
Delivering Teachers' Pensions Scheme Reform

What do employers want?



Overview

This presentation will cover

- Background on changes that Reform will bring about for service and salary submissions / contributions
- Why do you need to know which arrangements a member will be in?
- How Teachers' Pensions will determine the arrangements a member is in
- How Public Service Pension History affects scheme arrangements and protections
- How we'll build application processes to take account of the different arrangements
- What guidance and support will Teachers' Pensions provide?

Reform - Service and Salary / Contributions

What it means for you

Service and Salary

- We will change the current “Other Allowances” field to capture overtime
- No need to provide details of other allowances - e.g. TLR3 - separately

Contributions

- No change to contributions process but different deductions
 - Including for new flexibilities and overtime
- Consultation proposed that contributions based on actual pensionable earnings rather than FTE
- Consultation also proposed levy on employers of 0.08%

Our aim?

- To minimise the impact on employers as far as possible, but there are changes that have to be made to accommodate new data

Generic Service Routine (GSR)

What could change the arrangements a member is in?

Tapered protection ending

- At the end of the tapered protection period members will move in to Career Average:
Final Salary → Career Average

Service breaks

- Protected or tapered protection members who have a break of more than five years from the scheme lose their protection:
Final Salary → Career Average

Service updates

- Service that plugs a break of more than five years may result in protected or tapered protection members regaining their status:
Career Average → Final Salary

Service in other public service schemes



Public Service Pension History

How service in other schemes may affect the Teachers' Pensions arrangements a member is in, or protections within those arrangements

What is it?

- Members may retain transition protections when moving between public service schemes as long as there isn't a break of more than five years between active memberships of schemes. e.g. A member who was in NHS and aged 55 on 01 April 2012, leaves in December 2015 and joins the Teachers' Pension Scheme in September 2016. As that member would have qualified for protection if they'd been in the Scheme on 01 April 2014 and hadn't had a break of more than five years* they'll retain protection and enter the Final Salary 60th Scheme not CA.

What else is covered by continuous pensionable public service?

- Salary Link protection for transition members

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

* As long as they have not taken pension benefits in their previous scheme

Scheme Arrangements Reports

How we can advise you of the arrangements that your employees are in

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 forthcoming month(s).

Where will it be available?

- Employer Portal

When will it be distributed?

- All member report from February and then on request basis
- Moves and changes report on a monthly basis, at the start of the month



Pension Flexibilities Application

How we'll work to make the applications process arrangements specific

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
- Teachers' Pensions will send out reminders where notifications haven't been received

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

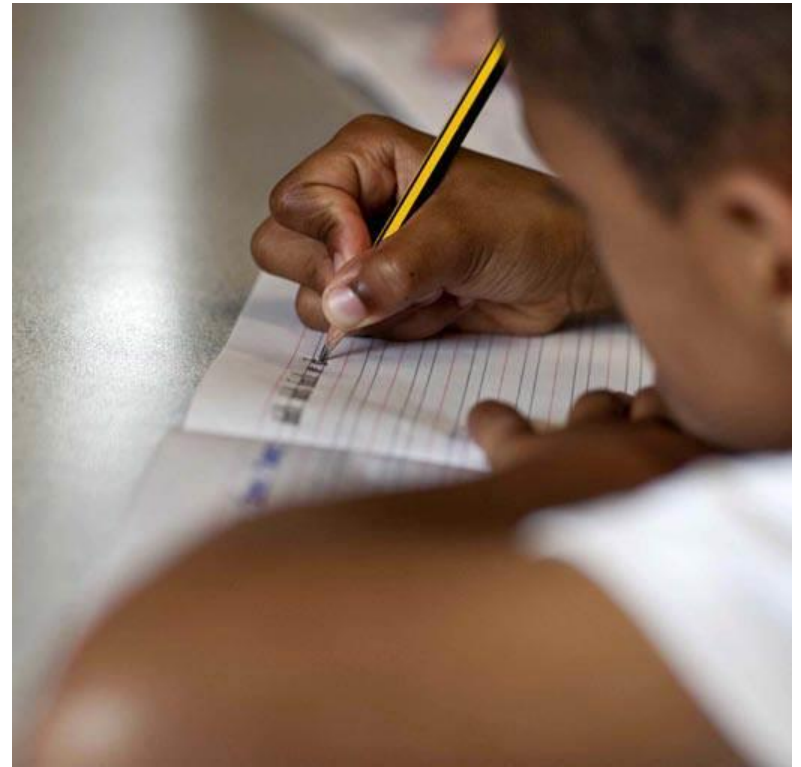
Collateral

- 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

Public Service Pension History

- Members need to let us know of previous pensionable public service that may impact on scheme arrangements, salary link protection or how benefits are accrued

Application Processes

- Online application forms will offer only those options applicable to the arrangements that a member is in

Support

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



Any
questions?