

## Arrears of contributions

The most common causes of arrears of contributions usually involve part-time teachers where contributions have not been deducted or full-time teachers who consider themselves to have opted out of the Scheme but have not completed the form to formalise this arrangement. Once a teacher has made a valid part-time election it stands for all future employment until the teacher retires or formally opts out. This also means that if the member works for more than one employer they do not have to make a further election. Full-time teachers are automatically in the Scheme unless they opt-out by completing form 263. There is no provision to make a retrospective opt-out and if contributions are not deducted then arrears will be due.

It is therefore important that all employers ensure that checks are undertaken on appointment to determine if part-time teachers have made valid elections and if full-time teachers have opted-out. Teachers who have made these elections should produce evidence by way of either a letter from TP or the certified election form. If this is unavailable, please contact TP.

Failure to deduct contributions correctly from serving teachers will lead to the employer having to pay the total amount of arrears plus compound interest, which currently stands at 8% p.a. It will be the employers responsibility to then recoup the teacher's share. It will also be necessary for the teacher's National Insurance position to be corrected as members of the TPS pay 'D' rate of contribution rather than 'A' rate.

## Salary Sacrifice

Until now the School Teachers' Pay and Conditions Document has not permitted 'salary sacrifice'. This has changed with effect from 1 June 2006 when The Education (School Teachers' Pay and Conditions) (No.1) Order 2006 comes into force. This order permits school teachers to participate in 'salary sacrifice' in relation to prescribed initiatives. These are: childcare vouchers, bicycles and mobile phone schemes. Where school teachers participate in those initiatives, the contributable salary will be the 'full' salary, including the value of the 'salary sacrifice'.

DfES are reviewing the provisions for teachers and lecturers whose pay is not subject to the School Teachers' Pay and Conditions Document. As matters currently stand under the Teachers' Pensions Regulations, the value of the salary sacrifice is not pensionable for these members and the contributable salary will be reduced accordingly. The DfES have said that employers and unions will be kept informed of developments.

## Recording Part-time Service

Unfortunately, despite reminders it appears that some employers are still submitting incorrect information about part-time teacher service.

To ensure that a teacher is credited with the correct days worked in any period, the full-time equivalent salary should be recorded and the actual part-time salary paid. The annual part-time salary must not be shown. The exception to this is in the case of a part-time member in concurrent service (has more than one part-time contract with the same employer). In these cases the employer should provide an average full-time equivalent salary, show £1 in the part-time salary paid and any days out in days excluded.

Information on how to calculate concurrent service can be found in the Employer Guide on TP website [www.teacherspensions.co.uk](http://www.teacherspensions.co.uk).

## National Insurance Numbers

Please ensure that the teacher's correct NI Number is quoted on any submission to TP, e.g. application forms, annual return etc. Temporary numbers should not be used except where an overseas teacher enters the Scheme for the first time as NI Numbers are not immediately allocated by HMRC.

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## Contribution Rate Changes

The DfES has recently consulted on changes to the Teachers' Pension Scheme which can be viewed on the Department's website: <http://www.dfes.gov.uk/consultations>

The consultation document indicates the following changes in the contribution rates that will take effect from **1 January 2007**:

- The employer contribution rate will rise from 13.5% to **14.1%**
- The member contribution rate will rise from 6% to **6.4%**.

The increase of 0.6% in the employer contribution rate is to take account of the outcome of the 2004 valuation of the TPS. The increase in the member contribution rate reflects a 0.2% increase to pay for the package of reforms set out in the consultation document plus a further 0.2% as the member share of the total increase (of 0.8%) arising from the valuation. This reflects the cost sharing agreement that has been reached as part of the negotiations between DfES, employer representatives and teacher and lecturer unions on the reform of the TPS. Until now, any increase in the contribution rate has fallen entirely on the employer contribution rate. Further details of the cost sharing agreement can be found in section 4.10 of the consultation document.

Further information is available on the Bulletin Board on the TP website, [www.teacherspensions.co.uk](http://www.teacherspensions.co.uk)

## New Look TP

Helping your employees plan for their retirement has never been more important. To support you in this the DfES and Teachers' Pensions are currently reviewing and re-branding all TPS literature and the TP web site. The aim is to ensure that you have the information you need, when and how you want it.

The new literature and web site, which have been developed in discussion with all the major teaching unions and employer organisations, will be launched on 1 January 2007. This will coincide with the launch of revised scheme arrangements, following on from the review and consultation process.

Employers will receive copies of the most requested leaflets in advance of the launch and a list detailing all the available products. All new information will also be available on the Scheme website.

As well as a new look and feel, the web site will have far greater functionality, better navigation and search engine making it easier for you to access the information you want on line and also to submit forms over the web.

The idea behind the re-branding is to create a distinctive modern look and feel to all the scheme information in line with industry best practice. The Employer Task Force on Pensions, for example, highlights the need for a distinctive brand together with the use of plain English and brevity for good pension communications.

The brand is more than just a logo. It refers to the literature's overall look and feel, the use of colours, imagery etc. It is also closely linked to the style of writing, with one complementing the other.

We are also developing a number of new products and re-vamping existing ones. These are based on what many employers and scheme members have told us that they would find useful. They include: -

- Key fact sheets – short bullet point sheets on single issues, which aim to give you all the facts you need at a glance with a clear link through to the TP web site if you need to know more;
- New simpler leaflets, and
- A new look TP News.

To have a look at some of the prototypes developed so far, log onto [www.teacherspensions.co.uk](http://www.teacherspensions.co.uk) and click on the bulletin board. We would love to hear your views on the new literature and you can e-mail your comments to us at [TPHartlink@capita.co.uk](mailto:TPHartlink@capita.co.uk)

Can you please also help us to minimise any waste by not over ordering or stockpile existing TPS literature, as it will need to be changed following the consultation on the Scheme review.

## TPS (England and Wales): Consultation

Following extensive and productive negotiations, the Department, teacher and lecturer unions and employer organisations have now agreed on the broad outline of modernising changes and scheme improvements for both existing members and new entrants.

A public consultation lasting 12 weeks was launched on 17 May 2006. Your views and comments are welcome at [www.dfes.gov.uk/consultations](http://www.dfes.gov.uk/consultations).

For background to the review see [www.teachernet.gov.uk/pensions](http://www.teachernet.gov.uk/pensions).

## Teachers' Pensions ADDvantage

In the Spring edition of TP News we announced that we were set to launch a new on-line service via the TP web-site. The service will allow members, employers and TP to interact by passing, receiving or submitting data, such as election forms, securely across the internet.

The site is now in operation and whilst the usage is encouraging from members, submitting death grant nominations and viewing estimates of benefits, there has been little activity in the usage of part-time elections.

The facility provides members, who successfully register, with a PIN number which can then be used to gain access to secure on-line services. Presently, members can:

- Access, verify and update their personal information;
- Make a part-time election: on completion of this e-form we will automatically validate the applicant's eligibility to make this election and inform them immediately of the result. Only valid applications will proceed to be electronically transmitted to the relevant employer. Employers will then receive immediate on-line notification of the election with the ability to then certify the election and forward the e-form to TP electronically;
- Obtain a real-time 'Estimate of Retirement Benefits'. This allows members to gain access and view details of their pension benefits. Their 'on-line' estimate is automatically updated whenever a change to their pension record occurs. This provides members with the control of when they receive an estimate and ensures that they always see the current status of their entitlement;

- Use the service to electronically complete and submit a death grant nomination Form directly to TP;
- Access payslip and P60 information on-line if the member is a pensioner.

Employers whose members complete forms on-line via this service will initially be contacted and supported by a member of the TP administration team in order to assist them with the login and form completion process. Use of this service will:

- Prevent employers from having to deal with forms from ineligible applicants;
- Replace manual form handling;
- Reduce input required by the employer, due to the pre-population of member information directly onto the electronic form;
- Reduce time delays by providing employers with immediate notification of the election, upon submission by the member.

Utilising web technology in this way provides the opportunity for scheme members and employers to benefit from streamlined processing and improved speed in moving the application from member to employer to TP.

Information about this new service is available on the Bulletin Board of the TP web-site, [www.teacherspensions.co.uk](http://www.teacherspensions.co.uk).

## Annual Return of Service Salary 2005/2006

For those employers who requested PC Application, TP Online or paper schedule to complete their annual return should now have received the necessary documents. If not please contact TP immediately.

It is important to remember that the annual return year is 1 April to 31 March therefore the line of service should reflect this unless the employee joined after 1 April 2005 or left before 31 March 2006. Service lines should be split to reflect any changes in salary, pensionable status or in the case of local authorities a change in school.

The deadline for the submission of the return is no later than 31 August. If any employer anticipates any problems in completing the return or difficulty in meeting the deadline please contact TP by e-mail to [tpdata@capita.co.uk](mailto:tpdata@capita.co.uk) or the employer helpline on 0845 3003756.

## New Teacher Code

The Education (School Teachers' Pay and Conditions) Order 2006 introduces an Excellent Teacher Scheme from 1 September 2006 and therefore a new salary.

In order that DfES can identify teachers in this scheme, local authorities should use the description of teacher code (salary scale) of X00 when recording service and salary details.

## Earnings Cap

The TPS continues to apply the 'earnings cap' on contributable salary for those members who joined the scheme after 1 June 1989.

The earnings cap for the 2006/2007 tax year is £108,600

## Employer Seminars

There are still places available at the venues and dates as follows:

15 July	Copthorne Hotel, Plymouth
14 September	Southampton Park Hotel, Southampton
15 September	Cheltenham Park Hotel, Cheltenham
10 October	The Bull Hotel, Peterborough
11 October	The Queens Hotel, Leeds
11 November	The Suites Hotel, Liverpool
15 November	Crowne Plaza, Nottingham
05/06/07 December	Dolphin Square Hotel, London

The seminar gives a complete overview of the pension scheme, the employer's role and responsibilities, details of annual return and the payment of contributions. The afternoon includes a demonstration of all facilities available to teachers and employers on our web site.

The cost is £264.20 incl. VAT per delegate. If you are interested in attending or would like further information please contact Graham (graham.Patrick@capita.co.uk) or Allan (allan.downing@capita.co.uk).

## Return of Retirement Application Forms

You may recall in the last issue of TP News we reminded employers that the return address shown on the retirement application forms should be used. The address is :

PO Box 158  
Mowden Hall  
Darlington  
DL3 9WD

## Early Closing of Accounts

The first year of the new process requiring employers to complete and return an End of Year Certificate by 30 April has had an excellent response and we would like to thank all those who met the deadline and for your co-operation. Although some employers did not reach the deadline the majority did. A large number of Non LA employers were able to provide an audited certificate which means they are not now required to complete a TR 17A later this year.

All local authorities should have now received a TR17 which must be submitted to the district auditor by 30 June. Those Non LA employers who were unable to submit an audited certificate should have now received a TR17A and should ensure that the form is actioned to be returned to TP no later than 30 September.

## Existing TPS Literature

In view of the launch of TPS re-brand on 1 January 2007 TP would be grateful if employers could keep requests for replacements stocks to a minimum and where possible download information from the TP Website.

## Disclaimer

TP is aware that there is currently in circulation a publication issued by a company called "Teacher Group". The publication carries the NUT logo however, TP would like to state that we have no affiliation with either the publication or the company

## Important Dates

Annual Return	31 August 2006
TR17	30 September 2006

## Contact Centre

Tel: 0845 6066166 Minicom: 0845 6099899

If you have any queries, our helpful contact centre is available Monday to Friday, 08:30am - 06:00pm. Individual teacher cases can be discussed with any member of the team.

These are some of the team who are waiting to take your call.



Faye Carpenter



Laki Singh



Karen Ann Armstrong