

In and out of pensionable service in the TPS

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Workshop Agenda

- When is a person in pensionable service under the Teachers' Pensions regulations?
- What can pensionable service affect?
- In what circumstances can a member leave pensionable service or be treated as being out-of-service?
- Some examples of moving in and out of pensionable service or treated as being in service
- What processes do you follow in certain circumstances?
- What are the potential implications?
- Conclusions
- Information and resources

When is a person in pensionable service under the Teachers' Pensions regulations?

When is a person in pensionable service?

- All employment listed in Schedule 1 of the 2014 (Career Average) regulations and Schedule 2 of the 2010 (Final Salary) Regulations are pensionable subject to certain conditions;
 - E.g. aged between 16 and 75;
 - Not opted out;
 - Earning salary in full;
 - Special rules for those on Family leave or sickness absence;
 - Opted out members can opt back in.
- Most individuals will have been either contractually enrolled or automatically enrolled / re-enrolled since 1 January 2007 or 1 October 2012, albeit they can opt out. (Regulation 9 of the 2010 regulations / Regulation 29 of the 2014 Scheme)
- No longer a requirement for an election for Part-timers or re-employed pensioners, except for those in an existing pre 1 January 2007 contract and who earn below the earnings threshold - increasingly rare.

When is a person in pensionable service under the Teachers' Pensions regulations? (Continued)

- In relation to irregular supply teachers...

The Teachers' Pension Scheme Regulations 2014

“17 Meaning of “irregular employment”

(1) For the purpose of these Regulations, an employment is an irregular employment if the contract of employment requires the employee—

(a) to be available for work for the period specified in the contract of employment, and

(b) to undertake and be remunerated for work during that period only when so required by the employer.

(2) A person in pensionable service in relation to an irregular employment is in pensionable service for the period specified in the contract of employment.”

What can pensionable service affect?

Such things as:

- Qualification for pension benefits (Qualifying service is different to pensionable service);
- Option to transfer-in within one year of joining pensionable service;
- 5 year protection for retaining Final Salary benefits and the Final Salary link;
- Members applying for Ill-health retirement;
- The death grant payable;
- Entitlement to benefits (i.e. Conditions and payable date).

In what circumstances can a member leave pensionable service or be treated as being out-of-service?

- Over to you...

Some examples of moving in and out of pensionable service or treated as being in service

- Opting in / opting out;
- Supply teachers, zero hours contracts etc. (How long do you leave a supply teacher on the payroll?);
- Where on:
 - Sick pay which is less than half pay;
 - Family leave is less than half pay; or
 - Not in receipt of statutory family leave;
- **“In service” for death grant for one year if left on incapacity grounds and the member has not attained Normal Pension Age;**
- **“In service” for ill-health if application made within 2 years of leaving pensionable service, unless still under a contract;**
- Return to pensionable service after Ill-health (pension stops);
- When an authority school converts to an Academy - implications to teachers who have previously opted out.
- If new employment with same employer, with previous opt-out on record, complete an enrolment template;
- Automatic enrolment duties and exceptions.

What processes do you follow in these circumstances?

- Contractual and automatic enrolment;
- Member leaves employment or opts out;
- Irregular Part-time supply teachers (are there different ways part-timers are employed?);
- Service for pre 2007 part-time members (becomes pensionable if member has a new contract of employment);
- Sickness & ill-health processes;
- Bereavement;
- Family leave (maternity/paternity/shared parental/adoption/KIT days);
- Career break/sabbatical;
- Strike/industrial action;
- Suspension from duty / prohibited;
- Authorised unpaid leave days;
- What if there is/is no opt out on the member's file?

- Any others?

What are the potential implications?

- For the member / beneficiaries:
 - Days excluded for Part-timers;
 - In-service / Out-of-service Ill-health;
 - In-service / Out-of-service death grant;
 - Potential loss of “Final Salary link” when break is more than 5 years;
 - Breaks after Normal Pension Age triggering entitlement and possible abatement of pension.
- For the Local Authorities / employer
 - Issues with outsourced payroll and HR suppliers.
 - Potential for arrears of contributions.
 - Disputes and potential Ombudsman cases, overstated benefits, loss of expectation.

Conclusions

- The subject of being in and out of pensionable service can be a complex area;
- Historic issues, such as missing service, which can lead to difficulties;
- Problems involved in outsourced payroll, switches of payroll provider and HR functions devolved to individual schools;
- What processes need to be reviewed?
- What additional support can Teachers' Pensions give?
- Sharing experiences can help best practice.

Information and resources

- Teachers' Pensions Website;
 - Guides, Factsheets, HR Guide, Payroll Guide;
 - Employer Relationship Managers;
 - Employer Support Team, Teachers' Pensions.

ANY QUESTIONS?

