

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 & Higher Education Institutions and Independent Schools

Official Correspondents of Other Participating Organisations

7 Tweedside Park
Tweedbank
GALASHIELS
TD1 3TE

<http://www.sppa.gov.uk>

Tel: 01896 893149
Fax: 01896 893214
Janet.MacLean@scotland.gsi.gov.uk

Your ref:
Our ref: STSS Circular No 8/2008

4 December 2008

Dear Sirs

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

If you do not deal directly with Teachers Scheme Members, it would be helpful if you would redirect this circular as soon as possible to the staff that do. Where you have had this circular forwarded to you and you would like any future correspondence to be sent to you direct, please contact a member of the Operations Communications Team who will add your details to our contact database. Contact details for members of this team are given later in this letter.

There are five items to be addressed within this circular:

New Members Guide

SPPA are able to report that the STSS Members Guide has been revised and re-branded and is available on our website www.sppa.gov.uk.

Review of receipt of claims for retirement benefits

Because of the number and complexity of new pension applications, SPPA will be conducting a review soon with a view to increasing the current 3 months' notice they require for receipt of a member's fully completed benefits application form prior to Date of Retirement. SPPA would again like to remind employers that at this time applications for benefits must be with SPPA a minimum of 3 months prior to a member's intended retirement date. No assurance can be given that applications received later than this will be processed either by Date of Retirement or indeed within 3 months of receipt as late applications cannot be given priority over those received on time.

Early Retirement Planning by Employers

SPPA have become aware of an increasing number of employers canvassing their members for early retirement prior to normal retirement age. SPPA would ask that any employers doing so make SPPA aware that they are taking such action and get in touch with their usual contact at SPPA to make them aware of the possible timing and scale of

such activity. This will assist SPPA to consider any forward planning arrangements required due to the additional administration involved with these award types, and also to be in a position to make employers aware of what impact this may have on the notice required to be able to process such applications by a given date. Again, at this time it is essential that SPPA are given a minimum of 3 months prior to a member's intended (earlier) retirement date.

New Starts information on joining

We would also like to remind employers that they hold responsibility to inform new staff about pensions on commencement of employment. SPPA are currently dealing with a high volume of complaints from members who have failed to request a transfer into the scheme within their first 12 months of membership. The common theme from the members is that their employers have not provided them with pension details when they joined the scheme and therefore they were unaware of the time limits.

SPPA reminds all employers of the need to include pension information when a member starts employment and/or to include it as part of a member's induction process. SPPA cannot be accountable for actions or omissions which are outwith its control and are now having to tell members that they are unable to transfer into the scheme as they have failed to meet the timescales set within the Regulations. Some members may consider challenging an employer for its failure to fulfil this requirement.

Transitional Protection Certificates – Application Deadline

On 6 April 2006 (A-Day), HM Revenue and Customs (HMRC) changed the way it limited tax free pension savings for all approved pension schemes, like the Scottish Teachers' Superannuation Scheme (STSS). For most members, the change increased opportunities for tax efficient saving for retirement. In the STSS Scheme only consistently high earners with long membership and/or substantial other pension savings could be adversely affected by these changes.

HMRC set up transitional protection arrangements for those members whose total benefits did not exceed the limits applying in the pre A-Day regimes, but who might exceed the new tax regime. Individuals have until 5 April 2009 to apply to HMRC for transitional protection certificates. Only amendments to any existing protection certificates will be accepted after 5 April 2009.

SPPA has a duty of care to remind higher earners about these arrangements and asks that employers issue a reminder to them.

Operations Communication Team contacts are:

Team Manager – Janet.Maclean@scotland.gsi.gov.uk

Team Leader – Claire.McGow@scotland.gsi.gov.uk

Team Administrator – Catherine.Renton@scotland.gsi.gov.uk

Full contact details for STSS Operations are available on our website www.sppa.gov.uk.

Yours faithfully

Ian Clapperton
Director of Operations

αβχδε