

**TEACHERS' PENSION SCHEMES
2016/06**

WHO SHOULD READ: Chief Executives, HR and Payroll Managers, Teacher's unions and representatives
ACTION: To read and circulate to interested parties and members of the Scottish Teachers' Pension Scheme
SUBJECT: Unauthorised leave

The purpose of this circular is provide clarification on contributions and pension reporting when a member is on unauthorised leave

Any period of absence by a member due to industrial action is regarded as a non-reckonable period of membership for pension scheme purposes. A member does not receive pay during such periods and therefore pension contributions are not collected. There is no provision to buy back service for strike days however the scheme does provide for members to purchase additional pension (minimum value of purchase is £250). For members in the CARE scheme they also have the option to make a faster accrual election. Further details on additional pension and faster accrual can be found on the SPPA website www.sppa.gov.uk .

Employee Contributions

As detailed in previous circulars, a member's actual pay rather than whole time equivalent pay is used to determine the contribution rate due in each month. Following strike days, many members will see no change to the tier and contribution rate currently applied to their salary, for some however there may be a change of tier due to their reduced monthly pay. The following is an example where a member takes industrial action which results in a change of tier and corresponding contribution rate:

Example

Lesley works as a full time lecturer. She normally receives a monthly salary of £2,925 giving an annual pay of £35,100 so pays contributions at 9.7% (Tier 3 £35,000-£41,499). Due to taking industrial action, Lesley's monthly salary reduces to £2,790 and as a result her annual pay based on this reduction is £33,480. The appropriate contribution rate for this month is 8.7% (Tier 2 £26,000 to £34,999)



Reporting Unauthorised Leave

The following type of leave is non-superannuable in the Scottish Teachers' Pension Scheme;

- Strike days
- Unpaid sick leave
- Unauthorised leave

Where an employee has had some form of Unauthorised Leave during the reporting year i.e. 01/04/2015 to 31/03/2016 then this should be deducted from the STPS03 Annual Return or if an employee leaves prior to 31/03/2016 then from the STPS02 Leaver. Both the service and the financial figures being reported in either form should reflect the reduction due to the amount of Unauthorised Leave (see following examples);

Example 1

Full time lecturer who has had 2 strike days in the period 1 April 2015 to 31 March 2016
Full Time Days service should be reduced from 365 to 363

Employees Pay £34400 – £200(2 strike days) = £34200 to be reported on annual return.

CARE Pensionable Pay £34400 – £200(2 strike days) = £34200 to be reported on annual return.

Employers Pensionable Pay/Notional Pay £34400 – £200(2 strike days) = £34200 to be reported on annual return.

Salary Rate £34400

All contributions should have been calculated on the actual employees pay which was paid.

Example 2

Part time lecturer who has had 2 strike days equating to 10 hours as they only work 5 hours per day normally in the period 1 April 2015 to 31 March 2016

Part-time Hours should be reduced from 1000 hours to 990 hours

Full Time Hours 1200 hours

Employees Pay £28000 – £200(2 strike days) = £27800 to be reported on annual return.

CARE Pensionable Pay £28000 – £200(2 strike days) = £27800 to be reported on annual return.

Employers Pensionable Pay/Notional Pay £28000 – £200(2 strike days) = £27800 to be reported on annual return.

Salary Rate £34400

NB: All contributions should have been calculated on the actual employees pay which was paid.



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Contact information

Please contact brenda.callow@gov.scot if you have any enquiries regarding contributions or michelle.hogg@gov.scot if your enquiry is about reporting unauthorised leave.

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