

News Winter '07

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For more information on any of the articles in your TP News log on to www.teacherspensions.co.uk

The new TP website and Employers' Guide

www.teacherspensions.co.uk

The new TP website is now up and running having gone live in the week of the 18 December 2006. A link is still available to the previous website to provide information to members that are participating in provisions that are not available in the new scheme (e.g. purchasing Past Added Years). You will notice that the look of the new website is different with links available for employers as well as for active, deferred (past members) and pensioner members, so that they can access information relevant to them more quickly.

One of the main features of the new website is the Employers' Guide, which covers the main provisions and administrative procedures as they apply to employers. Quick links to various sections of the Guide are also available, although a PDF version can be downloaded if required. Of particular interest to some employers will be the section headed "Calculating Retirement Benefits" (section 9). This provides:

- + an example of how the new average salary is now calculated, taking account of the new average salary definitions. Specifically, this shows a worked example of how, in one of the definitions, the salaries for each of the last 10 calendar years are increased using pensions increase factors. In this definition, the average of the best consecutive three years re-valued salaries in those 10 calendar years is used. You will note that with regard to the 10 year revalued salaries definition, the pensions increase factor is applied at the end of the period before each salary increase takes effect;
- + a worked example showing how phased retirement is calculated.

A separate section of the website now contains all the online calculators. The following web calculators have now been updated or added to reflect the scheme changes:

- + Pension and lump sum calculator ready reckoner;
- + Actuarially Reduced Benefits (ARB) and Premature retirement calculator. This can also be used to assess the actuarial reduction in phased retirement cases, enabling the member to model the affect of taking different levels of retirement benefits;
- + Re-employment calculator to check how much a retired member can earn without having their pension stopped;
- + A modeller to work out the cost of additional pension purchased under the new provisions.

The existing calculator for the costs of covering previous service for spouses and civil partners will be expanded to include survivor nominated partner benefits for unmarried couples.



Please note it is advisable to use literature and forms from the website to ensure you are using the current version.

New Part-time arrangements

We have received a number of queries from employers following the introduction of automatic membership of the scheme for part-time teachers. Therefore, below we have listed the following points based on the queries received and we hope they will help you to apply the new arrangements correctly:

- + all new part-time appointments on or after 1 January 2007 are pensionable unless the person opts out, or has previously opted out, of the scheme. This also applies to retired teachers who return to employment;
- + if a person has not made a part-time election before 1 January 2007, the service is non-pensionable for as long as the person remains in the same employment. If there is a change in contract, whether or not after a break in employment, the new employment is pensionable unless the person opts out;
- + if a person is in two or more non-pensionable part-time teaching posts and there is a change in contract in one of them, all the part-time posts become pensionable from the date of the change in contract unless the person opts out. Therefore, the teacher should be informed of the need to inform their other employer;
- + if a person is in a non-pensionable teaching post and starts another concurrent teaching post, both posts are pensionable from the date of the new post unless the person opts out. This includes additional supply teaching;
- + whether there has been a change of contract is a matter for the employer to determine. It is not a matter on which TP or DfES can advise;
- + Elected Further Employment (EFE) elections are no longer required for retired teachers. Any re-employment as a teacher is pensionable unless the person opts out or has already opted out;
- + for teachers who retired and returned to teaching employment before 1 January 2007 and did not make an EFE election, their employment remains non-pensionable for as long as they remain in the same employment. If there is a change of contract, the future employment becomes pensionable unless the person opts out;
- + if a person is in full-time employment, any concurrent part-time employment is non-pensionable. However, if the full-time employment ends, contributions must be deducted from the part-time employment unless the person opts-out;
- + a person in continuing non-pensionable part-time employment may still make a part-time election at any time;
- + a retired teacher who is in continuing non-pensionable re-employment may still elect at any time for the employment to be pensionable from a future date;
- + an opt-out applies to all teaching employments. A person cannot opt out of the TPS in respect of one employment and not another.

Ill-health

The arrival of the two tier ill-health assessment has brought significant changes, including new application forms. However, medical advisors still require appropriate medical evidence to make assessment based decisions. To assist this process the following should be considered:

- + Use the new forms "Ill-Health App" and "Ill Health Med", replacing Forms 18 and 20 respectively;
- + Ensure that full personal, occupational, pension and medical characteristics are completed, including the sickness absence table. Ensure the 'Establishment Number' and 'Role' category code have been completed correctly;
- + As well as signing the Certificate at Section 3 of the Ill Health App form, employers should provide details of their account of measures taken regarding redeployment or reasonable adjustments;
- + Employers need to raise awareness that assessments consider incapacity for both teaching and other gainful employment and applicants, clinicians and the occupational health advisers should compile sufficient evidence in all cases;
- + Where a clinical specialist/occupational physician has been involved, ensure employees are aware that Parts B and C of the Ill Health Med Form are completed. The GP should be regarded as a fall back for Part B;
- + Inclusion of any additional existing clinical reports and correspondence relating to the employee is acceptable and to be encouraged;
- + Awareness to be raised that the 6 month out of service mark represents a cut-off to enhancement and removes the opportunity for assessment in terms of partial incapacity.

Phased retirements

You are encouraged to look closely at the new **phased retirement** arrangements which have been introduced into the TPS from 1 January 2007.

It is widely recognised that the traditional approach to retirement, where an individual goes from being in full-time employment to being in full-time retirement over the space of a weekend, no longer meets the needs and expectations of both you and your employees. Under these arrangements employees can start to draw down their accrued pension entitlement while still continuing in employment

Phased retirement is available for all staff aged 55 or over who wish to continue in work in a reduced capacity (by moving to part-time working or by relinquishing some responsibilities), but would want to supplement their reduced income by receiving some of their pension benefits. Practical implementation of this facility by employers can help to support important Government policies for:

- + Improving work life balance;
- + Improving the retention of experienced staff with valuable skills; and
- + Extending working lives.

Teachers' Pensions returns 2006/2007

Employers need to complete the following returns for the Financial Year 2006/2007.

End of Year Certificate (EOYC)

All employers - In March TP will issue a certificate setting out the contributions received in each of the previous 11 months. You will need to certify that the contributions recorded are correct, enter details of the 12th payment and return the certified form to TP by **30 April 2007**.

Non local authority actions - For Non LAs (with the exception of establishments in the range 6000-6899) a separate audited certificate will also be required unless:

- + an audited EOYC is provided by 30 April 2007; or
- + where establishments are in the range 6000-6899, the EOYC is signed by an appropriate person who is not connected to payroll. The certificate should be returned by 30 April. Further information can be found in the Employer Guide.

If neither of these options can be provided by 30 April 2007 then the unaudited certificate should be submitted. TP will process the EOYC and issue a TR17A for completion and return by **30 September 2007**. Further information can be found in the Employer Guide.

Annual Return of Service and Salary (AR)

Under the Teachers' Pensions Regulations, all employers are required to submit annual returns for **all teachers in their employment at 31 March** each year. Where employers have outsourced payrolls arrangements must be in place for the information to be provided to submit a full return. This Annual Return Data must be submitted to TP by no later than **31 August 2007**.

TR17/TR17A

LAs will receive form TR17 and all other employers will receive form TR17A if an audited EOYC has not been submitted. Notes for guidance for completion of these forms are on the reverse side of the form. Further information can be found in the Employer Guide.

When you have completed the appropriate section of the forms, it should be forwarded to your auditor no later than the **30 June 2007**. Auditors should complete their checks and return the form to TP no later than the **30 September 2007**.



This auditor certificate is separate from the annual return of service, salary and additional contributions information which is submitted for individual teachers.

New scheme literature

Teachers' Pension Scheme literature is accessible on, and can be downloaded from, our website, www.teacherspensions.co.uk. All the leaflets, fact sheets and forms that were despatched to employers in December have been reviewed and slight alterations have been made to some of the documents. The one exception is the members' guide, 'Your Guide', which is currently under review to ensure full compliance with the new regulations. Where a fact sheet, form or leaflet has been updated it has a date that is later than 1 January 2007 displayed on the website. When employers are re-ordering documents, the latest versions will be issued.

Employers should not maintain high levels of stocks, especially those less frequently used documents as they will continue to be reviewed over the next few months to ensure that they comply with stakeholders' needs and the regulatory provisions.

Where members are retiring on or after 1 April 2007 they must use the appropriate new retirement application form. If an old form is received it will be returned to the member. This is because the pre January 2007 forms do not allow members the opportunity to commute part of their pension to lump sum.

For all other applications the new forms must be used.

Teaching and Learning Responsibilities payments (TLR)

Under The School Teachers' Pay and Conditions Document, TLR payments were increased from **1 September 2006** by **2.5%**.

The new TLR ranges are as follows:

TLR1

Salary Scale	Value of Payment
W06	£6,663 - £7,688
W07	£7,689 - £8,713
W08	£8,714 - £9,225
W09	£9,226 - £11,225

TLR2

Salary Scale	Value of Payment
W02	£2,306 - £3,075
W03	£3,076 - £3,844
W04	£3,845 - £4,613
W05	£4,614 - £5,638



Please remember to include the payment in the annual salary rate and show the amount in the 'other allowances' field.

Employer seminars

Our Employer Relationship Managers are **Judith Gordon** and **Chris McMaster**. If you have any issues or concerns about the administration of the scheme or wish to consider any of the services TP can offer, please contact:

+ judith.gordon@capita.co.uk or telephone 07766397592; or

+ chris.mcmaster@capita.co.uk or telephone 07795827085.

Advanced workshops

Now that the scheme changes have commenced we are in the process of developing and organising these workshops. It is intended to hold a pilot in the North East during Spring and will then review the content of these and other seminars. If you are interested in these workshops and have not previously registered your interest, please email the Employer Relationship Managers.

Date	Venue
21 February	The Crowne Plaza Hotel, Birmingham
14 March	The Renaissance Hotel, Manchester
24 April	The Village Hotel, Cardiff
26 April	The De Vere Carden Park Hotel, Chester
22 May	The Corus Hotel Failand, Bristol
24 May	The Village Hotel, Bournemouth
26 June	The Victoria Park Plaza, London
27 June	The Victoria Park Plaza, London
28 June	The Victoria Park Plaza, London
17 July	The Queens Hotel, Leeds
19 July	The Suites Hotel Knowsley, Liverpool
4 September	The Grand Harbour Hotel, Southampton
6 September	Orton Hall Hotel, Peterborough
9 October	Thistle Hotel, Cheltenham
11 October	Duke of Cornwall Hotel, Plymouth
13 November	The Crowne Plaza Hotel, Birmingham
15 November	Victoria and Albert Hotel, Manchester
4 December	The Victoria Park Plaza, London
5 December	The Victoria Park Plaza, London
6 December	The Victoria Park Plaza, London

Premature Retirement Compensation

Claims based teachers and the change in contribution rate.

This is to confirm that where a claims based teacher has worked in December, but does not place a claim until later in the New Year, contributions should be deducted at the old rate of 6%. Account will be taken in the end of year auditor certification.

Re-employment following the award of Ill health benefits

It has been brought to our attention that employers are recording service details on the annual return of ill health retirees who are working in administration and not teaching. Only those who are teaching either full or part-time should be recorded.

General Teaching Council (GTC) Fee

This is to remind employers that the £33 fee is pensionable. When recording service details the £33 must be included in the annual salary rate for the period in which it was paid.

Employers have raised some questions that suggest there may be confusion about the Premature Retirement Compensation arrangements and the changes from 1 January 2007. Information about these types of retirements can be found in section 7 of the Employer Guide under the heading Premature Retirement.



The new Employer Guide is available on the TP website, www.teacherspensions.co.uk.

Please only use the new-re-branded TPS literature and forms as all the old literature and forms are out of date.