



SCOTTISH PUBLIC PENSIONS AGENCY

The Secretary General, Convention of Scottish Local Authorities

The Directors of Education, Directors of Finance & Human
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Dear Sir or Madam

**SCOTTISH TEACHERS' SUPERANNUATION SCHEME (STSS)
CIRCULAR No. 2009/8: MINIMUM PENSION AGE FOR PREMATURE RETIREMENT**

The purpose of this circular is to remind teachers, their employers and other interested parties that, from 6 April 2010, the Teachers' Superannuation (Scotland) Regulations 2005 (the 2005 Regulations) will only allow employers to award premature retirement benefits to STSS members who have attained age 55. Teachers who joined the STSS on or after 30 June 2006 are already precluded from being awarded premature retirement before age 55.

From 6 April 2010, in ALL cases, premature retirement benefits can only be awarded if the STSS member has attained age 55 by the date the pensionable or excluded employment terminates regardless of when they attained age 50. The 2005 Regulations were amended to increase the minimum pension age from 50 to 55 by regulation 26 of the Teachers' Superannuation (Scotland) Amendment Regulations 2007 (SSI 2007/189).

It may be helpful if I also explain that the increase in minimum pension age with effect from 6 April 2010 was as a result of HMRC tax legislation and whilst it is possible for some members of public service pension scheme (eg NHS Pension Scheme and Local Government Pension Scheme) to retain the right to retire at age 50 on or after 6 April 2010, that is because those particular members have an established right to take certain pension benefits before age 55 and because of that right HMRC provides a protected pension age in those cases. STSS members do not have a protected pension age because they never had the right to retire at age 50 (they needed their employer's consent).

If SPPA were to award premature retirement benefits to a STSS member who had not attained age 55 after 6 April 2010, those retirement benefits (both pension and lump sum) would be treated as unauthorised payments by HMRC and both the teacher and SPPA (as scheme administrator) would be liable for substantial tax charges.

We would therefore ask all employers to ensure that they do not offer early retirement terms to those teachers who have not attained the age of 55, where the proposed date of retirement is on or after 6 April 2010. SPPA will check all premature retirement applications to ensure that the STSS member meets the minimum pension age 55 criterion. SPPA will return premature retirement application forms to the STSS member's employer where eligibility conditions are not met.

Any questions about this circular should be addressed to Christine Marr, STSS Policy Manager, at the above address or by email to christine.marr@scotland.gsi.gov.uk.

Yours sincerely



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Director of Policy