

Part-time working and Teachers Pension Scheme

I have worked for a number of years part-time, am I in Teachers' Pension Scheme (TPS)?

If you are working on a fractional (part-time) contract or as an hourly paid lecturer you will **not** be in the scheme unless you completed an opt-in form and it was sent to Teachers' Pensions or you started working part-time after 1 January 2007 (see below).

You can check your pay slip and if there are no pension contributions being collected you are not a member of the scheme and if you want to join you need to opt in. Go to www.teacherspensions.co.uk select 'Forms and Resources' and complete the form.

Contributions to the TPS will cost you 6.4% of your salary but will build you a pension on top of your state pension. Also, if you should die whilst you are contributing to the TPS then it will pay out a death grant which is 3 times the full-time equivalent salary of your post. This means you may not have to take out additional life insurance (except as part of some mortgage requirements).

I started working part-time in 2007, am I a member of Teachers' Pension Scheme?

You should be a member, because after 1st January 2007, anyone working in teaching should be automatically put into Teachers' Pensions unless you have opted out.

Check your pay slip to ensure that your pension contributions are being taken. If they are not, raise it with your employer who should put you into the scheme. However, if earlier in your career you completed an opt out form you will then have to opt in (see above).

I received Teachers' Pension Annual Benefit Statement, but I do not know if it is right? How can I check it?

As a member of Teachers' Pension you will receive a combined 'Annual Benefit Statement' via your employers. You need to check it but you may have some problems doing this.

Service

If you have more than one contract, either with your employer or with other employers the service record on the sheet will simply say "multi-employment" and give the excluded days and a total amount of service.

You need to contact the Teachers' Pension Scheme with your National Insurance number (on your payslip), and ask for copies of their full breakdown of your employment so that you can see each employment, ask for what your employer(s) reported as your earnings and the full-time equivalent (FTE) salary.

When you have this you may be able to work out what % your earnings were against the FTE and translate this into days out of 365 and so check that the service build is correct. If you have problems and need help then contact pensions@ucu.org.uk.

Final average salary

The final average salary shown on your statement is the best of the final year salary or the 10 year look back, where the best 3 consecutive years salary have been enhanced with price increases and averaged, so if it seems to be more than what your present FTE, this may be the reason.

Teachers' Pension automatically uses the best calculation for you when they provide the information on your annual benefit statement or when you access the information from 'My Pension Online' from the website www.teacherspensions.co.uk .

If the final average salary seems less than you're earning then you need to check it. You can contact Teachers' Pensions and ask them to explain how they arrived at that final average salary and what the employer reported to them. Then you should be able to check for errors. If it is wrong then you need to get your employer to resubmit the correct information to Teachers' Pensions. If you need help contact pensions@ucu.org.uk

I have a fractional contract and I have been offered additional hourly paid work. Some colleagues have said this might affect my pension how could it?

As a fractional lecturer your earnings should be the same fraction as your contract against the FTE. So if you have a 0.5 contract and are earning £15,000 the FTE salary should be £30,000 and your service build over that year should be 182.5 days (½ year) with a final average salary of £30,000.

If you take on another contract then you may have two different FTE salaries for the different contracts, and these will be averaged and this will lower your final average salary whilst your service will go up.

This is not a problem as long as you are not planning to retire but as you come close to retirement age you may wish to ensure that you have the highest final average salary and therefore cease to undertake the hourly paid work, or get it converted to a fractional contract if it is at a lower level.

Is there any difference in Teachers' Pensions for a part-timer between working as a fractional or as an hourly paid lecturer?

Yes.

A fractional part-time member builds the service as a fraction of the full-time work but the final average salary is the FTE salary at the time of retirement or at the last period within the TPS.

An hourly paid lecturer's earnings are turned into service in the same way against what the employer reports as the FTE salary. If the FTE salary reported is a point on the salary scale the member will know what it is, but there are still some employers that have not yet linked hourly rates to their pay scales in which case the FTE salary reported will be whatever that employer reports. This service is then tied for that period to that FTE salary, and in the next year that service period will be tied to the next year's particular FTE salary and so on. This has the effect of lowering the final pension through averaging the final salary figure.

Let us look at what this means over five years.

Fractional contracts

Fractional part-time member works a 0.5 contract and earns £15,650 and has an FTE of £31,300.

This would mean that the final average salary (assuming it is the last year) is £31,300 and they have added 182.5 days to their service. Over five years the pattern would be as follows:

Date	Earnings	Full-time Salary	Service build	Final average salary
2002-2003	12225	24450	182.5 days	
2003-2004	13097.50	26195	182.5 days	
2004-2005	14147.50	28295	182.5 days	
2005-2006	14674.50	29349	182.5 days	
2006-2007	15650	31300	182.5 days	
			2 years 182.5 days	31300

Pension pre 2007 member

$31300/80 \times 2.5 = \text{£}978.13$ annual pension and $\text{£}2934.38$ lump sum

Pension post 2007 member

$31300/60 \times 2.5 = \text{£}1304.17$ annual pension

Hourly paid part-time

An hourly paid part-time member earning the same and being reported against the same full time salary would have a different final average salary.

The service build would be tied to the FTE for that part of the service.

So Teachers' Pensions would count back 365 days and this would mean that the last two year's FTE salaries would be averaged giving a final average salary of £30324.50

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			2 years 182.5 days	30324.50

Pension pre 2007 member

$30324.50/80 \times 2.5 = \text{£}947.64$ annual pension and $\text{£}2842.92$ lump sum

Pension post 2007 member

$30324.50/60 \times 2.5 = \text{£}1263.52$

In other words, an hourly paid lecturer earning the same salary and working the same hours as a fractional lecturer ends up with less pension.

Therefore it is vital, especially as you come toward retirement age, to seek a fractional contract so that you are not disadvantaged.

I have had a break of six years to bring up children and I have started back as a part-time lecturer, but I am told that I am in the new scheme. Surely this cannot be right?

I am afraid it is correct.

The issue here is not about your returning as a part-time member of the scheme but about the fact that you have had a break of longer than 5 years and so your new service is in the new scheme.

You will not lose your earlier service and it will be tied to whatever your final average salary is when you come to retire, but it will remain at 1/80th with a lump sum 3x that part of your pension. If in years to come, when you are over 60 years of age but have not reached 65 years of age, you decide to retire, this part of your pension will not suffer an actuarial reduced benefit as you will not have lost your right to your pension at age 60 on this part of your pension.

Can part-time members have a break and return on their same pension?

Yes, if they return within 5 years and on their return meet the criteria in the first year of serving 60 pensionable days or building a service credit of 30 days. This is true of full-time staff as well.

UCU campaigns for part-time workers in TPS

Hourly paid lecturers suffer through the averaging down of the FTE salary if they hold more than one contract with the same or other employers who pay on different salaries in any accounting year. They also suffer on the averaging on the final average salary as specific FTE salaries are tied to specific service period which averages down the final salary.

UCU wishes the same treatment to apply to regular and irregular part-time staff. In the meantime, local branches and associations need to be aware of the difference in treatment and continue to campaign and negotiate for hourly paid lecturers to be placed on fractional contracts.

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