

## Appendix 1

Settlement of the Part time Pension Claims  
Guidance for the Further Education Sector

Documents Relating to Operational Guidance 2004

Index	Page
Notional Salaries for Part time Lecturers in F.E.	1
Fractional Notional Salaries for Part time Lecturers in F.E.	2
Part time Hourly Rates with Regional Differences 1976 – 1978	3
Part time Hourly Rates with Regional Differences 1979 – 1981	4
Part time Hourly Rates with Regional Differences 1981	4
List of Counties	6
National Part time Hourly Rates 1981 - 1995	7
Hourly London Allowances 1976 - 1995	8
London Allowances	9
Summary Sheet for Plotting Service 1976 - 1995	10
Summary Sheet for FE Institutions that moved to five grades in 1992	11
Sample Settlement Model	12
Standard Offer Letter – Active Scheme Members	13
Form 1 - Active Scheme Members	21
Standard Offer Letter – Deferred Scheme Members	23
Form 1 – Deferred Scheme Members	30
Standard Offer Letter – Pensioner Members	33
Form 1 – Pensioner Members	39
Form 2 – Withdrawal of Employment Tribunal Application	41
Guidance notes for Form 2	43
Form 64 -8 – Inland Revenue Authority Form	44
Teachers’ Pensions Estimate of Retirement Benefits	45
Schedule for Applying for Refunds	46

Notional Salaries for Part time Lecturers in Further Education

1. This table provides details of the FTE (full time equivalent) salary for each pay period.
2. The calculation for the notional salaries for part time lecturers are based on Incremental Point 14 (maximum of scale) for a Lecturer Grade I at 8 April 1976 and progressed on this point through to 30 April 1995.
3. The majority of lecturers on an assessed rate of salary would have been at the maximum of Lecturer Grade I based on qualifications and relevant experience.
4. The various hourly rates of pay roughly equate to a mid point of Lecturer Grade I and points above the maximum of Lecturer Grade I.

Pay date	Salary
01.04.1976	4377
01.04.1977	4869
01.04.1978	5334
01.04.1979	5814
01.09.1979	5992
01.01.1980	6309
01.04.1980	7125
01.09.1980	7821
01.04.1981	8409
01.04.1982	8898
01.04.1983	9348
01.04.1984	9777
01.04.1985	10266
01.12.1985	10461
01.04.1986	11037
01.04.1987	11589
01.09.1987	14499
01.07.1988	15369
01.04.1989	16674
01.04.1990	16752
01.09.1990	18285
01.09.1991	19401
01.09.1992	20235
01.09.1993	20538
01.08.1994	21135

**Fractional Notional Salaries for Part time Lecturers in Further Education**

Period	Up to 20%	Up to 40%	Up to 60%	Up to 80%	FTE
01.04. 76 - 30.03. 77	875	1751	2626	3502	4377
01.04.77 – 30.03.78	913	1826	2740	3653	4869
01.04.78 – 30.03.79	1067	2134	3200	4267	5334
01.04.79 – 30.03.80	1209	2418	3626	4835	5997
01.04.80 – 30.03.81	1527	3055	4582	6110	7531
01.04.81 – 30.03.82	1732	3463	5195	6926	8409
01.04.82 – 30.03.83	1853	3707	5560	7414	8898
01.04.83 – 30.03.84	1947	3894	5841	7788	9348
01.04.84 – 30.03.85	2102	4205	6307	8410	9777
01.04.85 – 30.03.86	2221	4443	6664	8886	10331
01.04.86 – 30.03.87	2373	4746	7119	9492	11037
01.04.87 – 30.03.88	2497	4994	7490	9987	13287
01.04.88 – 30.03.89	2674	5349	8023	10698	15152
01.04.89 – 30.03.90	3173	6346	9519	12692	16674
01.04.90 – 30.03.91	3529	7058	10588	14117	17646
01.04.91 – 30.03.92	3799	7598	11398	15197	18996
01.04.92 – 30.03.93	3978	7955	11933	15910	19888
01.04.93 – 30.03.94	4082	8165	12247	16330	20412
01.04. 94 – 30.03. 95	4177	8354	12532	16709	20886

AGREED NATIONAL PART TIME HOURLY RATES  
WITH REGIONAL DIFFERENCES 1976 – 1978

Table 1: Regional Rates 1976-8

Grade	I	II	III	IV	V or VA	VB
Counties						
1	6.55	6.55	6.55	5.44	4.55	4.03
2	6.60	6.27	6.07	5.03	4.48	
3	6.33	6.33	6.16	5.20	4.24	3.51
4	6.55	6.12	5.61	5.05	3.96	
5	6.25	6.25	5.87	5.07	4.15	3.55
6	6.44	5.84	5.68	4.77	3.96	3.35
7	6.62	6.62	6.62	5.48	4.52	3.59
8	11.22	11.22	11.22	9.15	7.47	
9	6.46	6.46	6.27	4.89	4.45	3.81
10	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.

A comprehensive list of the Counties is at Page 6.

AGREED NATIONAL PART TIME HOURLY RATES

WITH REGIONAL DIFFERENCES 1979 – 1981

Table 2: Regional Rates from 1 April 1979

Except for rate for Category II/III which come in, in September 1979. Category II and Category III apply 1 April 1979 to 31 August 1979). Same counties groupings for rate.

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

Table 3: Regional Rates 1 September 1980 to 31 March 1981

Same counties groupings for rate.

Grades	I	II/III	IV	V
Counties				
1	9.49	9.49	8.10	6.11
2	9.53	9.31	7.83	6.11
3	9.35	9.35	7.94	6.11
4	9.49	9.21	7.84	6.11
5	9.30	9.30	7.85	6.11
6	9.42	9.02	7.65	6.11
7	9.54	9.54	8.13	6.11
8	8.86	8.86	7.52	6.11
9	9.44	9.44	7.74	6.11
10	9.40	9.40	8.11	6.11

A comprehensive list of the Counties is at Page 6.

AGREED NATIONAL PART TIME HOURLY RATES  
WITH REGIONAL DIFFERENCES 1981

Table 4: Regional Rates 1 April 1981 to 31 August 1981

Same counties grouping for rate.

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

A comprehensive list of the Counties is at Page 6.

## Counties

1. 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.
2. Counties of Berkshire excluding the area formerly within Buckinghamshire, Hampshire, Isle of Wight. Oxfordshire and West Sussex.
3. Counties of Avon, Cornwall, Devon, Dorset, Gloucestershire, Isles of Scilly, Somerset and Wiltshire.
4. Counties of Hereford and Worcester, Salop, Staffordshire, Warwickshire, and the Metropolitan Districts of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton.
5. Counties of Derbyshire, Leicestershire, Lincolnshire, Northampton and Nottinghamshire.
6. Counties of Bedfordshire, Cambridgeshire and Norfolk and Suffolk.
7. Counties of Humberside and North Yorkshire and the Metropolitan Districts of Barnsley, Bradford, Calderdale, Doncaster, Kirklees, Leeds, Rotherham, Sheffield and Wakefield.
8. Counties of Cheshire and Lancashire and the Metropolitan Districts of Bolton, Bury, Manchester, Oldham, Rocheter, Salford, Stockport, Tameside, Trafford, Wigan, Knowsley, Liverpool, St. Helens, Sefton and Wirral.
9. Counties of Cleveland, Cumbria, Durham and Northumberland and the Metropolitan Districts of Gateshead, Newcastle upon Tyne, North Tyneside, South Tyneside and Sunderland.
10. Counties of Clwyd, Dyfed, Gwent, Gwynedd, Mid Glamorgan, Powys, South Glamorgan and West Glamorgan.

## AGREED NATIONAL PART TIME HOURLY RATES

1981 to 1995

Date of pay	Grade V	Grade IV	Grade I, II & III
01.04.1981	6.80	9.56	10.94
01.04.1982	7.21	10.12	11.57
01.04.1983	7.58	10.63	12.15
01.04.1984	7.96	11.12	12.70
01.04.1985	8.35	11.68	13.35
01.12.1985	8.52	11.90	13.60
01.04.1986	9.05	12.57	14.36
01.04.1987	9.51	13.20	15.09
01.09.1987	10.00	13.60	15.96
01.07.1988	10.59	14.43	16.92
01.04.1989	11.50	15.56	18.44
01.04.1990	12.61	17.15	20.12
01.09.1991	13.38	18.21	21.35

In 1992 there were five grades agreed, but some FE institutions did not implement the five but remained on the agreed 1991 three grades.

Date of pay increase	Grade V	Grade IV	Grade III	Grade II	Grade 1
01.09.1992	13.96	15.64	17.31	19.00	22.27
01.09.1993	14.17	15.87	17.57	19.29	22.60
01.09.1994	14.52	16.27	18.01	19.77	23.17

## Agreed National Part Time Hourly Rates

### Hourly London Allowances 1976 - 1995

Date of pay	Grade V	Grade IV	Grade I, II & III	Inner London Allowance	Outer London Allowance	Fringe London Allowance
01.04.1976				0.42	0.31	0.16
01.04.1977				0.23	0.31	0.16
01.04.1978				0.50	0.34	0.17
01.04.1979				0.64	0.43	1.19
01.04.1980				0.80	0.52	0.22
01.04.1981	6.80	9.56	10.94	0.88	0.58	0.24
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	0.27
01.04.1985	8.35	11.68	13.35	1.17	0.77	0.30
01.12.1985	8.52	11.90	13.60			
01.04.1986	9.05	12.57	14.36			
01.07.1986				1.28	0.84	0.32
01.04.1987	9.51	13.20	15.09			
01.07.1987				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	0.95	0.37
01.04.1989	11.50	15.56	18.44			
01.07.1989				1.58	1.04	0.40
01.04.1990	12.61	17.15	20.12			
01.07.1990				1.73	1.13	0.44
01.07.1991				1.84	1.21	0.47
01.09.1991	13.38	18.21	21.35			
01.07.1992				1.92	1.25	0.49
01.07.1993				1.95	1.38	0.50
01.08.1994				2.00	1.31	0.51

In 1992 there were five agreed grades, but some FE institutions either remained on the agreed 1991 three grades.

Date of pay increase	Grade V	Grade IV	Grade III	Grade II	Grade 1
01.09.1992	13.96	15.64	17.31	19.00	22.27
01.09.1993	14.17	15.87	17.57	19.29	22.60
01.09.1994	14.52	16.27	18.01	19.77	23.17

## London Allowances

1. London Allowances were paid in addition to the hourly rate from 1976 to 1995.
2. There were different allowances for each of the three zones: Inner Area, Outer Area and Fringe Area.
3. Inner Area includes the area of the former Inner London Education Authority and the London Boroughs of Barking, Brent, Ealing, Haringey, Merton and Newham.
4. Outer Area includes Greater London excluding the Inner Area.
5. Fringe Area comprises:

Berkshire: the districts of Bracknell, Slough, Windsor and Maidenhead.

Buckinghamshire: the districts of South Bucks and Chiltern.

Essex: the districts of Basildon, Brentwood, Epping Forest, Harlow and Thurrock.

Hertfordshire: the districts of Broxbourne, Dacorum, East Herts, Hertsmere, St. Albans, Three Rivers, Watford and Welwyn and Hatfield.

Kent: the districts of Dartford and Sevenoaks.

Surrey: the whole county.

West Sussex: the district of Crawley.

Summary of FTE for FE 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				11499				13800				15525
Apr90-Mar91				12161				14606				16430
Apr91-Mar92				13057				15674				17631
Apr92-Mar93				13713				16462				18516
Apr93-Mar94				14076				16896				19005
Apr94-Mar95				14403				17288				19446

Summary of FTE divided into terms for the financial year for FE institutions that moved to five grades in 1992

	Grade V		FTE	Grade IV		FTE	Grade III		FTE
	Summer	Autumn	Spring	Summer	Autumn	Spring	Summer	Autumn	Spring
Apr92-Mar93			13713				15263		15669
Apr93-Mar94			14076				15489		16190
Apr94-Mar95			14403				15813		16528

Dates	Grade II		FTE	Grade I		FTE
	Summer	Autumn	Spring	Summer	Autumn	Spring
Apr92-Mar93			16078			18516
Apr93-Mar94			16896			19005
Apr94-Mar95			17250			19446

## Sample Settlement Model

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 of the Teachers' Pension Scheme in respect of previous part time service.

I am pleased to inform you that [name of college] 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.

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 three years 200 days eligible part time service you can purchase all of that service or one, two or three complete years (but not, for example, three 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 six 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 year you wish to purchase, provided you make full payment within six 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 six 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 each year).

If you choose to pay by a lump sum, please send a cheque made payable to [name of RC] to [name and address of RC]. If you pay tax you will need to claim the tax relief due on

this sum from your Tax Office. [Name of RC] 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 six months?

You can, if you wish, spread your payments by deduction from pay over a period of longer than six months but interest will be added to the amount 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 60th birthday. For example, if your 60th 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 by deduction from salary, as 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]. [The total amount of the contributions divided by six months]

If you choose to purchase only part of your eligible part time service and to spread payments by deduction from salary, as 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]. [The total amount of the contributions divided by six months].

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 successive 365 days of pensionable employment (ignoring gaps), during the last three years of such employment.

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 your current full time equivalent salary, be increased by:

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

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 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.

By when must I make a decision?

You must confirm your decision on the attached Form 1 by no later than six 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 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 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 about the purchase of 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, under General Information.

If you do decide to purchase some or all of your service you should, in addition to 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 college 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 your eligible part time 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 not to purchase any of your part time 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” (Form 2) 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 notify TP of your decision, who will arrange for an instalment plan to be implemented and they will notify you of the date when deductions from salary will commence.

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 you have paid.

Cheques should be made payable to the College and sent directly to us at the address at the head of this letter.

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 or out of service before taking payment of your retirement benefits, the balance of outstanding contributions (plus interest) will be deducted from the lump sum death grant due;
- 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 six 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. You must contact your employer in the first instance to discuss how you wish to pay the outstanding amount.

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

- you will be able, at any time before the deferred benefits come into force, 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 force, you opt to transfer your accrued pension rights to another pension scheme, you will have to pay off the outstanding contributions (including interest) within six months, of the date of transfer; and
- if you die before the deferred benefits are brought into force, 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 eventually be reduced by the amount of tax relief you would have received on that amount. However, in the first instance the full amount will be required, with tax relief claimed back from your tax office.

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 against the TPS benefits that you will get in return, you will also have to consider 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.

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.

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 college 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.

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 contracted person is already in receipt of 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 and 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 EMPLOYMENT TRIBUNAL 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: <ul style="list-style-type: none"> <li>• the period equal to the number of years of service I am purchasing, or</li> <li>• the period to my 60<sup>th</sup> birthday whichever is the earlier [please tick if appropriate]</li> </ul> |  |
| b) a single lump sum payment [please tick if appropriate and attach a cheque for the sum due made payable to (name of payee)]   |  |

- |   |  |
|---|--|
| a) I wish my part time service since 1 May 1995 to be pensionable under the terms of the Teachers' Pensions Regulations 1997 [please tick if appropriate] |  |
| b) I do not wish my part time service since 1 May 1995 to be pensionable [please tick if appropriate]   |  |

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;
- 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 tick as appropriate:

- a) I WAS NOT a member of a contracted out personal pension scheme during 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 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: [RC 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 of the Teachers' Pension Scheme in respect of previous part time service.

I am pleased to inform you that [name of college] 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.

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 three years 200 days eligible part time service you can purchase all of that service or one, two or three complete years (but not, for example, three 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 six 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 six months of the date you confirm your election on the attached Form 1.

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, (assuming benefits are paid at Normal Retirement Age).

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 successive 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 be based on the average salary upon which your existing deferred benefits in the TPS have been calculated and will be increased by:

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

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 Pensions at the point of your retirement.

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 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.

By when must I make a decision?

You must confirm your decision on the attached Form 1 by no later than six 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 the matter will be considered settled and the claim can be withdrawn.

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

Before making a final decision about the purchase of 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 at General Information.

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 that NIC refund. (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 college 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 your eligible part time 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;
- if you decide not to purchase any of your eligible part time 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 and return the “Withdrawal of Employment Tribunal Application” (Form 2) and 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 to [Name and address of RC] for the relevant sum made payable to [name of RC]. 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 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 , which is enclosed.

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

In either of the above cases, Teachers' Pensions will arrange collection of the outstanding amount. In the first instance the full amount will be required, with tax relief claimed back from your tax office.

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 against the TPS benefits that you will get in return. You will also have to consider 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 college 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 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 EMPLOYMENT TRIBUNAL 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 payable [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 [please tick if appropriate]   |  |
| e) I do not wish my part time service since 1 May 1995 to be pensionable [please tick if appropriate]   |  |

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;
- 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(s) 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 [RC name and address]

.....

.....

Standard Offer Letter to  
Pensioner 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 college] 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.

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 three years 200 days eligible part time service you can purchase all of that service or one, two or three complete years (but not, for example, three 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 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 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 employment. Thus, for each calendar year of your part time service that you decide to purchase, the benefits under the TPS would be increased by approximately:

Annual Pension	[£amount] (not including any interest and Pensions Increase payable)
Plus Lump Sum	[£amount] (not including any interest and Pensions Increase payable)
Spouse's pension	[£amount] (not including any Pensions Increase to date)

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

Annual Pension	[£amount] (not including any interest and Pensions Increase payable)
Plus Lump Sum	[£amount] (not including any interest and Pensions Increase payable)
Spouse's pension	[£amount] (including any Pensions Increase to date)

Full details of interest and pension increases are available from Teachers' Pensions.

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 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.

By when must I make a decision?

You must confirm your decision on the attached Form 1 by no later than six 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 six months timescale will mean that we will be able to ask the Employment Tribunal to “strike out” your claim.

Before making a final decision about the purchase of 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 that NIC refund (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;
- 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” (Form 2) 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 to be paid to you is less than the contributions to be collected, the outstanding contributions will be recovered from the additional monthly pension due to you, as a result of your purchase of the retrospective access.

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 of 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 affects the amount they are allowed to earn in retirement. This may result in the abatement of your retirement pension. If your pension is already subject to abatement then the date from which your pension ceases to be payable may be affected. If this applies to you and you wish to avoid the possibility of an overpayment of pension, please contact Teachers' Pension for further, 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.

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 that NIC refund. Please note that for the purposes of Form 64-8 your "agent" is the college 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 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 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 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 EMPLOYMENT TRIBUNAL 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 [please tick if appropriate]
- e) I do not wish my part time service since 1 May 1995 to be pensionable [please tick if appropriate]

.....whole years

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;
- 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 [RC address].....

.....  
 .....

TO BE SENT TO ALL APPLICANTS

FORM 2 – WITHDRAWAL OF EMPLOYMENT TRIBUNAL APPLICATION

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"

<u>ATL</u>	7 Northumberland Street, London, WC2N 5RD
NAHT	1 Heath Square, Boltro Road, Haywards Heath, West Sussex, RH16 1BL
<u>NASUWT</u>	c/o Reynolds Porter Chamberlain, 278-282 High Holborn, London WC1V 7HA
NATFHE	2 <sup>nd</sup> Floor, Alpha Tower, Suffolk Street, Queensway, Birmingham, B1 1TT
<u>NUT</u>	Hamilton House, Mabledon Place, London, WC1H 9BD
PAT	No 2 St James' Court, Friar Gate, Derby, DE1 1BT
SHA	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>

Form 68-4 page 2

## Teachers' Pension 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 i.e. 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.

Schedule for applying for refunds

NAME OF EMPLOYER	
CONTRACTED OUT NUMBER	
PAYE REFERENCE	

LAST NAME	FIRST NAMES	NI NO	DOB	LATEST ADDRESS	START OF REIN-STATEMENT	END OF REIN-STATEMENT	PRIVATE PENSION START	PRIVATE PENSION END	PRIVATE PENSION NUMBER