
Delivering Teachers' Pensions Scheme Reform

What do employers want?



Overview

This presentation will cover

- How will you know which arrangements a member will be in?
- How will continuous public service affect protections?
- What is the impact of the application process for new pension flexibilities?
- What guidance and support will Teachers' Pensions provide?



Reform

What could it mean to you?

- Increased use of intelligent web based application forms to handle changes
- No planned change to the way data is submitted
 - We will change the current “other allowances” field to capture overtime
 - No need to provide details of other allowances - e.g. TLR3 - separately
- No change to contributions process but different deductions
 - Consultation proposed that contributions based on actual pensionable earnings rather than FTE
 - Including for new flexibilities and overtime
- Changes to the ABS and member letters

Our aim?

- To minimise the impact on employers as far as possible

Generic Service Routine (GSR)

What is it?

- We will use service returns to establish the arrangements our members are in, based on their age, normal pension age and previous service

How will it help with Reform?

- It will identify - based on information provided by employers and other public service pension schemes - where members have changed arrangements. This is particularly important for members with retained protections.

Service Splits at key events

- If overtime spans a transition date in to CA it will be picked up by GSR and a request will be made to split the service prior to submission.

Overtime Payments

- Within Career Average arrangements overtime is pensionable



Scheme Arrangements Reports

What are they?

- The intention is to provide two separate reports, on an employer / member basis

What information will be included on it?

- An all member report will cover which arrangements members will be in on 01/04/2015; then available on request
- Moves and changes will cover which members have changed arrangements in the previous month or where tapered protection will cease in the next month.

Where will it be available?

- Employer Portal

When will it be distributed?

- All member report from February and then on a request basis
- Moves and changes report on a monthly basis



Continuous Pensionable Public Service

What is it?

- Members may retain Salary Link protection, and in-service revaluation of accrued benefits, if they can demonstrate they have not had a gap of more than five years in pensionable public service
- e.g. A transition member (final salary and CA) leaves teaching, doesn't transfer pension, works in local government for 10 years, then works in private sector for 4 years before returning to teaching. On returning, if we're provided with evidence of their public service pension history, we will move the previously accrued CA pension benefits to active status and apply active annual indexation to it & new accruals going forward. Otherwise the previously accrued CA pension benefits would remain deferred and only new accruals would have active indexation going forward.

What else is covered by continuous pensionable public service?

- Transition protections (subject to a both scheme test)

How will we get evidence?

- Members will need to ask previous public scheme to confirm service, we will then update the members record
- We are liaising with other schemes on this process



Pension Flexibilities Application

What is it?

- An example of the increased use of intelligent web based application forms
 - Members applying via mypensiononline.co.uk will only be presented with the pension flexibilities appropriate to the scheme arrangements they are in.
 - Eligibility checks on available headroom in additional pension allowance
 - Employers will be asked to verify that member is in employment (members have to state which member will make deductions)
 - Teachers' Pensions will notify employer of start / end date of election and deduction amount
 - Employers must confirm that deductions have started otherwise elections are revoked
 - Use pre-populated template on the Employer Portal to do this
 - Employers will be prompted to provide confirmation of deductions



Communication

Payroll Guide

- Overview of what service submissions are required
- How to submit them
- Process around notification for new starters, including welcome packs

HR Guide

- Scheme eligibility rules
- Guidance on applying for retirement, pension flexibilities

Scheme Arrangement Reports

- Which arrangements members are in

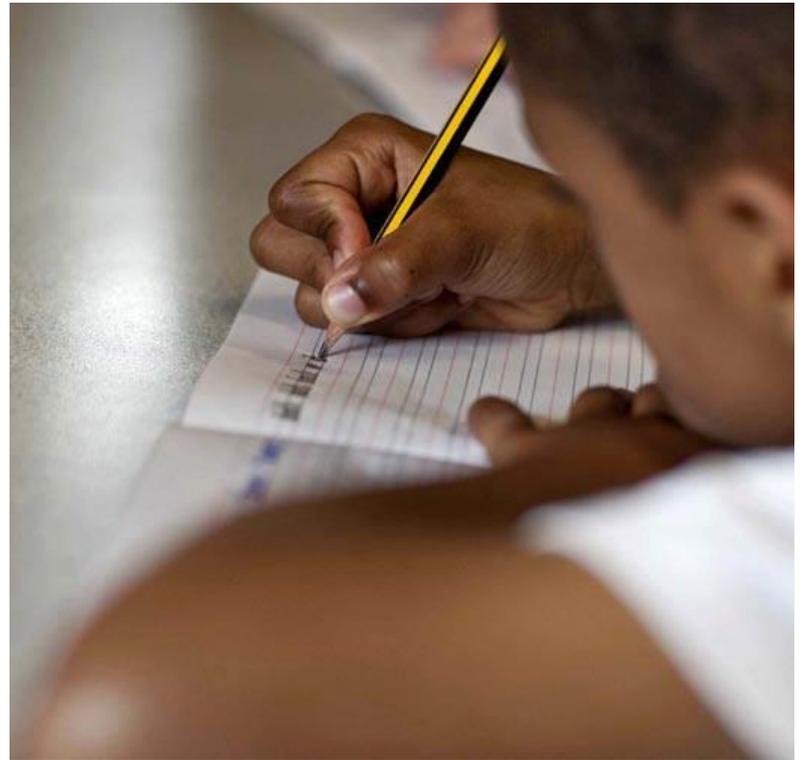
Collateral

- Payroll and HR guides will be available on the scheme website
- Scheme arrangement reports can be downloaded from the Employer Portal



Teachers' Pensions Support

- Employer Relationship Managers
- Webinars
- Seminars
- Reform specific website



In Summary

Contributions

- Change for CA arrangements is the inclusion of overtime as pensionable earnings
- Consultation proposed that contributions based on actual pensionable earnings rather than FTE
 - Waiting for DfE response to this consultation

How will employers know whether to deduct for overtime?

- Through the scheme arrangements reports

Continuous Pensionable Public Service

- Members need to let us know of previous pensionable public service that may impact on accrued benefits, or even which scheme arrangements they should be in

Support

- Payroll and HR guides
- ERMs, webinars, seminars and website



Any
questions?