

## Scottish Teachers' Superannuation Scheme

The Secretary General, Convention of Scottish Local Authorities

The Director of Education, Director of Finance & Human Resources  
Manager, Scottish Local Authorities

Principals of Further and Higher Education Institutions

Independent Schools

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Your ref:  
Our ref:

22 June 2007

Dear Sir or Madam

SUPERANNUATION (TEACHERS) CIRCULAR NO 2007/6

TEACHERS' SUPERANNUATION (SCOTLAND) REGULATIONS 2005 (as amended)

During the last few months a number of issues have arisen with regards to the administration of the Scottish Teachers' Superannuation Scheme. This circular is designed to address many of the queries that we have received.

### Annual Return reminder

This is the **final reminder** for completed annual returns for the year ending 31 March 07. As you can appreciate it is of vital importance to have each member's record as up to date as possible in order for the Agency to offer a satisfactory level of customer service, including issuing annual benefit statements. If we do not receive the Annual Return by **30 June 07** the data will not be loaded to our current system and we will not be able to issue a benefit statement to such members. As a result, we will be unable to answer queries from your employees about their service and in each individual case we will have no option but to contact you for the missing information. This will inevitably delay all processes and we will inform the member accordingly of the reason for any delays. Circulars 2007/4 and 5 contained details on how to submit the data required. All electronic data should be submitted to [Robert.Butler@scotland.gsi.gov.uk](mailto:Robert.Butler@scotland.gsi.gov.uk) or by mail to Bob Butler at the above address.

### Reg E34

Under amendments to the Regulations introduced in 1999, if during the last 3 years of service a teacher receives an increase in salary which is more than 10% above the standard increase received by teachers, the increase will – for the purpose of that teacher's pension – be restricted to 10% plus the standard increase (**unless the employer elects to pay an additional contribution**). This restriction applies to all situations, including temporary promotions and changes of employer, as the scheme is funded on the basis of assumptions about salary progression patterns and – where salaries increase significantly shortly before retirement – there is a clear cost to the scheme.



**Reg G2 (3)**

The above regulation specifically states that requests to transfer pension rights into the scheme must be made in writing **within 12 months of the member joining the scheme**. This regulation was re-inserted in the scheme in October 2005 and was designed to bring the scheme in line with all the other unfunded public sector schemes. An administrative decision was made to allow a period of one year for employers to notify their members of this regulation coming into force. This notification was sent to employers in October 2005 and subsequently, all requests to transfer into the STSS made on or after 1 October 2006 must satisfy the Regulations.

**Death Benefits**

Death grants are normally paid to a legally married spouse, to a registered civil partner or to a person nominated by the member. If the member is not married, has no registered civil partnership or has made no nomination, the benefits will go to the member's estate. It would be helpful therefore to give new members a copy of the death nomination form to ensure that any death benefits payable may reflect the member's wishes. If the member's circumstances change (divorce or separation), they should contact us immediately. We advise members annually on their benefits statements of this but new members do not receive a benefit statement until they have accrued entitlement to a pension (2 years' service).

**Re-employment**

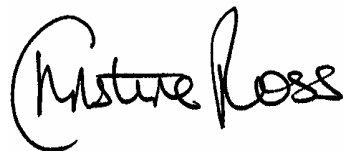
The Regulations do not prevent a retired teacher from becoming re-employed. However, it may be helpful to note that, whether the re-employment is pensionable or not, the member's pension may be subject to abatement. Therefore, it is in the member's interest to notify us of any re-employment which we will verify with their employer. Members are advised at retiral, on their SPPA payslips and also on their Annual Pension Increase letter, that they must advise us about re-employment. However, it would be helpful if you could advise if you are employing members who are already in receipt of a teacher's pension. We can calculate an earnings limit and if this is not exceeded the member's pension will not be suspended and there will be no need to recover any subsequent overpayments.

**Opt Out form**

Finally, further to Circular 2007/5 a new Opt Out form STSS: (OPT OUT) 12 has been added to the website [www.sppa.gov.uk](http://www.sppa.gov.uk) Information about the benefits of the scheme has been included and will allow members to make an informed decision about their pension benefits. Please use this with immediate effect.

I hope the information is helpful to you and look forward to receiving your Annual Return if you have not submitted one already!

Yours sincerely



CHRISTINE ROSS  
Regional Manager