SCOTTISH TEACHERS' PENSION SCHEME 2015 2015/06

WHO SHOULD READ: **Chief Executives, HR and Payroll Managers and those who submit information to SPPA**
ACTION: **To read and circulate for information**
SUBJECT: **Introduction of Scottish Teachers' Pension Scheme 2015**

The purpose of this circular is to:
- **provide information about changes to the data employers need to send SPPA**
- **confirm how employer information will be supplied**
- **advise employers what actions they must take**

You will be aware that from 1 April 2015, a new Scottish Teachers' Pension Scheme (STPS) will be introduced and, from that date, the existing Scottish Teachers' Superannuation Scheme (STSS) will be closed to new members.

Members who are **Unprotected** will move to the new STPS from 1 April 2015 and members with **Tapered** protection will begin to move over from June 2015 until February 2022 as explained in our previous circular 2015/05

1. What does that mean in terms of the data employers provide to SPPA?

The data you need to send to SPPA **is** changing, although the data we require is the same for members whether they are remaining in the STSS as a protected member or if they have joined the STPS as a tapered or unprotected member or as a new joiner.

From April 2015, we require employers to submit their monthly starter and leaver information **per employment**. Whilst this year's annual return information is **unchanged,** future annual returns, starting from 2015/16 reporting year, must also be submitted by employment.

1.1 Why is this necessary?

Members of the STPS 2015 scheme have the option to pay additional contributions, to increase their pension benefits, by selecting a faster accrual rate. These contributions can be made for separate contracts. An election for a faster accrual rate will last for one scheme year (1 April – 31 March), however, an election can be made on more than one occasion. This information will be held on our system on the individual contract to allow the correct calculation of a member's pension benefits.

As a result of feedback and discussions with employers at the Technical Working Group, it was identified that most payroll systems are set up to report by employment.

To allow the reporting by employment to be achievable, each employment must be uniquely

recognisable. We, and our system provider have identified that by using a unique Pay Reference per employment, which is a data field already provided, will allow us to match the correct data to the correct member's employment.

The key matching fields which will be mandatory on every form/file are as follows:

Data Field	Example	
General Teaching Council number	021234	Data already provided
SPPA employer reference number	00540	Data already provided
Pay Reference	2345678AA	Data already provided but must now be a unique reference for each employment
Surname	SMITH	Data already provided
Forename	WILLIAM	Data already provided
DoB	11011965	Data already provided
NI number	AA123456C	Data already provided

2. What data items are changing?

The main change relates to the definition of pensionable pay in the STPS. Pension benefits in the STPS are based on all pensionable earnings including overtime.

As a result employers will now need to send us two pensionable earnings figures for members from April 2015:

1. pensionable earnings as provided now, up to full time equivalent, will be used to calculate benefits in the STSS, and
2. pensionable earnings up to the full time equivalent (which in addition to full time equivalent can also include overtime), will be used to calculate benefits in the STPS

Further information about our current forms and data can be found in our system specification spread sheet here. This provides the required information for employers to configure their payroll systems to produce the output files to send to SPPA from April 2015. Changed or new data items are highlighted in the specification.

Starters and leavers relating to the year ending 31 March 2015 should be submitted using the current electronic templates. This data must be submitted prior to the annual return submission as per the instruction in circular 02/2015

From 1 April 2015, these templates will be replaced with the new 2015 templates, which can be used to submit data for periods pre and post April 2015.

These templates can be found here.

NB: Annual returns for 2014/15 should be competed and returned to SPPA by 31 May 2015 at the latest.

Employers should continue to send the templates as an attachment to an email to RMTSPPA@scotland.gsi.gov.uk

The dedicated employer helpline for enquiries about the submission of data is - 01896 892471.

3. What information will SPPA send to employers?

It has been agreed that we will issue a protection status report to every employer confirming the protection status for each of their active members. This will be provided in an EXCEL format which will contain three separate tabs (protected, tapered and unprotected). Each tab will contain the details of the active scheme members in their employment under their protection status. This report will be issued by email, so please ensure we hold up to date contact details for the person in the organisation who should receive this information or ensure they receive a copy.

SPPA are introducing a new process to issue employers with new starter reports. This will contain details of members who joined the pension scheme for the first time or have re-joined or started another part-time employment. The report will contain details of a member's protection as well as information on superannuation numbers and any on-going additional benefit contracts. Employers should use this information to keep their own records up to date.

Members with **Tapered** protection will gradually start to move over to the new scheme from 1 June 2015. We will be writing to these members as they approach their tapering end date and will also issue employers with reports of members reaching their Tapered end date so they can take the appropriate action (see **5.** below).

4. What action is required by an employer for Unprotected members?

Members will have their current active record/s closed at 31 March and a new STPS record/s opened from 1 April for each active employment they have in the scheme. We will do this by using the 2014/15 annual returns that you will be providing in April/May as a leaver. We do **not** require you to provide any additional information to achieve this.

However, where an Unprotected member has multiple employments per an employer, the employer will be asked to identify these members and employments to allow SPPA to create the additional employments. A separate request to each employer will be sent by SPPA. This information will need to be in place prior to the submission of the 2015/16 annual return.

We will create a new starter record/s from 1 April 2015 in the STPS using the information already held on our member records.

5. What action is required by an employer for Tapered members?

If you have been advised that a member is approaching their Tapered end date, you will need to provide us with a TSS02 Leaver at the Tapered end date e.g. 31 May 2015 for each active employment the member has. The reason for leaving code you should use is - **28 Tapered Protection End Date.**

You also need to send a TSS01 Starter from the day after the leaver e.g. 1 June 2015 for each active employment. This will allow us to start these members in the STPS and maintain the member's record.

These forms should be returned with the normal monthly starters and leavers as per the frequency in the table above.

However, where a Tapered member has multiple employments per an employer and their Tapered end date is after 31 March 2016, the employer will be asked to identify these members and employments to allow SPPA to create the additional employments. A separate request to each employer will be sent by SPPA. This information will need to be in place prior to the submission of the 2015/16 annual return.

6. What action is required by an employer for Protected members?

Members who are Protected require no action by the employers other than to continue to provide normal updates e.g. annual returns.

However, where a Protected member has multiple employments per an employer, the employer will be asked to identify these members and employments, to allow SPPA to create the additional employments. A separate request to each employer will be sent by SPPA. This information will need to be in place prior to the submission of the 2015/16 annual return.

7. Future developments

SPPA currently has an Employer's Web Portal which is used to submit contribution information to our finance team.

Over the past few months we have been working with our system provider to further develop the Employers Web Portal and extend the functionality to allow employers to submit member's data, which will replace the current EXCEL templates in the future.

This new functionality will provide employers with a secure method of sending member data required to maintain the pension records. It will also help to ensure that the data is validated and in the correct format before it is accepted for upload. This should reduce the number of enquiries we send back to you.

SPPA are also introducing three new form types which will provide employers with the facility to submit various changes and updates to the member's data. This will ensure that the member's data meets the new Public Service Pensions Record Keeping legislation which comes into force from 1 April 2015. A draft specification for these forms is included

.

Further details on how to use the new Employer Web Portal will be provided once testing is complete.

Pam Brown
Director of Operations
5 March 2015

Contact information:
Should you have any enquiries about this circular, or require further information, please contact: Brian.Casson@scotland.gsi.gov.uk

Scottish Public Pensions Agency	**www.sppa.gov.uk**
7 Tweedside Park	**Telephone: 01896 893000**
Tweedbank	**Fax: 01896 893214**
GALASHIELS	
TD1 3TE	

TOR IN PEOPLE

An agency of

The Scottish Government
Riaghaltas na h-Alba