

Springbank Academy



Our whole school vision is:

Springbank Primary is a place where all of our children and staff will have the opportunity to excel. Everyone will be safe, happy and cared for. Our curriculum and values will inspire everyone in the school family to be motivated and curious learners and offer core skills, knowledge and enrichment to enable all to gain the foundations for a quality future and a love for life-long learning.

In all we do we remember our school motto:

Caring - Happy - Healthy - Sporty - Scientific

School Values

Sportsmanship - Tolerance - Appreciation - Respect - Friendship - Integrity - Sensitivity - Helpfulness

Pensions and Retirement for School Staff

March 2021



Policy Lead: Adam Lumley

Springbank Primary School is committed to equal opportunities for all. It is our aim that every policy is written to have a positive impact on every child/all children irrespective of race; religion; gender; sexual orientation or age.

Springbank = success for all

There is a key that unlocks every child's learning, our job is to find that key.

Every staff member and governor must take the responsibility and accountability to ensure the procedures within this policy are delivered and implemented as per Springbank School Policy.

Nottinghamshire Guidance on Pensions and Retirement for School Staff

April 2019

Nottinghamshire Pensions and Retirement for School Staff – Table of contents

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Pensions and Retirement for School Staff

1.0 Introduction

The purpose of this document is to give head teachers, governing bodies and school staff information and guidance on pension and retirement options and procedures.

1.1 Types of Pension Scheme

Employees have three options regarding their choice of pension scheme. These are

- a) Joining the relevant occupational pension scheme e.g. Teachers' Pensions or the Local Government Pension Scheme
- b) Taking out a personal pension plan or stakeholder pension scheme.
- c) Rely on the benefits payable by the state via the basic state pension.

Occupational pension schemes are generally schemes where both the employee and employer make a contribution towards the benefits payable at retirement. For Nottinghamshire County Council employees this will be either the Local Government Pension Scheme (LGPS) which is usually for support staff, or Teachers' Pensions (TP), which is usually for qualified teaching staff.

Information and guidance on the LGPS can be obtained by visiting the Nottinghamshire Local Government Pension Fund website www.nottspf.org.uk or by ringing the Pensions Team at the Business Services Centre on 0115 977 2727 Option 3 quoting the employee's national insurance number and date of birth.

Information and guidance on TP can be obtained by visiting the TP website www.teacherspensions.co.uk or by ringing 0345 6066166 quoting the teacher's individual reference number.

The benefits payable under personal pensions and stakeholder pension schemes are not related to salary but are dependent on the amount of money paid into a personal pension plan or stakeholder plan which is invested until retirement. Benefits are dependent on investment returns and are not guaranteed.

Information about the state pension is available on the HM Government website Get to Know Your Pension www.yourpension.gov.uk.

School staff are also encouraged to contact their trade union for information and support in relation to their pension options.

1.2 Auto Enrolment/Opt Out

The Government introduced legislation in October 2012 that required all employers to automatically enrol eligible employees into an occupational pension scheme. This is known as Auto Enrolment. Employees can choose to opt out of their scheme only once they have been enrolled. If they want to do this, they should follow the links on their relevant pension website.

1.3 Normal Pension Age (NPA)

This is linked to the State Pension Age for benefits built up from 2014 (LGPS) or 2015 (TP). The NPA is the age at which the member can take the pension they have built up in full. The minimum NPA is now a minimum of 65. If a member chooses to take their pension before their

NPA, it will normally be reduced as it's being taken earlier. If the member chooses to take their pension later than their NPA, it will be increased because it is being paid later.

The Government's State Pension Age calculator, www.gov.uk/calculate-state-pension, can be used to find out a State Pension Age. Please note that State Pension Ages may change in the future and this would also change the NPA.

2.0 Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme is a defined benefit contributory scheme administered by Teachers' Pensions in Darlington on behalf of the Department for Education. A defined benefit scheme is one that the amount of pension received is based on how many years an employee has worked for their employer and the salary earned during those years. A contributory scheme is one that both the employee and the employer contribute to. The scheme is based on annual pensionable earnings, re-valued each year. Contributions will normally be deducted from the teacher's salary in accordance with the Teachers' Pension Regulations in force at the time. To find out current contribution rates visit the Teachers' Pensions website.

<https://www.teacherspensions.co.uk/members/working-life/paying-in.aspx>

Full and part-time teachers, including supply teachers, who are new employees are automatically enrolled as members of the Teachers' Pension Scheme. Employees have three months to opt out of the scheme once they are enrolled in order to receive a refund but they cannot opt out before they are made a member – see link below.

<https://www.teacherspensions.co.uk/members/new-starter/opt-in-and-opt-out.aspx>

2.1 Types of TPS Membership

From 1 April 2015 the Teachers' Pension Scheme arrangements became a career average scheme for new members with certain final salary protections in place for existing members. There are now different types of TPS membership depending on when the teacher became a member and what their NPA is.

Protected members - active members who were within 10 years of their NPA on 1 April 2012, are protected members. They remain in the final salary scheme provided they don't have a break of more than five years.

Tapered members – existing members, who on 1 April 2015 were within 13.5 years of their NPA, remain in the final salary scheme until a later date when they are moved into the career average scheme.

Transition members – existing members, who on 1 April 2015 were more than 13.5 years of their NPA, were transferred immediately to the career average scheme.

New starters – members who join either on or after 1 April 2015 join the career average scheme on entry.

The career average pension is based on 1/57th of annual pensionable earnings, including any overtime. Total benefits will consist of the pension earned each year plus indexation and members will be able to see year on year what they have accumulated in their pension. See link below to calculate benefits depending on the type of membership.

www.teacherspensions.co.uk/members/planning-retirement/calculating-benefits.aspx

2.2 My Pension Online (MPO)

This is an online, personalised PIN-protected portal available through the Teachers' Pensions website www.teacherspensions.co.uk/registration which gives instant access to the latest view of annual Benefit Statements, the ability to update details and access to a range of forms and resources. Teachers Pensions are now responsible for contacting members directly who are either starting or leaving the scheme where they have a MPO account, sending a bespoke email and information regarding their starting or leaving details.

3.0 Local Government Pension Scheme (LGPS)

The Local Government Pension Scheme is also a defined benefit contributory scheme administered locally by Nottinghamshire County Council Pensions Team at the Business Support Centre. The scheme is based on annual pensionable earnings, re-valued each year. The amount of contributions paid is based on the salary paid for each post – see link below.

<http://www.nottspf.org.uk/members/existing-member/employee-contribution-rates-2017-2018>

Support staff employees who are employed on a contract of three months or more will automatically be enrolled on to the LGPS. Once enrolled, the employee can choose to opt out of the scheme.

<http://www.nottspf.org.uk/resources/notice-to-opt-out-of-pension-saving-form>

Up until 1 April 2014 the LGPS was a final salary scheme and benefits were calculated using membership built up to 31 March 2014 and were based on the member's final year's pay. From 1 April 2014 pension is built up at a rate of 1/49th of pensionable pay, added to the member's pension account and revalued at the end of each scheme year so the pension keeps up with the cost of living. The Pension Account Modeller on the Local Government Pension Scheme website shows how a pension builds up from April 2014

https://www.lgpsmember.org/more/pam_interim.php

4.0 Retirement Policy and Procedures

In accordance with The Employment Equality (Repeal of Retirement Age Provisions) Regulations 2011, there is no longer a default retirement age. The Authority is committed to equal opportunities for all its employees and recognises the contributions of a diverse workforce, including the skills and experience of older employees. It believes that employees should, wherever possible, be permitted to continue working for as long as they wish to do so and for as long as they are fit to carry out the role.

There are different types of retirement:-

- a) Age retirement
- b) Early retirement on actuarially adjusted benefits
- c) Early retirement on the grounds of ill health
- d) Early retirement due to redundancy
- e) Flexible/Phased Retirement
- f) Early retirement due to Efficiency

Employees will need to ensure that any decisions that they may make when considering different retirement options fully take into account their financial liabilities/commitments. Sources of advice include:

- An independent financial adviser
- Bank or building society – but who, in most cases, will advise only in respect of their own financial products and services
- Voluntary organisations such as Age Concern and Citizen's Advice Bureau – particularly in respect of state pensions, benefits and debt management

4.1 Age Retirement

Age retirement is retirement linked to an individual's state pension age, when a member can take the pension they have built up in full. (See section 1.3 Normal Pension Age).

To retire the employee needs to inform the school in writing of their intention to retire giving their contractual notice. To apply for their pension the employee will need to complete the appropriate form for their pension scheme.

Support staff will need to complete the PEN22 Pension Application Form. The application form and Retirement Guide are both available in the Pensions and Retirement section of the Schools Portal.

Teachers can access the Teachers' Pension application form through My Pension Online

<https://www.teacherspensions.co.uk/public/login.aspx>

4.2 Early Retirement on Actuarially Adjusted Benefits (AAB)

It is possible for an employee to take their pension benefits before they reach their NPA provided they are aged 55 or over and are leaving their current employment. It is important to note however that the pension will be subject to an actuarial reduction as it is being paid earlier than the normal retirement age. To apply for their pension the employee will need to complete the appropriate form for their pension scheme as detailed in the section above. As with age retirement, employees are strongly advised to check their eligibility to pension entitlements prior to informing the school of their intention to retire and submitting their formal contractual notice.

4.3 Early Retirement on the Grounds of Ill Health

4.3.1 Teachers - a teacher who becomes unfit to work as a teacher before their NPA may apply to retire and receive ill health benefits. The level of benefits will depend on the nature of the member's health condition.

- Partial incapacity benefits** – teachers who are permanently too ill to teach, but may undertake other gainful employment outside of teaching, will receive immediate payment of their accrued benefits without any enhancement.
- Total incapacity benefits** – teachers who are permanently too ill to undertake any gainful employment will receive immediate payment of their benefits plus an enhancement based on half of the prospective service up to the teacher's NPA and their salary at retirement.

It is the responsibility of the employer and occupational health advisors to explore ways of helping a teacher to return to work – either through redeployment, reduced hours or other

workplace adjustments. If the teacher reduces their responsibilities or working pattern and this is unsuccessful in managing their health problems, they can still apply for ill health benefits. If approved, any enhancement will be calculated using salaries before the change in responsibilities or working pattern provided the illness causing them to apply for the benefit is the same as the one when the change occurred.

The teachers' ill health retirement procedure can be accessed through the Schools Portal - Attendance Management Guidance and Toolkit – Appendix 17.

<http://www.nottinghamshire.gov.uk/schoolsportal/hr-advice-support-and-training/policies-and-procedures/attendance-management>

4.3.2 Support Staff - a support member of staff who has two years membership of the LGPS and certification from an independent occupational health physician based on the has received likelihood of their being capable of gainful employment before their NPA, may qualify for ill health benefits should they retire. There are graded levels of benefits

- i) **Tier 1** – if the member of staff is unlikely to be capable of any gainful employment before their NPA, ill health benefits are paid based on the pension already accrued plus the pension that would have built up until the member's NPA.
- ii) **Tier 2** – if a member of staff is unlikely to be capable of gainful employment within 3 years of leaving but is likely to be able to return to work before their NPA – ill health benefits are paid based on the pension already accrued plus 25% of the pension that would have built up until the member's NPA.
- iii) **Tier 3** – if the member of staff is likely to be capable of gainful employment within 3 years of leaving, ill health benefits are paid based on the benefits already accrued, but will only be paid for 3 years.

The support staff ill health retirement procedure can be accessed through the Schools Portal - Attendance Management Guidance and Toolkit – Appendix 18

<http://www.nottinghamshire.gov.uk/schoolsportal/hr-advice-support-and-training/policies-and-procedures/attendance-management>

4.4 Early Retirement due to Redundancy

Employees aged 55 or over who are made redundant will, if they have engaged fully with the redeployment process but been unsuccessful, receive a redundancy payment and be able to claim their pension. The pension is paid without actuarial reduction based on contributions made up until the last day of service. The county council as employer is under a legal duty to avoid redundancies wherever possible. Specific advice should be taken on individual circumstances at the time.

The Reductions in Staffing process can be accessed through the Schools Portal

<http://www.nottinghamshire.gov.uk/schoolsportal/hr-advice-support-and-training/policies-and-procedures/reductions-in-staffing>

4.5 Flexible/Phased Retirement

This is a facility whereby an eligible pension member, aged 55 or over can receive pension benefits, whilst still holding the job through which the pension benefit was accrued. Employer consent is required for flexible retirement (support staff)/phased retirement (teaching staff) as this

will involve a change in contractual hours or grade. For advice about The Flexible and Phased Retirement Policy and Procedure please contact the HR Help Desk on 0115 977 4433.

4.6 Early Retirement due to Efficiency

For both teaching and support staff, arrangements exist for the approval of the early release of pension benefits to employees over the age of 55, who have their employment terminated in the 'interests of the efficient exercise of the Authority's functions'. There is no automatic right to retire early under these arrangements and each case is considered by the Service Director for Education, Learning and Skills. Unlike early retirement due to redundancy, the resulting vacancy may then be filled.

If a member of staff wishes to be considered for early retirement on the grounds of efficiency, contact your HR Business Partner for details about criteria and process. A key consideration is cost to the employer which in many cases make this form of retirement prohibitive.

5.0 Planning Ahead for Retirement Course

The Authority offers a one day Planning Ahead for Retirement course for staff who have 3 years' service or less before their anticipated retirement. The one-day course enables staff to examine the changes that leaving paid employment brings and discuss the natural anxieties that may be brought by these changes. Advice will be given about taxation, budgeting, investment, benefits and other money matters. In addition, there will be the opportunity to discuss the new possibilities created by increased leisure time and look at ways of staying fit and healthy during retirement.

For dates, costs and how to apply for a place contact the Workforce Planning and Organisational Development Team, corporate.learning@nottscc.gov.uk. 0115 9939319.

6.0 Re-employment

Certain types of re-employment for teachers could affect their pension entitlements, particularly if they are re-employed as teachers. Teachers who subsequently become re-employed should inform Teachers' Pensions immediately. If they do not inform Teachers Pensions', it may result in an overpayment of pension. In addition, if they were granted compensation by the Local Authority, the Authority should also be informed because of the possible effects on the premature retirement compensation. For current information employees should contact

<https://www.teacherspensions.co.uk/public/login.aspx>

Where a person in receipt of a Local Government Pension is re-employed within Local Government or related employment, this may affect pension entitlement. In these circumstances the individual should always seek advice from the Pensions Section at the Employee Services centre.

In the case of retirements due to ill health, medical clearance will also be required prior to re-employment within teaching. An employee should be aware that their pension will be suspended upon their re-employment.

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Lead HR Business Partner	Mary Swan and Michelle Richardson
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