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Pension Scheme Policy

#HR8

Last updated: 26 July 2024

Review Date: 31 August 2027

**Contents:**

Statement of intent

1. Legal framework
2. Roles and responsibilities
3. Eligibility
4. Contributions
5. Opting in and out
6. Retirement
7. Leavers
8. Breaks in service
9. Non-teaching employees
10. Monitoring and review

**Statement of intent**

Three Counties Academy Trust (TCAT) understands its duty to put certain staff members into a workplace pension scheme and contribute towards it. This policy outlines how TCAT will ensure that it provides a workplace pension scheme for all eligible staff as soon as they start working for TCAT.

TCAT will ensure that its processes abide by the requirements as outlined by the Teachers’ Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS).

# Legal framework

This policy has due regard to all relevant legislation and statutory guidance including, but not limited to, the following:

* The Teachers’ Pension Scheme Regulations 2014
* DfE (2023) ‘School teachers’ pay and conditions document 2023 and guidance on schoolteachers’ pay and conditions’
* Employment Rights Act 1996
* The School Staffing (England) Regulations 2009
* Data Protection Act 2018
* The UK General Data Protection Regulation (UK GDPR)

This policy operates in conjunction with the following TCAT and school policies:

* Teachers’ Pay Policy
* Support Staff Pay Policy
* Data Protection Policy

# Roles and responsibilities

As the employer, TCAT will:

* Ensure that the payroll provider is deducting and paying over pension contributions on behalf of employees
* Ensure the payroll function is managed through regular contract management reviews and monthly payroll report checks
* Ensure that all paperwork for the appointment of new starters is completed and submitted to the payroll provider
* Ensure that the opt-out procedure is followed if an employee wishes to opt out
* Ensure that the payroll provider is informed in writing of any employee who wishes to opt out of the pension scheme
* Inform Teachers’ Pensions if a new starter decides not to take up their post
* Check whether a new starter has previously been a member of the TPSTPS and whether they are in receipt of retirement benefits
* Ensure all eligible employees are enrolled in the pension scheme
* Assess employees for automatic enrolment into the TPS
* Maintain records about auto-enrolment, teachers and the pension scheme for a minimum of six years from the year they join the scheme
* Inform Teachers’ Pensions with information regarding how TCAT has met auto enrolment duties
* Maintain all records in accordance with TCAT’s Data Protection Policy and Records Management Policy
* Notify the payroll provider of any leavers or retirements
* Be responsible for ensuring this policy is reviewed and updated when necessary
* Ensure all pension data is kept up to date and maintained

The payroll provider will:

* Add new starters to the monthly file that is sent to TPS
* Ensure information relating to TCAT’s payroll and pensions is kept secure in accordance with data protection regulations
* Comply with requirements as outlined by the TPS or the LA
* Ensure that new starters appear on the monthly data collection report
* Action terminations on payroll when employees leave or retire

The Trust Board will:

* Liaise with the Central Team in terms of contracts, pay and pensions
* Hold the Central Team to account for its management of pensions and communication with employees
* Maintain oversight of the running of the pension scheme
* Discuss important strategic issues
* Scrutinise and oversee benefit calculations and payment processing

Employees will:

* Ensure that the information they submit to TCAT is correct and accurate
* Complete retirement forms and pass them on to TCAT when necessary
* Ensure details relating to their pension are kept up to date

# Eligibility

All employees who are in a predominantly teaching role and are aged between 16 and 75 will be enrolled into the TPS regardless of whether they work full or part-time.

Individuals who are employed by an agency will not be eligible to be members of the TPS.

Non-teaching employees will automatically be enrolled into the LGPS in accordance with the non-teaching employees’ section of this policy.

# Contributions

All teachers who are members of the TPS will have their pension contributions deducted from their gross contributable salaries.

Only pensionable pay will be included in employees’ contributions towards the pension scheme.

Pay figures will be adjusted to exclude amounts where an employee:

* Has opted out of the TPS
* Is aged 75 or over
* Is in part-time non-pensionable employment
* Is already correctly contributing to another pension scheme
* Is in receipt of non-pensionable allowances, e.g. overtime
* Is paying contributions on a former higher salary
* Is paying additional contributions

Members of the TPS will make the following contributions depending on their annual salary:

* Up to £29,187.99 – 7.4 percent
* £29,188 to £39,290.99 – 8.6 percent
* £39,291 to £46,586.99 – 9.6 percent
* £46,587 to £61,142.99 – 10.2 percent
* £61,743 to £84,193.99 – 11.3 percent
* £84,194 and above – 11.7 percent

The employer will make a contribution of 23.68 percent of eligible employees’ annual salary.

TCAT will ensure that the correct year’s monthly contributions breakdown form is completed and details the contributions collected by tier and the money paid over by the 7th of the following month.

Where a member of the TPS has more than one job, the earnings in each employment will separately determine the contribution rate paid for each particular employment.

If a member of the TPS is in the career average arrangement, any non-contractual overtime earned will be pensionable and contributions will be deducted.

If a member of the TPS is in the final salary arrangement, overtime will not be pensionable, and contributions should not be deducted.

Teachers will be permitted to make additional voluntary contributions. This can be either as a percentage of salary or a set monthly amount.

Contributions deducted in error will be refunded as necessary, including income tax and national insurance adjustments.

TCAT will conduct an annual audit exercise to give assurance that all contributions made have been correctly paid over to the pension scheme.

TCAT will immediately pay any invoices that have arisen due to incorrect contributions.

Members of the TPS will be permitted to choose to give up part of their gross salary to enable the following benefits to remain pensionable within the Teachers’ Pensions Scheme:

* A childcare voucher or other childcare benefit scheme
* A cycle or cyclist’s safety equipment scheme
* A mobile telephone scheme

# Opting in and out

Eligible employees will be automatically enrolled into the TPS once they begin their employment with TCAT. Existing members of the TPS will not need to be re-enrolled unless they previously opted out.

All employees will be entitled to opt out of their pension contributions. Employees who wish to opt out of the pension scheme will need to complete an opt-out form and pass a signed copy on to TCAT.

Employees will be advised to think carefully about what they are giving up before deciding to opt out of the pension scheme.

If an opt-out application is received within three months of an employee’s contractual or automatic enrolment into the scheme, the effective date of the opt-out will be the same as the contractual or automatic enrolment date and the employee will be permitted to a refund for this period.

If an opt-out application is received after three months, the effective date of the opt-out will be the first day of the month following the employer’s receival of the opt-out application.

Employees are free to opt out and re-join as they please using Teachers’ Pension online form.

The employer will check that the payroll provider has ensured that no further deductions will be made.

Any refunds will be processed once it has been confirmed by all parties that the employee has confirmed that they wish to opt out of the pension scheme.

TCAT will retain a copy of the employee’s opt-out preference on their personnel file.

TCAT will not provide opt-out forms without request in order to avoid accusations of inducement.

# Retirement

When an employee informs TCAT that they will be retiring, TCAT and the employee will agree on their proposed retirement date and discuss details of their service and benefits they will be entitled to.

When employees reach retirement, the value of each year’s pension pot will be added together to calculate the annual pension they will receive.

TCAT will never force employees to retire.

Members who have only accrued final salary benefits can take those benefits at age 60 or 65 – whichever is their normal pension age (NPA) provided they leave pensionable service.

Before age retirement benefits can be paid, the individual will be required to cease pensionable service in the scheme, or if they are taking retirement benefits early, they must stop all teaching employment and their contract of employment will end.

Employees will be made aware that once they stop teaching after reaching their NPA or enter excluded employment, they will immediately become entitled to their retirement benefits; however, they will need to make a written application. TCAT will therefore encourage employees to claim their benefits promptly to avoid the unnecessary accrual of pension arrears.

Where an employee accrues only career average benefits, their NPA will be linked to either the state pension age, or age 65 – whichever is the later date.

If an employee is 55 or over, they will be permitted to access their retirement benefits before their NPA. TCAT will consider, with the employee, other alternatives, e.g. reducing their responsibilities or working pattern and informing them about the option of phased retirement.

If an employee decides that they wish to stop work and take their benefits, they will be able to request access to actuarially adjusted benefits (AAB). Their benefits will then be actuarially adjusted permanently for their lifetime. AAB will not be awarded if the benefits are less than their guaranteed minimum pension.

The following will be considered before AAB retirement benefits are paid:

* The individual must cease all teaching employment and their contract of employment must end
* Where the individual works on a supply or casual basis, their contract must end
* A non-working day is not considered as a break in service – there must be a genuine cessation of contract
* Where the individual returns to teaching before the payable date, their application will be treated as void
* If the individual has accrued both final salary and career average benefits, all their benefits will need to be taken at the same time

Employees will be able to nominate someone who would receive their pension in the event of the employee’s death before reaching the scheme’s pension age. Employees will be required to ensure that they keep their nominee’s details up-to-date and check that their nomination has been made in accordance with the pension scheme’s rules.

**Ill health retirement**

Employees who become ill during their employment will be able to apply for early ill health retirement.

To be considered for ill health retirement, employees will need to obtain an ill health retirement form with the signature of an appropriate occupational health physician who has advised the employee that they are eligible for ill health retirement.

**Phased retirement**

If an employee decides to take phased retirement, they will be able to take part of their pension benefits and continue to work and be a member of the pension scheme.

To qualify for phased retirement, employees will:

* Be aged 55 or over
* Have a reduction in pensionable earnings of at least 20 percent compared to the last 12 months for the next 12 months
* Make their application to the TPS three months before the reduction takes effect

Employees who wish to take phased retirement will be required to complete an application form which will be reviewed to ensure that:

* All relevant sections of the form have been completed
* The staff member is eligible for phased retirement

Following the receipt of a phased retirement application, TCAT will agree, with the employee, proposed changes to their working routine which will be outlined in a revised job description.

The employee’s earnings for the first 12 months of phased retirement will not exceed 80 percent of their average earnings.

The maximum benefit amount that an employee can take must not exceed 75 percent.

An employee will be permitted to take phased retirement and return to work provided that there is a reduction of at least 20 percent of their previous six months’ earnings for a minimum of one year.

Phased retirement will need to run for a period of at least a year to qualify. If desired, the employee will be permitted to return to full employment in most cases.

Employees will be required to make their application for phased retirement within three months of the date of the reduction in salary or the appointment.

Following the confirmation that an employee is taking phased retirement, TCAT will:

* Confirm the employee’s proposed phased retirement date
* Confirm the start date and the new salary that will be paid
* Provide details of their service and salary since the last return or at a date provided by the TPS

# Leavers

If an employee leaves for reasons other than retirement, TCAT will request that the payroll provider notifies Teachers’ Pension on the next monthly data collection submission.

If an employee is not a re-employed pensioner, has less than two years pensionable employment and does not have a previous transfer into the TPS, they may have a repayment of their contributions. The individual will be required to complete an application form.

If an employee is leaving because they are not well, TCAT will draw their attention to information about ill health retirement.

# Breaks in service

Where there has been a genuine cessation of contract, this will be considered to be a break in service.

Employees who have a break in service may see their benefits impacted if the break is considered to be a disqualifying break. A disqualifying break will impact employees differently.

A disqualifying break for protection purposes will occur where an employee has been out of pensionable public service for more than five years and returns to pensionable service on or after 1 April 2012.

A disqualifying break for the final salary link will occur where an employee is out of pensionable service for more than five years but returns on or after 1 April 2015.

# Non-teaching employees

Non-teaching employees will automatically be eligible for membership of the LGPS. Existing members of the LGPS will retain eligibility.

Any non-teaching employees under the age of 75 and with a contract of employment for three months or more with TCAT will automatically be enrolled into the LGPS; however, they may opt out if they wish.

Members of the scheme will need to have at least two years’ membership in the LGPS scheme to be eligible for a pension at retirement.

Members of the LGPS who have at least two years’ total membership or have brought a transfer value into the LGPS will be able to leave employment voluntarily and receive their pension benefits at any time from age 55 onwards.

Employees who are asked to retire due to service efficiencies or redundancy may be entitled to receive immediate payment of unreduced benefits.

Employees aged over 55 will have the right to request to change the nature and intensity of their work and receive accrued pension benefits whilst continuing in employment and building up further benefits in the scheme.

Employees who continue to work after NPA will be able to carry on paying pension contributions and accrue further LGPS membership.

# Monitoring and review

This policy will be reviewed in line with the published schedule at the front of this document and at any point material changes require it by the Executive Headteacher/CEO in conjunction with the Chief Finance Officer and the Trust Board. Any changes made to the policy will be amended by the Executive Headteacher/CEO and will be communicated to all members of staff.

The next scheduled review date for this policy is 31st August 2027.

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| Signed by: | | | |
|  | Executive Headteacher/CEO | Date: |  |
|  | Chair of the Trust Board | Date: |  |