspector of Taxes

Re:

Name of employee: .....

Home address:.....

NI Number:.....

Payroll

Reference Number:.....

Employer

tax reference: .....

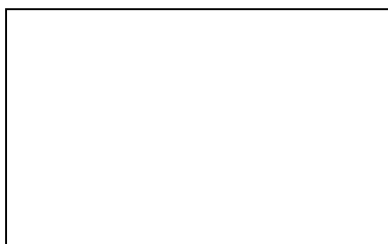
I certify that on ..... the above named paid a lump sum cheque of £ ..... to ..... in respect of pension contributions due to the Teachers' Pension Scheme. The Teachers' Pension Scheme is an exempt approved statutory scheme. The payment by lump sum cheque represented the pension contributions payable in order to purchase a period of part time service for pension purposes following the House of Lords decision in Preston & Others v Wolverhampton Healthcare NHS Trust & Others. As the payment has been made by cheque, the tax relief due under section 592 of the Income and Corporation Taxes Act 1988 has not been given under the PAYE system.

Signed .....

Designation .....

Date .....

Official stamp:



***Background to National Insurance Contributions (NIC)***

- 1. When an individual joins an occupational or private pension scheme they usually “contract-out” of the State Earnings Related Pension Scheme (SERPS) and the NIC that would have been paid to SERPS are diverted to the occupational or private pension scheme.*
- 2. Therefore individuals who were denied access to TPS and did not make contributions to a personal pension scheme would have been “contracted-into” SERPS.*
- 3. Employers of individuals “contracted-into” will also have made a NIC payment into SERPS, in respect of the individual.*
- 4. Therefore the NIC rate will have to be adjusted from contracted-in to contracted-out for any period of retrospective membership of the TPS that is purchased retrospectively.*
- 5. Accordingly, any such adjustment will result in a refund of NIC to the employer and to the employee (assuming they earned enough, in the relevant period, to pay NIC and did not hold a married woman’s / widow’s election).*
- 6. National Insurance legislation only provides for payment of interest on Employer refunds from 1993. Inland Revenue does not have the power to pay interest to employee refunds.*
- 7. As Applicants need to be reinstated, as far as NIC are concerned, into the position they would have been had they not been excluded from TPS, it is the educational institutions responsibility to compensate the individual for the interest on the employee NIC refund.*
- 8. It has been agreed that this should be credited from the employer NIC refund, plus the interest payable on such refund.*
- 9. It will therefore be the educational institutions responsibility to calculate and pay the interest on any NI refund due to the individual.*
- 10. The Inland Revenue will pay to the institution a refund of employer contributions (A) and interest on those employer contributions (B).*
- 11. Inland Revenue will also pay a refund of employee contributions (C) to the employee.*
- 12. Inland Revenue will normally pay any employee refund direct to the employee. If however the individual wishes the refund to be forwarded to the institution, then the Applicant will have to prepare a letter for Inland Revenue, requesting that their refund is paid directly to that institution.*
- 13. The NICRC spreadsheet will be updated monthly (by GAD) to take account any changes in the interest factors. Educational institutions will, therefore, need to ensure they use the most up-to-date version of the NICRC spreadsheet when calculating the interest due to the individual.*

## Higher Education Appendix Tables

14. *In addition, the individual must complete Inland Revenue Form 64-8, which authorises Inland Revenue to provide employee refund information direct to RC.*
15. *This will enable the institution to calculate any interest due to the individual as described below.*
16. *A sample Inland Revenue Form 64-8 is at Page 41 of the Appendices Pack. Further copies of the form are available from [www.inlandrevenue.gov.uk/pdfs/64-8.pdf](http://www.inlandrevenue.gov.uk/pdfs/64-8.pdf)*
17. *To compensate for lack of interest on the employee refund, an interest figure (D) must be calculated and paid to the individual by the institution (funded from (A + B) based on the refund (C)*
18. *The Government Actuary's Department (GAD) has devised a spreadsheet for calculating Applicant interest (NIC Refund Calculator (NICRC)), based on the annual employee refund and the month of calculation, both of which will be provided by NICO.*
19. *The NICRC spreadsheet for use in calculating the interest due on the employee's NIC refund is available [http://www.hm-treasury.gov.uk/documents/taxation\\_work\\_and\\_welfare/public\\_service\\_pensions/tax\\_pensions\\_preston.cfm](http://www.hm-treasury.gov.uk/documents/taxation_work_and_welfare/public_service_pensions/tax_pensions_preston.cfm)*
20. *The figure (C) is inserted into the latest version of the NIVRC spreadsheet, together with the month of calculation, to produce a figure (D) which is due to the Applicant.*
21. *Once the institution has calculated and paid the interest (D) due to the employee from (A + B), the remainder (A + B – D) should be forward to TPS.*
22. *This sum will be used towards the employer pension contribution for the individual.*
23. *Individual will need to obtain information in respect of the refund of NIC they may be entitled to from:*

*Inland Revenue,  
National Insurance Contributions Office,  
Benton Park View,  
Newcastle upon Tyne, NE98 1ZZ*
24. *The request must be in writing and provide the following information:*

*Name and address,  
NI Number,  
Start and end date of the period of retrospective access,  
Marked "PRESTON"*
25. *Applicants will also need to obtain information in respect of the effects any refund of NI contributions will have on SERRPS, so they may compare this with the likely benefits from retrospective access to TPS.*
26. *This information is available from The Pensions Information Order line on 08457 313233 - leaflet BMO1, "Backdating membership of an occupational pension scheme: what this might mean for you"*

***Information on Personal Pensions and Retrospective access to Teachers Pension.***

1. *As well as the basic state pension, employees can get an additional pension from the state, which is earnings-related.*
2. *This additional pension was commonly known as SERPS (State Earnings-Related Pension Scheme) before 6 April 2002, but was replaced from that date by the State Second Pension. An individual's right to SERPS or State Second Pension is not dependent on their right to a basic state pension.*
3. *The amount of additional pension an individual will be entitled to is based on the amount and type of earnings on which National Insurance contributions have been paid, since 6 April 1978, and, from 6 April 2002, on the lower earnings threshold.*
4. *Since April 1987, individuals have been able to use a personal pension scheme (or, from April 2001, a stakeholder pension scheme) to contract out of SERPS or the State Second Pension. This means that part of the National Insurance contributions is directed into the personal or stakeholder pension scheme, which will then provide a replacement for SERPS or the State Second Pension.*
5. *Most of the schemes which are authorised to do this are called Appropriate Personal Pension schemes (APP).*
6. *It is possible that some individuals who fit into the "cases like to succeed" category will have paid into a personal pension scheme for part or all of the period that they are seeking retroactive membership of the TPS.*
7. *There are like to be three categories of individuals who have purchases personal pensions.*
  - a) *Individuals who paid into a personal pension scheme, at a time when they were eligible for membership of the TPS and who have, as a result of the Securities and Investment Board review of mis-sold personal pensions, subsequently been reinstated in the TPS for part or all of the period of their claim;*
  - b. *Individuals who paid into a personal pension scheme and still hold the personal pension policy (i.e. the person has not transferred the value of the personal pension scheme into the TPS);*
  - c. *Individuals who paid into a personal pension and have transferred the value of that personal pension into the TPS as a normal transfer i.e. not as a mis-sold personal pension reinstatement.*

8. *Advice on each of these categories is given below.*

*Category (a)*

*An institution should not accept that part of a claim for retroactive membership of the TPS, which relates to a period that has already been reinstated within the TPS, following the Securities and Investment Board (SIB) review of mis-sold personal pensions. This is because the effect of the reinstatement is to put the Applicant back in the position they would have been in, had they not been mis-sold the personal pension but had, instead, been in the TPS. The institution should check with Teachers' Pensions whether any part of the period claimed by the applicant has already been reinstated in the TPS under the SIB review. If so, that part of the individual's claim should not be accepted.*

*Category (b)*

*Where an Applicant contributed to a personal pension scheme during part or all of the period s/he is seeking retroactive membership of the TPS and still holds the personal pension policy (i.e. the person has not transferred the value of the personal pension scheme into the TPS), the institution should ignore the fact that the individual had contributed to the personal pension scheme when deciding what, if any, period of the part-time claim to accept.*

*This is because the Inland Revenue has advised that there is no need to unscramble personal pensions as they will have been validly entered into at the time. The Inland Revenue will, nonetheless, seek to recover from a contracted-out personal pension any overpaid NI minimum contribution paid to the personal pension scheme in respect of any period for which the person also backdates membership of the TPS. Also, if a person is already in receipt of an annuity (a pension) from the proceeds of that contracted-out personal pension, the Inland Revenue may seek to recover the NI minimum contributions directly from the individual person in respect of any period for which the member backdates membership of the TPS.*

*Category (c)*

*Where an individual contributed to a personal pension scheme during part or all of the period s/he is seeking retroactive membership of the TPS and has transferred the value of that personal pension into the TPS as a normal transfer (i.e. not as a mis-sold personal pension reinstatement), the institution can (when deciding what, if any, period of the part-time claim to accept) ignore the fact that the person had contributed to the personal pension scheme and that this has already purchased membership in the TPS.*

*This is because the Inland Revenue has advised that there is no need to unscramble personal pensions as they will have been validly entered into at the time. The Inland Revenue will, nonetheless, initially seek to recover from the TPS any overpaid NI minimum contribution included in the transfer value paid from the personal pension scheme to the TPS (i.e. in respect of any period for which the person also backdates membership of the TPS). Teachers' Pensions will already have notified the person of*

*the period of membership the transfer value has purchased in the TPS and has no power to repay the overpaid NI minimum contributions.*

*Upon failing to obtain a repayment from the TPS, it is understood the Inland Revenue will automatically debit the relevant sum from the total NI minimum contributions that they next pay over to that particular personal pension provider. The relevant personal pension provider will, undoubtedly, seek recompense from the TPS but will meet with the same response i.e. that Teachers' Pensions has no power to repay the amount requested by the personal pension provider.*

9. *Whether or not an individual who opts for reinstatement into TPS can continue paying into a personal pension will depend on whether:*
  - a) *they qualify under the concurrency criteria for the same employment (i.e. earn less than £30k) or*
  - b) *they have another source of earnings in respect of which personal pension payments can be made.*
10. *Inland Revenue opinion is that it is unlikely that individuals with personal pensions and retrospective membership of TPS would breach the maximum retained benefits limit.*
11. *However, the amount of additional pension an individual will be entitled to is based on the amount and type of earnings on which National Insurance contributions have been paid, since 6 April 1978, and, from 6 April 2002, on the lower earnings threshold.*

*Since April 1987, individuals have been able to use a personal pension scheme (or, from April 2001, a stakeholder pension scheme) to contract out of SERPS or the State Second Pension. This means that part of the National Insurance contributions is directed into the personal or stakeholder pension scheme, which will then provide a replacement for SERPS or the State Second Pension.*

*Most of the schemes which are authorised to do this are called Appropriate Personal Pension schemes (APP), or Appropriate Personal Pension Stakeholder Pension schemes (APPSHP).*

*In cases where payments can no longer be made, these personal pensions would be treated as paid up and frozen until the pension comes into payment under the normal rules for personal pensions.*

<b>Reinstatement of Part Time Service Following the Preston Ruling</b>			
<b>Calculation of Member's Interest on NI Rebate</b>			
<b>Inputs</b>			
Name		A. Testcase	
Present month (mm/yyyy)		05/2003	
Year	Interest factor	Rebate	
1978/79	401.6%		
1979/80	362.0%		
1980/81	320.6%		
1981/82	283.3%		
1982/83	249.7%		
1983/84	224.8%		
1984/85	200.5%		
1985/86	176.9%		
1986/87	156.8%		
1987/88	138.2%		
1988/89	122.2%		
1989/90	106.8%		
1990/91	91.0%		
1991/92	75.4%		
1992/93	62.3%		
1993/94	53.4%		
1994/95	45.4%		
<b>Output</b>	Total Interest (D)	£0.00	



## Higher Education Appendix Tables

### Schedule for applying for refunds

[illegible]

## Higher Education Appendix Tables