

Breaks in service

February 2024



Introduction

The Teachers' Pension Scheme changed from 1 April 2015. The new arrangements saw the introduction of career average as well as final salary schemes.

If you've a break in service, this can impact your benefits if that break is considered to be a disqualifying break.

A disqualifying break will affect individual members differently and will depend on what type of member you are.

Please note from 1 April 2022 all active members will have been moved to the career average scheme. The final salary scheme closed on 31 March 2022.

If you think you should be impacted by Transitional Protection due to pensionable public service held elsewhere, then please complete our '[Previous Pensionable Public Service Questionnaire](#)' form. This will also allow us to determine if you can maintain the salary link.

What is a disqualifying break?

A disqualifying break for protections occurs when you've been out of pensionable public service for more than five years and return to pensionable service on or after 1 April 2012.

A disqualifying break for the final salary link occurs when you're out of pensionable service for more than five years but return on or after 1 April 2015.

What is a salary link?

A salary link is where you have benefits in both the final salary and career average schemes. At retirement the salaries you've earned in the career average scheme is used to calculate your final salary benefits.

If you have a disqualifying break this will mean that the salary link is broken and we'll use the salaries that you were earning when the break commenced to calculate your final salary scheme benefits.

I was a protected member prior to 1 April 2022, how does a disqualifying break affect me?

Following Scheme changes on 1 April 2022 all active members will be part of the career average scheme. This means that if you left service as a final salary member and then return, you'll enter the career average scheme.

If I was a tapered member prior to 1 April 2022, how does a disqualifying break affect me?

If you were a tapered member and had a disqualifying break of more than five years you'll join the career average scheme when you return to pensionable employment. This is regardless of whether you had passed your transition date (the date you would have moved from final salary to career average arrangement) if you'd still been in service. All members will have automatically transitioned to career average on 1 April 2022.

Having a disqualifying break means you'll lose your salary link. The link is where you have benefits in both the final salary and career average scheme. When you retire we'll use the salaries you have earned in career average to calculate your final salary benefits.

If you've a disqualifying break then the salary link is broken and we'll use the salaries you were earning when the break commenced to calculate your final salary benefits.

If you've a break in pensionable service of five years or less you'll not lose your final salary link.

If I was a transition member prior to 1 April 2022, how does a disqualifying break affect me?

If you were a transition member and had a disqualifying break you will lose your salary link. If you leave teaching, while you're out of service your deferred career average benefits will be increased each year by the amount in the Treasury Order only.

If you return to pensionable employment after a disqualifying break your deferred benefits will continue to be increased at that rate. Any future benefits earned in the career average scheme after your return to work will increase by Treasury Order plus 1.6%, as long as you continue to remain in service.

If you return to work and your break in service was not a disqualifying one (i.e. less than five years) then all your benefits, those before and after your break, will be increased by Treasury Order plus 1.6%, until such time as you next leave service.

If I'm a member who only has career average service, how does a disqualifying break affect you?

If you're a member who started pensionable teaching service after 1 April 2015 and then goes on to have a disqualifying break, your accrued career average benefits will be increased each year by the amount in the Treasury Order only.

If you return to pensionable teaching service after a disqualifying break, then your deferred benefits will continue to be increased at that rate. Any future benefits earned after your return will increase by Treasury Order plus 1.6%, as long as you continue to remain in service. If you returned after a break of five years or less then this wasn't a disqualifying break. Therefore all of your benefits, those before and after your break, will continue to be increased by Treasury Order plus 1.6% until such time as you leave service.

What if I join another public service pension scheme?

If during a disqualifying break in service you join another public service pension scheme, such as the Local Government Pension Scheme or the NHS pension scheme, that period of pensionable employment will not count towards the disqualifying break.

For example – you were a transition member prior to 1 April 2022 and:

- Leave pensionable teaching service on 31 August 2015.
- Take up an appointment with a major retail company from 1 September 2015.
- Leave that employment on 31 October 2018.
- Commence pensionable employment in the NHS on 1 November 2018.
- Leave the NHS on 31 December 2021.
- Return to pensionable teaching service on 1 January 2022.

Although your overall break was more than five years, for three of those years you were employed in pensionable employment in another public service scheme. That means your break in pensionable public service was less than five years, which means it was not a disqualifying break.

Evidence will be required from the other public service pension scheme to confirm the period of membership when a member returns to pensionable teaching service.

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