

## **NOTES FOR INCAPACITY APPLICATIONS**

Please read these notes before completing the Incapacity Retirement application.

### **PLEASE DETACH AND KEEP FOR YOUR REFERENCE**

1. Completion of the attached form does not imply that your application for Incapacity Benefits will be accepted.
2. Alternatives to ill-health retirement, such as re-deployment or rehabilitation, should have been considered by your employer before completing this application form.
3. SPPA must be satisfied that you have become **permanently** incapable of teaching until normal pension age. Our Medical Advisers consider the medical evidence submitted and make a recommendation to Scottish Ministers.
4. SPPA will not seek further medical evidence on your behalf nor make any payment towards obtaining this. If there is insufficient evidence to allow the MA to make a recommendation the application is unlikely to succeed.
5. You must be under normal pension age, have completed a qualifying period and have not applied for other retirement benefits in respect of the same period of employment. Benefits can only be awarded after normal pension age if permanent incapacity was established before normal pension age and pensionable service accrued since then was due to paid sick leave.
6. If you are in receipt of an STSS pension and have subsequent pensionable service and then suffer a breakdown in health you may apply for ill-health benefits in respect of that period of employment only.
7. To qualify for retirement benefits under the STSS Regulations you will need two years pensionable employment completed after 6 April 1988, two years pensionable service at any time if you were in pensionable employment on 6 April 1988 or after or five years of pensionable employment at any time.
8. If you are in or left pensionable employment less than 12 months ago please complete PART 1 and send the application to your current or previous employer to complete PART 2. You should arrange for the medical information form STSS: (MED) 1 to be completed and once all parts are ready they should be sent to SPPA along with all other supporting medical evidence.
9. If you left pensionable employment more than 12 months ago please complete PART 1 and arrange for STSS: (MED) 1 to be completed by a medical professional. This can be your GP and/or your consultant if you have been referred. Both forms and all supporting medical evidence should be sent to SPPA.
10. If you are under 70, have become permanently incapacitated, do not qualify for benefits and have at least one year of pensionable employment, a one off payment called an Incapacity Grant may be paid. An application must be made within 12 months of leaving pensionable employment.
11. Ill health benefits are not payable where the member has ceased to be in pensionable employment on or after 1 April 1997 as a result of dismissal on the grounds of misconduct.

12. There is a 2 tiered ill health arrangement. Partial Incapacity Benefit (PIB) is granted where you are not capable of teaching but can undertake other employment. Total Incapacity Benefit (TIB) is granted where you meet PIB criteria and your ability to carry out any work is impaired by more than 90 % and is likely permanently to be so. Permanency will be considered on the balance of probabilities.
13. If you are awarded TIB a separate pension will be paid based upon half your service from the date of ill health retirement to the date of normal retirement.
14. If you are out of service your application will be assessed using the criteria for TIB but you will not receive service enhancement.
15. You will be entitled to benefits as from
- The day after the end of pensionable employment or
  - If the date of the application on grounds of incapacity is later, that date or such other date as the Scottish Ministers, having regard to all the circumstances, think appropriate.
16. If your life expectancy is less than 12 months you may request that your ill health pension is commuted to a one off payment.
17. Once you have been granted ill health retirement you must arrange for active teaching to cease immediately. All teaching employments should be terminated at the earliest possible date. When notification of your retirement date and your salary details is received from your employer your benefits will be processed.
18. If you were a member of the scheme prior to 1 April 2007 the method of calculating benefits, which will consist of an annual pension and a lump sum based on reckonable service and pensionable salary, is as follows:
- $$\text{Pension} = \frac{\text{Service} \times \text{Pensionable Salary}}{80}$$
- The lump sum is three times the pension.
- If you became a member of the scheme on or after 1 April 2007 your benefits will consist of an annual pension based on reckonable service and pensionable salary. It will be:
- $$\text{Pension} = \frac{\text{Service} \times \text{Pensionable Salary}}{60}$$
- Under the Pensions (Increase) Acts pensions are increased automatically in April each year, to maintain the link with movements in the cost of living.
19. If you were a member of the scheme before 1 April 2007 and were in pensionable employment on or after 1 April 2007 you can convert, 'commute', part of your pension to receive a lump sum up to 25% of your fund value. The formula for calculating the maximum amount of lump sum that can be paid is as follows:
- $$\frac{(\text{Pension} \times 20) + (\text{Lump Sum} \times 20/12)}{4.6667}$$
- If you joined the scheme on or after 1 April 2007 the formula for calculating the maximum amount of lump sum benefits that can be paid is as follows:
- $$\frac{\text{Pension} \times 20}{4.6667}$$
- The resulting figure represents 25% of the fund value and is the maximum lump sum you may take. To determine the additional lump sum you may have you must deduct your actual lump sum from this figure. For each £1 of pension commuted there will be £12 of lump sum paid. Calculations can be undertaken on the website [www.sppa.gov.uk](http://www.sppa.gov.uk)

20. If you are intend to use 30% or more of your lump sum to increase your pension benefits, this could result in HMRC subjecting the whole of your lump sum to an unauthorised payment tax charge of 40% and a further 15% surcharge if the value of unauthorised payments exceeds 25% of your rights in the scheme. This recycling rule will not affect you if your lump sum does not exceed 1% of Lifetime Allowance (explained in note 27).
21. If you have teaching service in England, Wales or Northern Ireland it may be possible to transfer this into the STSS and included in the calculation of your pension benefits. This must be done prior to your retirement.
22. The pensionable salary is the salary used to calculate your benefits when you retire. The way it is calculated depends on when you retire. For retirements after 31 March 2009 the better of the following calculations is used to calculate pensionable salary:
- the salaries for the last ten calendar years are increased to current day value using index linking. The average of the best consecutive three years re-valued salaries in those ten calendar years is used;
  - the pensionable salary received in the last 12 months before the date of retirement.
23. If you have or have had more than one employer within the last three years please provide their names and addresses on a separate sheet together with the periods of employment with each employer.
24. If you have a pension sharing or earmarking order or agreement made by a court against your pension entitlement your benefits will be reduced in line with that order or agreement.
25. If you are paying for past added years or additional pension and you declared at the time of the election that you were in good health you may be excused of any payments due up to normal pension age. You will be credited with the corresponding additional service or additional pension.
26. Any return to teaching will result in an immediate loss of your pension. Pension entitlement will cease immediately if you take up teaching employment (whether or not you rejoin the pension scheme) and will not automatically be restored if the employment ceases. Any pension overpaid will be recovered. If you intend to return to work, employers must satisfy themselves about your medical fitness. You must inform SPPA if you undertake any employment and should contact SPPA before the start date. If you are in receipt of TIB and take up any employment your TIB pension may cease. You must inform SPPA if you are considering or start any employment.

27. **Lifetime Allowance** - The Finance Act 2004 introduced a single tax regime that applies to all UK tax privileged pensions from 6 April 2006. This regime introduced a “Lifetime Allowance”, which is the total allowable value of benefits (both pension and lump sum) from all registered pension schemes. This excludes pensions payable from the state. The Lifetime Allowance (LTA) is set at the following levels:

Tax Year	Amount (£)
2011/12	£1,800,000
2012/13	£1,500,000
2013/14	£1,500,000
2014/15	£1,250,000

To assess whether you are affected the following formula should be applied to your benefits:

$$\frac{((\text{Annual Pension} \times 20) + \text{Lump Sum})}{\text{LTA (1.25 Million 2014/15)}} \times 100 = \text{LTA\%}$$

If the percentage exceeds 100% you will be liable for the LTA charge unless you have a transitional protection certificate.

These figures may be liable to change therefore please consult [www.hmrc.gov.uk](http://www.hmrc.gov.uk) for further information.

28. For further information about the STSS you can visit our website, [www.sppa.gov.uk](http://www.sppa.gov.uk)

29. Please ensure that you have completed all relevant parts of the form before signing the declaration. Without your signature and the date, the application is invalid and we cannot proceed with your claim.

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30. When all relevant information in support of your application has been received it will be submitted to our medical advisers for advice. You will be notified by letter of our decision and what you should do next.

31. **Data Protection Act 1998**

SPPA will use any information you provide in connection with the STSS for the purpose of administering and operating the scheme and paying benefits under it. This may include passing details to third parties that are involved in the administration and operation of the scheme. SPPA may also use your data for administrative purposes in line with its data protection notification. In order to fulfil its duty to protect public funds, SPPA may use information it holds to prevent and detect fraud. SPPA may also share such information, for the same purpose, with other organisations that handle public funds.

Where there is any difference between the legislation governing the STSS and the information in these notes, the legislation will apply.

32. **National Fraud Initiative**

SPPA is under a duty to protect the public funds it administers, and will use the information you have provided on this form for the prevention and detection of fraud. It will also share this information with other bodies responsible for auditing or administering public funds for these purposes.

For further information on National Fraud Initiative please visit our website, [www.sppa.gov.uk](http://www.sppa.gov.uk)



# APPLICATION FOR TEACHER'S INCAPACITY BENEFITS

## SECTION 3 – Family and survivor details

What is your status?

Single	<input type="checkbox"/>	Married	<input type="checkbox"/>	Civil Partner	<input type="checkbox"/>
Partner	<input type="checkbox"/>	Divorced	<input type="checkbox"/>	Partnership dissolved	<input type="checkbox"/>
Widowed	<input type="checkbox"/>				

If married, or in a civil partnership, please give date of registration

<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
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If appropriate, please give spouse/partner's surname

<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
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please give spouse/partner's former surname (if any)

<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
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please give spouse/partner's forename(s)

<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
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please give spouse/partner's date of birth

<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
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If divorced/partnership dissolved, has a court order against part of your pension/lump sum been made?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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If yes, is this order for earmarking

Or Pension sharing

## SECTION 4 – AVC's with Prudential

Do you have an in-house AVC with the Prudential?

Yes

No

If you have ticked Yes we will be in contact with the Prudential on your behalf.

If you have ticked No and have a Free Standing AVC please send your provider a copy of your Benefit Crystallisation Certificate which will be sent to you on completion of your Benefit Calculations.

IF YOU ARE NOT CURRENTLY AN ACTIVE MEMBER OF THE STSS AND HAD YOUR BENEFITS PRESERVED IN THE SCHEME BEFORE 1 APRIL 2007 PLEASE GO TO SECTION 8

## APPLICATION FOR TEACHER'S INCAPACITY BENEFITS

### SECTION 5 – Other Teaching service (if preserved before 1 April 2007 go to section 8)

Have you had any other pensionable teaching employment in ENGLAND AND WALES, NORTHERN IRELAND, the CHANNEL ISLANDS or the ISLE OF MAN and wish to have the service transferred into the SCOTTISH TEACHERS' SUPERANNUATION SCHEME? Please note that you must be under age 60 for members prior to 1 April 2007 and 65 for those who joined after 1 April 2007.

Yes  No

If Yes, please supply the following information

Period of employment		Name and address of employer	Name of Superannuation Scheme or Pension Fund and Ref Number (if any)
From	to		

### SECTION 6 – Past Added Years/Additional Pension Benefits (if preserved before 1 April 2007 go to section 8)

Are you currently purchasing Past Added Years?

Yes  No

The outstanding contributions (up to normal pension age) will be waived if your application for ill health retirement is approved and the service to NPA credited. If you have outstanding contributions beyond NPA do you wish to pay the outstanding balance?

Yes  No

Are you currently paying for Additional Pension Benefits?

Yes  No

The additional pension will be paid immediately without reduction provided you were in good health when you made the election and you became incapacitated after one year of the date of the election.

Yes  No

### SECTION 7 – Commutation of pension (if preserved before 1 April 2007 go to section 8)

Do you wish to commute part of your pension in order to receive an additional tax free lump sum payment?

Yes  No  Further information required

Please note that information will not be provided until a decision has been reached. This may result in a delay in the payment of your benefits.

If Yes, please indicate from which pension(s) you wish to commute and how much

	Max Allowed (please tick)	Specific Amount (enter amount)
Normal Retirement Pension	<input type="checkbox"/>	£ <input style="width: 100%;" type="text"/>
Additional Pension	<input type="checkbox"/>	£ <input style="width: 100%;" type="text"/>

Further information on commutation can be found on the SPPA website: [www.sppa.gov.uk](http://www.sppa.gov.uk) including a pension modeller, so you can see the effect of commutation on your retirement benefits.

# APPLICATION FOR TEACHER'S INCAPACITY BENEFITS

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## SECTION 8 – Terminal Illness

If your life expectancy is less than 12 months your Annual Pension may be paid in a manner better suited to your circumstances. If so, you may apply to have your Annual Pension converted into a Lump Sum payment. This would be paid in addition to any Lump Sum retiring amount.

If you wish to apply for a commuted Annual Pension please tick this box.

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## SECTION 9 – Disbarment – MEMBER'S DECLARATION

With effect from 1<sup>st</sup> April 1997, incapacity benefits cannot be paid to a teacher who:

(a) is registered with the General Teaching Council for Scotland and who has had his/her name removed from the Council's register or is under investigation which might result in such removal.

OR

(b) is not registered with the General Teaching Council for Scotland and who has ceased to be in pensionable employment as a result of dismissal on grounds of misconduct.

Please indicate if either of the above is applicable to you by placing a tick in the appropriate box.

a

b

# APPLICATION FOR TEACHER'S INCAPACITY BENEFITS

## SECTION 10 – Taxation

### Lifetime Allowance

Will the total of your pension, before commutation, from the Scottish Teachers' Superannuation Scheme and any other pensions currently in payment at or from retirement, exceed £50,000 per annum?

Yes  No

If you have ticked Yes, we will contact you again for further information.

### Lump Sum

Do you intend to use any part of your lump sum to fund additional pension contributions to any other pension arrangement? If so, please state the following:

- Do all of the retirement lump sums received from all schemes in the last 12 months exceed 1% of the current HMRC Lifetime Allowance? Yes  No
- Does the amount you are investing exceed 30% of your retirement lump sum? Yes  No

If you have ticked yes for either of the above, we will contact you again for further information.

For further guidance please refer to HMRC website at [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

## RETIREMENT DECLARATION

I hereby apply for retirement benefits under the regulations governing the Scottish Teachers' Superannuation Scheme and grant permission to the Medical Adviser, acting on behalf of Scottish Ministers, to view all details including evidence from my medical practitioner, employing authority or any hospital consultant or physician I have seen to assist in determining my case.

I will inform the Agency if there is a change in my retirement date or any other information I have provided.

I agree to inform the Agency if I begin employment in teaching within the UK at any time during my retirement, regardless of whether or not I rejoin the scheme and that any overpayment of benefits not due to me will be repaid by me and recovered by SPPA. Information may be exchanged with the General Teaching Council.

I understand that if my benefits existing and benefits from the Scottish Teachers' Superannuation Scheme at retirement exceed the Lifetime Allowance at retirement, and I have no transitional protection certificate, the Lifetime Allowance charge will be paid and my benefits reduced accordingly.

All the information I have given on this form is true to the best of my knowledge and belief.

Signed

Date

If you are an active member please return this form, MED 1 and evidence to your employer who will then forward it to the SPPA. If you are a member with preserved benefits please return form to:

SPPA, 7 Tweedside Park, Tweedbank, Galashiels, TD1 3TE

# APPLICATION FOR TEACHER'S INCAPACITY BENEFITS

## PART 2 TO BE COMPLETED BY THE EMPLOYER

Teachers Surname

Teachers Reference Number

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Date of Birth

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### SECTION 11 – Details of Pensionable Salary and Employment

Name of Employer	
Job Title	
Start Date	

Pensionable Salary Details – to last return date

Full (F) or Part-time (P)	Return Date			Total Superannuable Pay received	Number of days/hours	If Part-time, percentage of full-time (%)
	Day	Month	Year			

Pensionable Salary Details – to date of leaving

Full (F) or Part-time (P)	Date of Leaving			Total Superannuable Pay received	Number of days/hours	If Part-time, percentage of full-time (%)
	Day	Month	Year			

Salary Increases and Unpaid Leave in Last 365 days

Full (F) or Part-time (P)	Start Date			End Date			Number of days/hours	Annual rate of Salary	Total Superannuable Salary for period	Reason
	Day	Month	Year	Day	Month	Year				

## APPLICATION FOR TEACHER'S INCAPACITY BENEFITS

**SECTION 12 – Teacher's sick leave record.** IMPORTANT - this must be completed in full to assist the medical adviser

Please enter details of teacher's sick record (please attach an additional sheet if required)	
Period's of sick leave during last 5 years of reckonable service	Nature of illness or incapacity

### SECTION 13 – Job description and details

Please provide full details of the job being undertaken by the member. This job description must state the nature of duties including the physical requirements and the proportion of time spent on each.
You may, alternatively, attach a detailed description, providing it covers all of the points stated above.

### SECTION 14 - Job classification code

Please provide the employee's job classification role (see below for codes)	<input style="width: 100%; height: 20px;" type="text"/>
1. Teacher/Chartered Teacher (main grade, nursery, special, primary or secondary) and Lecturer	
2. Principal/Head of Dept	
3. Deputy Head/Vice Principal of Indep school	
4. Head Teacher/Principal of Indep school	
5. Supply Teacher	
6. Other	

# APPLICATION FOR TEACHER'S INCAPACITY BENEFITS

## SECTION 15 – Teachers' State Pension Scheme Position

a. Contracted out of the State Pension Scheme and paying NI contributions at:

(tick appropriate box)

i. The standard rate

ii. The reduced rate

b. Not liable to pay NI contributions

## SECTION 16 – Disbarment – EMPLOYER'S DECLARATION

With effect from 1<sup>st</sup> April 1997, incapacity benefits cannot be paid to a teacher who:

(a) is registered with the General Teaching Council for Scotland and who has had his/her name removed from the Council's register or is under investigation which might result in such removal.

OR

(b) is not registered with the General Teaching Council for Scotland and who has ceased to be in pensionable employment as a result of dismissal on grounds of misconduct.

Please indicate if either of the above is applicable by placing a tick in the appropriate box.

a

b

## SECTION 17 – Certificate by Employer

I certify that

- i. The particulars given under sections 11 to 16 are correct and all parts are completed fully.
- ii. All contributions properly payable under the regulations governing the Scottish Teachers' Superannuation Scheme have been or will be deducted from salary
- iii. Form STSS:(MED) is enclosed with the attached form.
- iv I confirm that re-deployment and other measures have been considered (such as reasonable adjustment under the Disability Discrimination Act 1995).

Name of Employer

Signature

Name (in block capitals)

Date

Telephone No.

Official Stamp

Please send the completed form to:

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

# APPLICATION FOR TEACHER'S INCAPACITY BENEFITS

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## EMPLOYER CHECKLIST

1. Sick leave details (including reasons for absence)
2. Full job Description
3. Completed Job Classification number
4. Rehabilitation/re-deployment has been considered
5. STSS: (MED) 1
6. Medical evidence in support of application