

**SCOTTISH TEACHERS' SUPERANNUATION SCHEME
1/2011**

WHO SHOULD READ: All HR and Payroll Managers
ACTION: To read and circulate as necessary
SUBJECT: Charging for calculating the compensation element for
Premature Retirements

The purpose of this circular is to:

- Inform employers of introduction of charges for calculating the capitalised value for compensation payments.

The purpose of this circular is to inform employers that SPPA will be implementing an administrative charge for employers who wish SPPA to take over the responsibility of the compensation element of Premature Awards by means of capitalisation. At present this lump sum cost of providing the additional pension is calculated by reference to factors provided by the Government Actuary's Department and no account is taken of the administration cost involved.

In addition to the lump sum cost, as mentioned above, there will now be an administration cost of £300 plus VAT for each case. The fee will be due if the employer decides to proceed with this process. SPPA will not make a charge for providing an estimate of the cost of capitalisation.

The invoice to the employer will specify the fee separately from the capitalisation value.

All payments should be made by bank transfer to SPPA's bank account as advised quoting the reference provided.

The above charge will commence on all requests made from 1 February 2011.

Please note that eligibility for Premature Retirement requires that applicants must be in pensionable employment when an application is made.

Ian Clapperton
Director of Operations
12 January 2011



Contact Information:

Should you have any enquiries about this circular, or require further information, please contact:

Teachersbenefits@scotland.gsi.gov.uk

Scottish Public Pensions Agency
7 Tweedside Park
Tweedbank
GALASHIELS
TD1 3TE

www.sppa.gov.uk
Telephone: 01896 893000
Fax: 01896 893214



INVESTOR IN PEOPLE

An agency of  The Scottish Government