



Member Guide

+ Introduction	1
+ A to Z jargon buster	2
+ The Scheme website	3
+ Good reasons for being a member of the Teachers' Pension Scheme	3
+ Joining the Teachers' Pension Scheme	4
+ Contributions	5
+ Qualifying for benefits	7
+ NPA applicable to new entrants	7
+ Transferring from another pension scheme	8
+ Leaving the scheme	8
+ Calculation of benefits	9
+ Your retirement options	11
+ Ill-health benefits	13
+ Guaranteed Minimum Pension	15
+ Pension sharing on divorce	15
+ Returning to work after retirement	16
+ Death benefits	17
+ Survivor benefits	18
+ Customer Service	21



If there is any difference between the legislation governing this scheme and the information in this guide, the legislation will apply.

Introduction

This booklet details the benefits provided by the Teachers' Pension Scheme (TPS) in England and Wales. Please retain for future reference.

The TPS is a contributory scheme administered by Teachers' Pensions (TP) on behalf of the Department for Education (DfE). It provides pension cover for the vast majority of teachers and lecturers who are, or have been, employed in England and Wales, amounting to 1.4 million individuals.

It is a defined benefit 'final salary' scheme and is one of the most important and valuable benefits available to teachers. The TPS not only provides you with a regular income after you retire, but can also provide a lump sum. It also gives financial protection to your family or other dependants after you die.

The TPS is contracted-out of the State Second Pension (S2P) on a Reference Scheme Test basis that means the TPS guarantees to pay benefits which are at least as high as those the state would pay. Although you will be contracted out of S2P you will receive the Basic State Pension in addition to your teacher's pension.

The TPS is a statutory scheme subject to the Teachers' Pensions Regulations. Nothing said in this booklet overrides the provisions of the regulations.

You can visit the TP website at www.teacherspensions.co.uk to obtain more detailed information about any aspect of the scheme.

Teachers' Pensions

Mowden Hall

Darlington

DL3 9EE

Call us on 0845 6066166

Minicom 0845 6099899 (for the hearing impaired)

Financial Advice

TP staff cannot give financial advice. We therefore recommend that you seek independent financial advice before making any decisions about your pension.

A to Z Jargon buster

Abatement is the possible temporary reduction in pension during a period of Additional Service After Retirement.

Additional Voluntary Contributions (AVCs) are extra contributions that you can choose to pay if you wish to increase your benefits by providing an additional annuity

Actuarially Reduced Benefits (ARB) These are benefits which may be taken before Normal Pension Age (NPA) if the member is aged 55 or over. The benefits will be actuarially reduced according to age at retirement, although the reduced pension will attract index linking.

Additional Service After Retirement (ASAR) This is teaching employment after a member has claimed retirement benefits from the TPS.

Club Transfers Transfers between schemes that are members of the public sector transfer arrangements.

Excluded Employment This is teaching employment which would have been pensionable but for an election to opt-out of the scheme or the absence of a part-time election prior to 1 January 2007.

Final Average Salary This is the salary used in the calculation of benefits at retirement.

Guaranteed Minimum Pension (GMP) This is the minimum pension which schemes must provide as a condition of being contracted out of State Earnings-Related Pension Scheme (SERPS).

Her Majesty's Revenue and Customs (HMRC) Previously known as the Inland Revenue.

Multiple Employment Part-time employment with more than one employer.

Normal Pension Age (NPA) Existing members have an NPA of 60. New entrants from 1 January 2007 have an NPA of 65. For a person with 'mixed service' see relevant section.

Pensionable Employment A period of full-time or part-time employment, between age 18 and 75, during which you are entitled to receive not less than half your salary and on which pension contributions were paid., including sickness absence or, you are in receipt of statutory family leave.

Preserved Benefits These are benefits which will be paid in the future if you satisfy the qualification conditions. If you have left the pension scheme and have not transferred your entitlement to another scheme, these are the benefits you will receive when you reach NPA..

Reckonable Service is service which counts for benefits, and can include service from pensionable employment, any additional service previously purchased, and any service credited into the TPS from another pension scheme.

State Earnings Related Pension Scheme (SERPS) and State Second Pension (S2P) was also known as the additional State Pension. It ran from 6 April 1978 to 5 April 2002 when it was replaced by the S2P.

The Regulations The Teachers' Pensions Regulations 2010—Statutory Instrument 2010 No.990.

Transfer of Undertakings is where a body becomes a person's employer through an enactment regarding the transfer of staff.

The Scheme website

www.teacherspensions.co.uk

Good reasons for being a member of the TPS

The website contains information for members and employers. It is a useful source for:

- + information e.g. fact sheets, leaflets and forms;
- + latest news updates about the TPS and wider pension matters; and
- + "What if?" calculators to help members plan for retirement and assess costs for increasing benefits.

There is also a facility for members to register to use secure on-line services. Here they can:

- + access their individual Combined Pension Forecast showing Scheme and State benefits;
- + perform 'what if' pension calculations;
- + complete and submit application forms;

Pensioner members can also:

- + access their monthly pay slips and annual P60 details; and
- + change their personal details;
- + complete a certificate of re-employment

- + You receive a guaranteed pension.
- + Your pension is index-linked, so it won't be reduced by the effects of inflation.
- + You may choose to receive a tax-free lump sum at retirement; or increase one that is already payable.
- + Your employer contributes towards the cost of your benefits.
- + When your benefits are calculated all periods of reckonable service before retirement. are added together.
- + If you are entitled to ill-health benefits, you will get them immediately.
- + Lump sum benefits may be paid if you die before you retire.
- + When you die children's and dependants' pensions may be paid.
- + You may be able to pay extra contributions for additional pension benefits.
- + You may be able to transfer pension credits from another scheme into the TPS.



This area is continually being expanded to include other services.

Joining the TPS

Employment from 1 January 2007

You automatically become a member of the TPS if you are a teacher or lecturer and you are employed:

- + in an establishment maintained by a local authority, or in an academy;
- + in an independent school or further and higher education establishment that has been accepted into the TPS; or
- + as a teacher by a Function Provider (a company awarded a contract to perform functions on behalf of a local authority).

and you are:

- + employed full-time or part-time, including Additional Service After Retirement (ASAR);
- + between the ages of 18 and 75.

Membership on election

If you are employed in an establishment listed in the Appendix you and, where appropriate, your employer must complete an 'election for employment to be treated as pensionable,' which is effective from the first day of the following month. If you make an election within 3 months of appointment, the election can be backdated.

Part-time employment where the contract started before 1 January 2007

For your service to be treated as pensionable you must have made a part time election. If you have not made an election and you change your contract or have a break in service after 1 January 2007 your future service will automatically be pensionable unless you opt out of the TPS.

If you are in multiple employment for which you did not make a part-time election prior to 1 January 2007, and one of the contracts of employment changes or you take up a new post, all your part-time employment is automatically pensionable and pension contributions are due. Under such circumstances, please ensure that all your employers are aware, and are deducting pension contributions.

Opting out and opting in

Membership of the TPS is not obligatory. You can opt out of the scheme at any time in order to make your own pension arrangements. You should think very carefully before you opt out. You should compare the benefits of the TPS with those offered by personal pension plans or other arrangements and consider the long-term effect on your financial position. You may wish to consult an independent financial adviser or your teachers' association before taking such a serious step.

Election forms are available on the TP website. The opt-out takes effect from the first day of the month following the day on which the election is signed, unless it is within 3 months of taking up relevant employment, when the election is backdated to the date when relevant employment started. If you do opt out, you can opt back in at any time without pre-conditions.

A person taking up new employment will automatically be re-admitted to the TPS, unless they had previously opted out.



If you have already opted out of the TPS you can opt back in at any time.

Contributions

What do I and my employer pay?

As a member of the TPS, whether full-time or part-time, you will pay 6.4% of your gross salary towards a package of benefits. Your employer pays a further 14.1%. This makes a total of 20.5%. You will receive income tax relief on your contributions. The Scheme Actuary reviews these rates at regular intervals.

How do I pay?

Your employer will deduct contributions from your monthly salary. Your employer will pay all contributions direct to TP each month. It is important that you make sure that the correct amounts have been deducted. If you think an error has been made, contact your employer immediately.

Can I pay additional contributions?

There are other ways in which you can increase your retirement benefits by paying extra contributions. These include:

- + purchasing additional pension;
- + paying AVCs through the Prudential;
- + paying into another registered pension scheme

In certain circumstances, you can also choose to pay extra contributions to increase the amount of family benefits your dependants may receive.

You can get income tax relief on your additional contributions. If you make a lump sum payment you should contact HMRC for information on tax relief.

Purchasing additional pension

You can purchase additional pension that is calculated separately from your main TPS benefits. The additional pension you purchase will be index linked both before and after retirement.

The cost of purchasing additional pension depends on your age and the amount of additional pension you wish to receive. You can purchase additional pension, whilst in pensionable employment, up to the age of 65. The maximum payment period is 20 years and must be completed before NPA. NPA 60 members in pensionable employment after 60, can purchase additional pension based on an NPA of 65.

There are two ways you can pay for additional pension:

- + by having deductions from your salary; or
- + by paying a one off lump sum.

You will find full details in the fact sheet 'Additional Pension' and a calculator to estimate the cost. Both are available on the TP website.

AVCs through the Prudential

The TPS has a special arrangement with the Prudential which administers and invests your AVCs. The Prudential will send you a benefits statement so that you can see how your investments are performing. You can pay AVCs to increase your own pension, a dependant's pension, the lump-sum death

Need Help?

Call us on 0845 6066166

Minicom 0845 6099899

or visit our website

www.teacherspensions.co.uk

grant or any combination of these three. You can contact the Prudential direct for more detailed information at:

Prudential Life and Pensions
Teachers' AVCs
Craigforth
Stirling
FK9 4UE
or visit their web site,
www.pru-teachers.co.uk

Paying into another pension scheme

Members of the TPS can also contribute to a stakeholder pension, personal pension or HMRC registered pension scheme. If you wish to take out an individual pension you need to make your own arrangements.

We cannot advise you about which type of extra contribution to choose. You can get advice from an independent financial adviser or from your teachers' association.

Can I increase the pension my dependants will receive?

If you are a married man all your service from 1 April 1972 will automatically count for survivor benefits. You can purchase service before April 1972 so that this also counts for survivor benefits if you marry for the first time before you retire.

If you are a married woman all your service from 6 April 1988 automatically counts for survivor benefits. You can purchase service before April 1988 within six months of getting married, for the first time, or if you married whilst out of service within 6 months of returning to service. You should contact us immediately if this applies to you.

If you have registered a Civil Partnership all your service from 6 April 1988 automatically counts for survivor benefits. If you are in a civil partnership and are in service, you can purchase previous service for survivor benefits if you apply to TP within six months of registering your civil partnership. If you were not in service when you registered, you may do so by applying within six months of returning to service.

If you are not married, or have not registered a civil partnership, but you are living with a partner you can nominate your partner to receive survivor benefits after your death. You should complete the appropriate nomination form. If accepted, and provided you have lived with your partner for 2 years, and you both have been free to marry for 2 years, your service from 1 January 2007 will count for survivor benefits. You can purchase service before that date if you apply within 6 months of nominating your partner. There will be a check undertaken after your death to ensure the conditions of nomination are still satisfied. If your partnership ends you must inform us.

Can I restore service if I have had my contributions returned?

If you are in pensionable employment you can repay (as a lump sum) to the TPS any contributions you withdrew before 1 June 1973. You will have to pay compound interest on the contributions at the rate of 3.5% for each year since the refund was made. This service will then be reinstated into the TPS and will count in the normal way when we calculate your retirement pension and lump sum.

Qualifying for benefits

This means having sufficient service to become entitled to a pension when you retire. You will qualify for benefits if you complete:

- + two years' pensionable employment at any time after 5 April 1988;
- + two years' pensionable employment at any time, if you were in pensionable employment on 6 April 1988; or
- + five years' pensionable employment at any time.

If you are in part-time pensionable employment, the whole period counts towards the qualifying periods. But only the days you actually work will count towards your benefits. So if you work half-time for a year, this counts as one year for qualification, but only six months for calculating your benefits.

Additional Service After Retirement (ASAR)

If you are re-employed after taking retirement benefits, you must have one year of ASAR to qualify for further benefits. This does not include Phased Retirement. As above, for part time employment the whole period counts towards qualification.

If you have less than one year's service, and do not intend to continue in the TPS, your contributions and interest will generate an annuity to add to your existing pension.

NPA applicable to new entrants

A new entrant joining the TPS on or after 1 January 2007, with no previous service, will have an NPA of 65 and the associated benefits, unless there is a transfer of undertakings, accepted by DfE, where the member previously had an NPA of 60.

A member who had service before 1 January 2007 in the TPS, or the equivalent teachers' scheme in Scotland or Northern Ireland, will have an NPA of 60, provided they do not have a break in service of more than 5 years.

Persons with 'Mixed Service'

A person who has a break in employment of more than 5 years will have NPA 60 for service up to the end of the break in service and NPA 65 for all future service. They will be a 'person with mixed service.'

If you join the TPS having accrued service in an equivalent teachers' scheme in Scotland or Northern Ireland commencing prior to 1 January 2007, without a break of more than 5 years, you should contact TP with evidence so that all your service can be treated on the basis of NPA 60.

Transferring from another scheme

When you join the TPS you can transfer your pension credit from a previous scheme provided that:

- + the previous scheme meets HMRC requirements;
- + your previous scheme is willing to pay a transfer value; and
- + you apply for a transfer within one year of entering pensionable teaching service.

Transfers from the teachers' schemes in Scotland and Northern Ireland

There are special arrangements with these schemes which means that service credit transferred from them gives you exactly the same amount of service in the TPS as you had with them, including where service is transferred in as 'mixed service.'

'Club' and 'Non-Club' Transfers

Special arrangements also apply to members transferring from other schemes which participate in the 'transfer club.' It should be realised, however that both Club and Non-Club transfers cannot guarantee you the same amount of service in the TPS as you had in your previous scheme.

Transfers from the Channel Islands and the Isle of Man

These are treated as Club transfers with an NPA of 65, but the one year time limit does not apply.

Leaving the scheme

If you leave teaching service, you have four options open to you, depending upon how long your service is.

If you are over 55 and under NPA, and have been in teaching employment on or after 30 March 2000, you can claim your retirement benefits early with an actuarial reduction.

You can leave your pension benefits in the scheme as all periods of reckonable service are added together and used to qualify for benefits. If you have not qualified when you leave, you may qualify later if you return to teaching and claim your benefits at NPA. All 'preserved' benefits are increased in line with the cost of living. They are index-linked from the date you leave.

If you take up other employment and you want to transfer your pension rights you must apply before NPA. You can only transfer them if the new scheme will accept a transfer. If the transfer is to a scheme that cannot accept the GMP liabilities, the GMP element can be retained in the TPS or transferred to an individual pension arrangement. The new scheme must satisfy HMRC requirements.

If you have been out of pensionable employment for one month and you have not qualified for benefits, you can take a repayment of contributions, less relevant deductions. If you are a re-employed pensioner and you do not qualify for further benefits, the repayment will be converted to a short service annuity.

Please note that if you leave the scheme and return after a break of more than 5 years, your future service will have an NPA of 65 and accrue pension at 1/60th for each year of that service. See 'NPA applicable to new entrants.'

Calculation of benefits

Lump sum options

NPA 60 members

If you were a member of the scheme before 1 January 2007 the method of calculating benefits, which will consist of an annual pension and a lump sum based on reckonable service and average salary, is as follows:

$$\text{Pension} = \frac{\text{Service} \times \text{Average Salary}}{80}$$

The automatic lump sum is three times the pension.

You can also elect to convert part of your pension to receive a lump sum up to a maximum of 25% of your fund value. The formula for calculating the additional amount of lump sum benefits that can be paid is as follows:

$$\frac{\text{Annual Pension} \times 33}{14}$$

NPA 65 members

If you became a member of the scheme on or after 1 January 2007, your benefits will consist of an annual pension based on reckonable service and average salary. It will be:

$$\text{Pension} = \frac{\text{Service} \times \text{Average Salary}}{60}$$

There is no automatic lump sum. You can convert part of your pension to a lump sum and the formula for calculating the

maximum amount of lump sum benefits that can be paid is as follows:

$$\frac{\text{Annual Pension} \times 30}{7}$$

The conversion formulae provide the maximum 25% of your fund value allowed by HMRC. You can choose a lower amount if you wish.

In all cases, if you convert pension, there is a consequent reduction in the value of the annual pension. For each £1 of pension converted there will be £12 of lump sum paid. Calculations can be undertaken on the TP website.

Conversion of Additional Pension

Part of any Additional Pension can also be converted to a lump sum. The maximum lump sum that can be taken is calculated as follows. You can choose a lower amount if you wish.

$$\frac{\text{Additional Pension} \times 30}{7}$$

Example: Additional Pension = £1,000 p.a.

$$\text{Lump sum} = \frac{\text{£1,000} \times 30}{7} = \text{£4,285.71}$$

Deduction: £4,285.71 ÷ 12 = £357.14

Additional Pension: £1,000 — £357.14 = £642.86 p.a.



Before making a decision to convert any part of your pension into a lump sum, it is advisable to use the calculator on the website for an indication of the likely lump sum and the remaining pension.

Average Salary

Your average salary is the better of the following:

- + the pensionable salary received in the last 12 months before retirement; or
- + the salaries for the last ten years are index linked to current day values. The average of the best consecutive three years' re-valued salaries in those ten years is used.

If you left service before 1 January 2007 your average salary is:

- + the highest amount of full salary for any consecutive 365 days of reckonable service, whether continuous or not, during the last three years of reckonable service.
- + Reckonable service is those years and days that count towards your pension benefits.

Salary restriction

If the pensionable salary received in the last 12 months before retirement gives the higher average salary figure, and any salary or salaries in your final three years was increased by more than £5,000 or 10%, the increase in that salary or salaries will be restricted to £5,000 or 10%, whichever is the greater.

The figure of £5,000 is applicable to retirements in 2010-11, and will be increased annually thereafter.

Where this restriction applies contributions in respect of any salary not used in the calculation of average salary will be refunded after retirement.

In addition, where the restriction applies, employers may (within 6 months) elect to purchase Additional Pension, provided there is scope to do so.



Please see the fact sheet on Average Salary for more information.

Your retirement options

Age retirement (Retiring at NPA or later)

You will be paid age retirement benefits, on application, if you are no longer in pensionable employment at NPA. If you remain in employment after NPA, you will be paid benefits when you eventually cease pensionable employment. If you have a break in pensionable employment after NPA, even for 1 day, you will be entitled to benefits from that date.

All reckonable service up to age 75, limited to 45 years in total, will be used in the calculation of your retirement benefits. The previous 40 year restriction was removed from 1 January 2007.

Actuarially Reduced Benefits (Retiring between the ages of 55 and NPA)

If you are aged between 55 and NPA and you have been in pensionable employment on or after 30 March 2000, you may be able to obtain early access to your pension benefits, which will be reduced according to your age.

Please note: An actuarially reduced pension is payable for life, and any Additional Pension purchased will also be actuarially reduced.

Payable dates for ARB

If you are in pensionable employment or excluded employment when you complete your application for reduced benefits, you must obtain the consent of your employer to gain immediate access to retirement benefits. Employers cannot withhold their consent for longer than 6 months from the date on which you submit your request. Subject to

your employer's consent, reduced pension benefits are paid from the day after the last day of pensionable or excluded employment.

If you have left pensionable or excluded employment on the date when you complete your application, benefits will be paid from a date of your choosing, but not earlier than 6 weeks after the date of your application.

Premature Retirement (Caused by redundancy or reorganisation)

If you are aged 55 or over and your employer makes you redundant or you leave pensionable employment on the grounds of organisational efficiency, you may be granted Premature Retirement benefits. The payment of these unreduced benefits from the TPS is at the discretion of your employer. The Premature Retirement arrangements provide for two types of compensation payable by your employer.

- + Mandatory compensation - benefits (pension and lump sum) are split between the TPS and your employer. Your employer must agree to pay their share if an application for premature retirement is to be accepted. It is not possible to convert this pension into an additional lump sum.
- + Discretionary compensation - your benefits may be increased by your employer. Whether to increase your benefits in this way is entirely at the discretion of your employer and is subject to certain limits. This is not applicable to employers in Higher Education and Independent Sectors.

Need help?

Call us on 0845 6066166

Minicom 0845 6099899

or visit our website

www.teacherspensions.co.uk

Phased Retirement

This is drawing part of your benefits while continuing in teaching service, or in the education field, e.g. as a classroom assistant.

After age 55, you may take Phased Retirement without having a break in employment provided that your pensionable salary reduces immediately by 20%, or more, for 12 months.

This could, for example, be because you have taken up a post of lesser responsibility or because you are working reduced hours.

The reduced salary is compared to your average salary over the previous 6 months.

You will need to discuss this arrangement with your employer and they will be required to provide confirmation of the salary reduction on your application form.

You can decide how much you wish to take of the benefits you have accrued up to the commencement of Phased Retirement subject to a maximum of 75% of your reckonable service total benefits.

Your remaining service will be aggregated with any subsequent service you accrue, and be used in any future benefit calculations.

You must apply within 3 months of your receiving a reduced salary.

You may exercise this option twice before final retirement.

Please note that if your Phased Retirement benefits are drawn before your NPA, the benefits taken will be actuarially reduced.

Additional Service after Retirement (ASAR)

If you return to teaching after taking Age Actuarially Reduced, or Premature Retirement benefits, and qualify for further benefits (see Qualifying for benefits), you are entitled, on application, to further benefits calculated using your post-retirement service and salaries.

Please note that if you claim your benefits before NPA, they will be actuarially reduced.

If you are in pensionable employment when you complete your application, benefits will be payable from the first day after leaving employment. If not, the benefits are payable from a date of your choosing, but not earlier than 6 weeks after the date of your application.



How do I apply for retirement benefits?

You should apply about four months before the date of your retirement. You can obtain an application form from your employer or from the TP website.

Ill-health benefits

Can I receive my benefits if I become ill?

If you are under NPA and have to retire through ill-health, you can apply for ill-health benefits.

Employers and their occupational health advisors must first look at ways of helping you return to work, e.g. redeployment, part-time working, transfer to a post with less responsibility or consider other workplace adjustments, before concluding that ill-health retirement may be appropriate.

How to apply for ill-health retirement benefits

If these steps are unsuccessful, you and your employer's occupational health advisor in conjunction with your medical practitioner need to provide the medical evidence and complete the application forms. The cost of providing medical evidence is a matter between you and your employer.

If you are still employed you should obtain the two forms required for your application from your employer. One form is for you to complete with your employer, the other is for the medical evidence to support your application.

If you are no longer employed as a teacher you can download the forms from the TP website.

If you left pensionable teaching within 12 months of submitting your application, the medical information sections of your application form must be completed by your

ex-employer. If you are not currently employed in pensionable teaching employment you will have to pay for any costs incurred in providing medical evidence.

Both forms should be returned to TP together by your employer, if you are in service, or by you if you are out of service.

Two-tier benefits

Ill-health benefits can be paid at two different levels depending upon the severity of the illness. Accrued benefits would be awarded if you were assessed as being permanently unable to teach but can do other work, and would be based on your accrued reckonable service.

Enhanced benefits (or Total Incapacity) would be awarded in addition, if you were assessed as being permanently unable to teach and unable to undertake any other gainful employment. The total amount of enhancement you may receive is half the service you could have completed before NPA.

If when you make your application, you are not in pensionable employment, not on a career break agreed with your employer, on sickness absence, maternity, paternity or parental or adoption leave, in order to obtain Accrued benefits you must satisfy the criteria for Enhanced benefits.



Further information is available in the ill-health retirement leaflet on the website

Need help?

Call us on 0845 6066166

Minicom 0845 6099899

or visit our website

www.teacherspensions.co.uk

Pensions Increase

Ill-health benefits cannot be awarded to a teacher who has been barred or who is under investigation for misconduct. Where a teacher under investigation is not subsequently barred, and an application for ill-health benefits is accepted, the benefits will be backdated.

You cannot normally obtain ill-health benefits if you have already been awarded premature or actuarially reduced retirement benefits.

Serious ill-health

If you are seriously ill, your ill-health pension may be converted to a lump sum payment. The request for conversion of pension must be made at the time of application for ill-health benefits: a pension cannot be converted to lump sum once it has come into payment. Life expectancy must be less than a year. The lump sum payment amounts to approximately five times the annual pension, taking account of the maximum conversion of pension to lump sum of 12:1.

Short-service serious ill-health grant

If you have not been in service long enough to qualify for ill-health benefits and have a life expectancy of less than a year you can apply for a short-service serious ill-health grant.

You must have at least one year of pensionable employment to your credit and you must apply within six months of leaving reckonable service.

The grant is 1/12 of your final average salary for the length of your reckonable service (years and days).

Pensions Increase (applicable to preserved pensions and pensions in payment)

Your pension will be increased to take into account increases in the cost of living. The increases are paid in April, on the same date as increases in state social security benefits; and are based on factors provided by HM Treasury.

Preserved pensions and lump sums are also increased so that they keep their value. Pensions Increase also applies to pensions paid by the TPS to widows, widowers, civil partners, children and dependants.

Guaranteed Minimum Pension

Pension sharing on divorce or dissolution

Guaranteed Minimum Pension (GMP)

When you reach State Pension Age and have claimed your state pension, some of the increase on the GMP part of your pension will be paid by the government with your state pension. Some will be paid with your teacher's pension.

How the increases are applied

The GMP consists of two elements:

- + Pre 1988 GMP - For service up to 5th April 1988, the government will pay all pension increases (PI) with your state pension. This part does not attract increases from TPS.
- + Post 1988 GMP - For service after 5th of April 1988, PI up to 3% is paid by TP, the balance will be paid by the government with your state pension.

Any TP pension in excess of the GMP will receive the full pensions increase and will be paid by TP each year.

At the point that TP receives confirmation of your GMP from HMRC, we will adjust your pension.

A breakdown of how the different elements of your pension have been increased will be shown on your annual pay advice to show the impact of GMP.

For questions about your state pension, please contact the Department for Work and Pensions (DWP) on 0845 300 0168.

Pension Sharing

When a couple divorce or a civil partnership is legally dissolved, the Courts will establish the value of the member's pension and any amount of the pension that is to be shared.

Debit Member

A pension debit will then be made against the member's benefits that will reduce their pension at retirement or death. The original member is known as the 'debit member.'

Credit Member

A corresponding credit will be given to the ex-spouse or ex-civil partner who will become a 'credit member' in the TPS, with the same NPA as the debit member.

A lump sum may be payable to the credit member, provided the debit member has not already taken benefits. A credit member may opt to take a higher lump sum and lower pension, if the pension credit rights included any of the debit member's service on or after 1 January 2007.

Where the debit member had service on or after 30 March 2000, the credit member may also apply, after age 55, for Actuarially Reduced Benefits.



For more information about pension sharing please see the fact sheet on the website.

Returning to work after retirement

Abatement of pension during re-employment

Whether your Additional Service After Retirement (ASAR) is pensionable or not, your pension, including any additional pension, may be subject to abatement depending on your new salary. If you took Actuarially Reduced or Phased Retirement, your pension will not be abated, unless you subsequently take Age, Premature or Ill-health retirement. You must notify us immediately if you take up any re-employment, by completing a 'certificate of re-employment' on the TP website.

Returning to work after ill-health retirement

Ill-health benefits are awarded because you are permanently medically unfit to teach. If you return to teaching your ill-health pension must stop immediately. It is your responsibility to notify TP immediately, in writing, of any employment undertaken when in receipt of ill-health benefits. If you wish to return to teaching, your employer must be satisfied that you are fit to teach in the capacity required.

If your pension is stopped, another ill-health pension can only be awarded if you become ill again and satisfy the medical advisors that you are unfit to teach. You can retire on other grounds at the appropriate age.



If you are considering returning to teaching you must inform TP. For more information on abatement please see the factsheet on the website.

If you are in receipt of an enhanced pension (Total Incapacity), and you intend to return to employment outside teaching but want your enhanced pension to continue, you must provide the Secretary of State with a certificate from a registered medical practitioner. The medical practitioner must be satisfied that you still meet the medical condition which gave rise to your enhanced pension to be paid. The nature of your proposed employment will also assist the Secretary of State in coming to his decision about whether or not the enhanced pension can continue to be paid.

In all cases, TP will need to know:

- + the name and address of your employer;
- + the date your employment started;
- + the duration, if known;
- + the rate of salary; and
- + the nature of employment (indicating whether it is full or part-time).

Further Benefits

If your ASAR is pensionable, further retirement benefits will be paid to you, on application. These will be based on your extra reckonable service and new salary rates.



If you fail to inform TP about any employment whilst receiving a pension and you are overpaid, TP will recover this debt from you in full.

Death benefits

Death in service

The TPS may pay an in-service lump sum death grant if:

- + you die while you are employed in pensionable employment;
- + you die within a year of leaving pensionable employment (because of ill-health) and you are not in receipt of a retirement pension; or
- + you die while you are paying current added years.

There is no minimum qualifying period and the death grant will be three times your average salary.

If you die during ASAR or phased retirement, the TPS will pay a lump sum, using three times your average salary, less any lump sum benefits you have previously been paid.

Death out of service

If you die after leaving pensionable employment, having 2 years of pensionable employment, the death grant will be :

- + your retirement lump sum accrued to date ; or
- + if there is no adult pension payable, your pension contributions plus interest of 3%.

If you have less than 2 years of pensionable employment, your beneficiaries would receive your pension contributions plus interest at 3%.

Payment of a death grant

Where a nomination for receipt of a death

grant has not been made, the death grant is paid to your widow, widower, civil partner or, if you are unmarried or have not registered a civil partnership or nominated a partner when you die, to your estate.

Where a nomination for receipt of a death grant has been made, it takes precedence over the categories above.

Your survivors should complete an application form which they can get from your employer or direct from the website.

Nomination for receipt of a death grant

A nomination for receipt of the death grant must be made on the Death Grant Nomination form that is available on the website, indicating your wishes should the nominee pre-decease you.

It is your responsibility to review your nomination to ensure your wishes are current.

Additional pension

If you die within 12 months of commencing the purchase of additional pension your contributions will be returned. If the contributions have been paid by the employer, and you die within twelve months, the contributions will be returned to the employer.

If you die more than 12 months after the start date of purchasing both personal and dependant's additional pension, your dependant will receive an additional pension of 50% of the indexed amount, together with any other TPS benefits. If you die after 12 months of your election being accepted and have purchased only personal additional pension, no benefits will be paid to a dependant.

Survivor benefits

When you die, the TPS may pay pensions to your beneficiaries: your widow, widower, civil partner, nominated partner, children or nominated dependant. The amount of long-term pension payable depends on the amount of survivor benefits service you have in the TPS. To qualify for survivor benefits, you must have two or more years' eligible service.

Short-term pensions

If you die in service or within a year of leaving service (because of ill health) your beneficiaries may be paid a short-term pension which is the same as your pensionable pay at the time of your death. Your employer usually pays it for three months from the day after your death. A short-term pension may also be payable for the same three months to your children. If there is no long-term pension payable to an adult beneficiary, and there is one or more eligible children, a short-term pension may be payable to them for six months.

If you die after you retire, a short term pension may be paid to your beneficiaries based upon the pension you were receiving when you died.

Long-term pensions

Long-term pensions for adult survivors are paid at the rate of 1/160 of the final average salary for each year of your survivor benefits service. If all your service counts for survivor benefits, the pension will be half the pension you have earned up to the date of your death. If only part of your service is covered for survivor benefits, the pension will be less.

If you die in service, your survivor pension may be increased by allowing service enhancement to count for survivor benefit. This is usually only increased if you die before 60 and you have 2 years qualifying service.

Example: A member dies in service aged 52 with 22 years' service and an average salary of £30,000. The service would in this case be increased by 6 years 243 days to 28 years 243 days producing a pension of:

$$28.666 \times £30,000 \times 1/160\text{th} = £5374.87$$

If you are a male and you marry after you leave pensionable employment only service from 6 April 1978 will count for a widow's pension. If you are a female and you marry after you leave pensionable employment only service from 6 April 1988 will count for a widower's pension. If you leave pensionable employment and then register a civil partnership only service from 6 April 1988 will count for a civil partner's pension.

The child's rate of pension is paid at 1/320 of the final average salary for each year of your survivor benefits service. This is up to a maximum of 1/160th for 2 or more children.

If there is no adult beneficiary's long-term pension payable, an orphan's pension may be paid. This will be at a higher rate than a child's pension.



You will find more details on the website, including how to make a Nomination for receipt of a death grant.

Survivor benefits (continued)

Nominated Partner's Pensions

From 1 January 2007 service can count for partner benefits, but you must complete a form to nominate your partner. This can be obtained from the website. A number of conditions must also be satisfied before a nomination can be accepted or a pension can be paid. These are:

- + you must have lived with your partner in a permanent exclusive relationship for a minimum of two years; and
- + you and your partner must have been legally free to marry or to enter into a civil partnership for more than 2 years, i.e. any divorce or dissolution must pre-date the nomination by more than 2 years;
- + you and your partner must be financially interdependent; and
- + you must have 2 or more years service counting for partner benefits.

Some examples of financial interdependency are given below, but these are not exhaustive and not all need to be met. Typically interdependency means:

- + you share a household and the related spending;
- + you have a joint bank account or mortgage;
- + you have made wills naming each other as beneficiaries;
- + you have mutual power of attorney.

You do not need to demonstrate financial interdependency at the time you nominate

your partner. This will be checked after you die. Only service from 1 January 2007 will count automatically towards a pension for your partner but if you were a member before that date you may be able to cover previous service by paying extra contributions.

Pensioners may nominate a partner but cannot purchase service prior to their retirement.

Important: It is your responsibility to ensure your nomination is kept up to date.

Nominated Dependant's Pensions

If you are not married, or have not registered a civil partnership, you can nominate a close relative who is financially dependent on you to receive pension benefits when you die.

You can nominate:

- + an unmarried or widowed parent;
- + step parent; or
- + an unmarried brother or sister.

You must nominate this person before you retire. The benefits will be the same as those paid to an adult beneficiary. The nomination will end if you marry or register as a civil partner. It will also end if the nominated person dies, marries or ceases to be dependent on you.



It is your responsibility to review your nomination to ensure it reflects your current wishes.

Need Help?

Call us on 0845 666166

Minicom 0845 6099899

or visit our website

www.teacherspensions.co.uk

Children's Pensions

A child's pension may be payable to:

- + those children born during the member's lifetime or within 12 months of the date of death.
- + children born to a previous partner;
- + adopted children; and
- + unadopted children who lived as part of the member's family at the date of death and were financially dependant on the deceased member.

To be eligible, a child must be unmarried or not registered as a civil partner; and

- + Under age 17; or
- + Under age 23 and since attaining age 17 in continuous full time education or training lasting at least 2 years for a trade or profession without a break of more than one academic year; or
- + Incapacitated when the member died and unable to earn a living due to ill health (Please provide a letter from a doctor to confirm and details of any benefits received from the state).

If the member dies having retired before 6th April 2006, a child's pension will continue to be paid after the age of 23, if the child has remained in full time education.

Duration of Adult long term pensions

Long-term pensions are paid immediately after the short-term pension stops or from the day after death. Where the member left

pensionable employment before 1 January 2007, pensions will end in the event of the beneficiary's death, remarriage, cohabitation or if a new civil partnership is registered. If the member was in service on or after 1 January 2007 and dies, the adult dependant's pension will be payable for life.

Duration of Child's pension

Children's pensions are paid for children under the age of 17 and for older children up to the age of 23. Older children only qualify if they are not in a legal partnership and have been in full-time education or in certain kinds of training since reaching the age of 17 without a break of more than one year. Pensions can continue after age 23 if a child was dependent on the member because of the child's ill-health, when the member dies.

Applications for family pensions should be made on the Death Benefits application form .

Supplementary death grant

When a pensioner dies an additional payment, called the supplementary death grant, may be made, consisting of the difference between the pension paid up to the date of death and five times the annual rate of pension at the date of death

The supplementary death grant is paid to the pensioner's nominee, adult beneficiary, or, if there is no adult beneficiary, to their estate.

Data Protection Act 1998

Customer service

The DfE will use any information you provide in connection with the TPS for the purpose of administering and operating the scheme and paying benefits under it. This may include passing details to third parties that are involved in the administration and operation of the scheme.

The DfE may also use your data for administrative purposes in line with its data protection notification. In order to fulfil its duty to protect public funds, the DfE may use information it holds to prevent and detect fraud. The DfE may also share such information, for the same purpose, with other organisations that handle public funds.

It would be helpful if you could supply the following information when you contact us:

- + your teacher's reference number (such as RP99/99999);
- + your full name;
- + your date of birth; and
- + your National Insurance number.

This information will help us to identify your record and to deal with your enquiry more quickly.

There is a full range of leaflets and fact sheets which give more detailed information on the scheme. Leaflets are available on the website, **www.teacherspensions.co.uk**. You may find it helpful to read a leaflet before you ask us for information.

Alternatively, you may wish to Email us at **TPMail@teacherspensions.co.uk**

Opening times: On normal working days we are open Monday to Friday from 8:30am to 6:00 pm.

Procedures for complaints and disputes

The TPS has a two-stage procedure for handling complaints and disputes.

First Stage

The regulations are administered by TP on behalf of the DfE. If you disagree with a decision made by TP about how the regulations apply to you, or you wish to complain about how your case has been handled, you should write to:

Customer Services Manager
Teachers' Pensions
Mowden Hall
Darlington
DL3 9EE

Second Stage

If you are dissatisfied with the reply from TP, you may appeal to the DfE. You should write to:

Terms and Conditions Division
Department for Education
Mowden Hall
Darlington
DL3 9BG

An appeal should be made within six months of receiving the reply to your first letter of complaint or dispute. Included in this appeal, you must provide your full name and address, your teacher's reference number, your date of birth and your National Insurance number. If you choose to ask a representative to write in on your behalf, these details must still be provided.

It is open to you, at any stage to approach The Pensions Advisory Service. They offer a free service and their address is:

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB

Tel: 0845 601 2923

If you have received a second stage reply, and you wish to pursue the matter further, you may contact the Pensions Ombudsman, who is independent and acts as an impartial adjudicator. The address is:

Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB

Tel: 0207 834 9144

The Pensions Regulator is able to intervene in the running of schemes if scheme managers or administrators have failed in their duties, and will impose financial penalties where it sees fit. The address is:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
East Sussex
BN1 4DW

Tel: 0870 6063636

Index

Abatement of pension	16		
Additional Pension	5,9,17	Employment	
AVCs	2, 5, 6	Full time	4
Average Salary	10	Leaving	8
Benefits in general		Part time	4
Applying	12	Re-employment	16
Calculation	9	Guaranteed Minimum Pension	2,15
Conversion to lump sum	9	Membership	
Early retirement	11,12	opting in & out	4
Ill-health retirement	13, 14	Mixed service	7
Normal retirement	11	Nominations	
Phased retirement	12	Death grant	17
Qualifying	7	Partner	19
Reduced	11	Dependant	19
Contributions	5, 6,	Normal pension age	7
Additional	5	Pensions increase	14
Restoring	6	Returning to work after retirement	16
Child's pension	19,20	Transfers	8
Customer Service	21		
Death grant	17		
Death in retirement	18		
Death in service	17		
Dependant benefits	6, 18, 19, 20		
Divorce	15		

Appendix: Employment pensionable on election - see Joining the TPS

Employments pensionable on election

Teacher in an institution for the further education and training of disabled persons.

Teacher, supervisor or youth worker employed by the Ministry of Defence in service with the armed forces of the Crown or for purposes connected with the armed forces, unless -
the Principal Civil Service Pension Scheme applies to him, or
he was engaged outside the United Kingdom and had not previously been in other pensionable employment.

Organiser employed by -

- a diocesan board of education established under the Diocesan Boards of Education Measure 1991)d)
- a body affiliated to the National Open College Network
- a Roman Catholic Diocesan Schools Commission
- the Inspiring Futures Foundation
- the Royal National Institute for the Blind
- the Stapleford Centre

Employments pensionable on election with employers consent

Teacher employed in, or in connection with, an establishment for providing social or physical training, being training for which grants are made by the Secretary of State, the United Kingdom Sports Council, the English Sports Council or the Sports Council for Wales, whose principal duty is to attend the establishment and provide the training or supervise its provision.

Teacher employed by a person to whom grants are made by either the Secretary of State or a local education authority in exercise of education functions in respect of expenditure incurred for the purpose for which the teacher is employed.

Organiser employed by -

- the United Kingdom Sports Council,
- the English Sports Council,
- the Sports Council for Wales, or
- any other person, other than a local authority, to whom grants -
(i) are made by any of those Councils or by a local education authority in the exercise of education functions, or
(ii) are or have been made by the Secretary of State or the Welsh Ministers, in respect of expenditure incurred for the purpose for which the organiser is employed.

Organiser employed as a youth and community worker by a body to whom grants are made by a local authority in the exercise of its functions under section 15 or 508 of EA 1996.

Appendix continued

Organiser employed by -

Action for Blind People
the Association of Christian Teachers
the Association of Business Schools
the Assessment and Qualifications Alliance
the City and Guilds of London Institute
the Catholic Education Service
the East Midlands Further Education Council
the Field Studies Council
Macmillan Cancer Support
the North East Religious Learning Resources Centre Limited
the North of England Institute for Christian Education
SCOPE

Teacher employed by a university who was employed by an institution providing further education or higher education immediately before the institution became part of the university.

Teacher or organiser employed by a body formerly within this provision, which is a non-profit-making body whose principal source of funding is fees paid by a local authority.

Teacher employed by the proprietor of, or anyone else concerned in the management of, an accepted school which is a member of COBISEC and located in a member State other than the United Kingdom.

*These details are subject to periodic amendment.

Personal information

This page is designed for you to note important personal information.

Personal information

This page is designed for you to note important personal information.

