

SCOTTISH TEACHERS' SUPERANNUATION SCHEME 5/2010

WHO SHOULD READ: All Hr and Payroll Managers
ACTION: To read and circulate as appropriate
SUBJECT: 1. Advising SPPA of intended early retirals
2. Payment in lieu of holidays

The purpose of this circular is to:

- Request that you keep SPPA informed of any plans for early retirals; and
- clarification of pay in lieu of holidays and what is superannuable

1. The purpose of this circular is to request that you contact SPPA if you are planning to offer any early retiral packages for your teaching staff. SPPA has already been contacted for information relating to this and need to ensure that we have time to plan the resourcing of any such requests and the awards to follow.

If any employer is thinking of undertaking such action we ask contact is made with SPPA direct to advise us of the expected numbers of cases as well as anticipated timescales. As you are aware we require a minimum of 3 months (preferably 4) to process applications and we are currently in the process of dealing with our Christmas and New Year retirements. Should we receive an additional high number of enquiries relating to early retirals around the same time, then it is doubtful that these could all be processed to conclusion within the truncated timescale.

2. SPPA has noticed lately that payment in lieu of holidays has been causing confusion for some employers in how to record this for pension purposes. This may arise as a result of some employers changing procedures following recent European Court of Justice judgments regarding maternity and sick leave.

As far as pensionable contributions are concerned, payment in lieu of holidays is not pensionable when a member of the STSS is in a nil pay situation due either to maternity or sick leave. Any holidays that are accrued during this period are not superannuable.

The other area of payment in lieu of holidays that appears to be causing confusion is when a teacher retires from employment. At retirement any payment in lieu of holidays is not pensionable.



Ian Clapperton
Director of Operations
23 November 2010

Contact Information:

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

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