



SCOTTISH PUBLIC PENSIONS AGENCY

To:

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

Official Correspondents of Other Participating Organisations

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January 2004

Dear Sir or Madam

THE TEACHERS' SUPERANNUATION (SCOTLAND) REGULATIONS

During the last year a number of issues have arisen with regards to administration of the Scottish Teachers' Superannuation Scheme. This circular is designed to address many of the queries that we have received from employers during the last few months, mainly as a result of seminars held at our office in Tweedbank and as a result of SNCT's Circular SNCT/26.

Issue of Annual Benefit Statements

The Agency will be issuing Annual Benefit Statements during February 2004 to all those employers who have submitted their 2002/03 Annual Returns. We plan to send you the benefit statements in sealed envelopes, the name of the member and his/her work address (at 31/3/03) should be readable through the window of the envelope. It would be appreciated if you would forward them to the member at their place of work. We have recently been in contact with the person who received the statements last year and they will again be issued to the nominated person.

SNCT Circular SNCT/26

Annual Returns

We note that the daily rate of pay for teachers has been changed to 1/261 of the annual rate of salary. However, for Superannuation purposes, the SPPA require annual returns, leavers and Awards Forms to be completed using the existing format, ie. service based on a 365 days basis. All of the benefits within the Scottish Teachers' Superannuation Scheme are provided on this basis of service accrual. It is imperative that annual returns, leavers and Awards Forms continue to be completed using the 365 days basis.

Any annual returns completed using the 261 days basis of employment will not be accepted.

Accrual of Holiday Entitlement

Under our Scheme Regulations, Payment in Lieu of Holidays has always been considered non-superannuable. However, the Scheme Regulations were written with the pre-SNCT/26 terms and conditions of employment in mind, ie. based on 365 days for Permanent Teachers, and 1365 hours for Temporary Teachers.

As far as SPPA are concerned, there are implications for teachers as a result of the implementation of SNCT/26 and the arrangement for Accrual of Holiday Entitlement. This seems to be a re-structuring of the way in which teachers are paid; although the amounts should not alter. Rather than paying an actual daily rate, temporary teachers are now paid a reduced amount, with some held back for payment at holidays.

These holiday payments should be superannuable.

Leaver Forms

It has been brought to our attention that some employers are not using the correct leaving date when completing a Notification of End of Pensionable Employment (TSS2).

The leaving date for Superannuation purposes should be the date on which pension contributions ceased. This may not be the same as the date the teacher left employment.

Bulk Early Retiral Exercises

During the summer of 2003 a number of large employers carried out exercises under which large numbers of staff were awarded early retirement. 3 months notice is required in order to guarantee timeous payment of benefits. However, we would appreciate as much notice as possible if you intend offering large numbers of staff early retirement packages again this year. This will enable us to organise resources appropriately and hopefully avoid late payment of retirement benefits.

We are willing to offer advice and guidance to any employers undertaking such an exercise.

Members Opting-Out of the STSS

It has been brought to our attention that when members opt Out of the STSS, we do not not always receive completed Form Pen 60 (T).

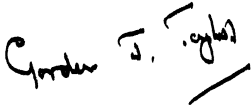
It is extremely important that we do receive this completed documentation, or at the very least an equivalent provided by the employer.

This documentary evidence is essential as we frequently deal with inquiries from members claiming that they have been members of the STSS, when in fact they have Opted Out. Providing the Agency with this documentary evidence of the member having Opted Out is therefore extremely useful and saves us a great deal of time.

Teachers' Superannuation Circular 2004/01

If you have any queries regarding any of the above, please contact your STSS administration team.

Yours faithfully

A handwritten signature in black ink that reads "Gordon Taylor". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Gordon Taylor
Operations Director