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**East Dunbartonshire Council**

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## **Education Procedure Manual 2/ 36**

### **Retirement Arrangements**

**for**

**Members of the Scottish Teachers' Superannuation Scheme (STSS)  
and the Scottish Teachers' Pension Scheme (STPS) 2015**

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### **Monitoring and Review**

This procedure manual will be reviewed in accordance with:

- Legislative change
- Changes to SNCT national conditions of service
- Other external factors
- Feedback on the effectiveness of the policy
- Requests for review by Elected Members, Trade unions and/or Management.

### **Alternative Formats**

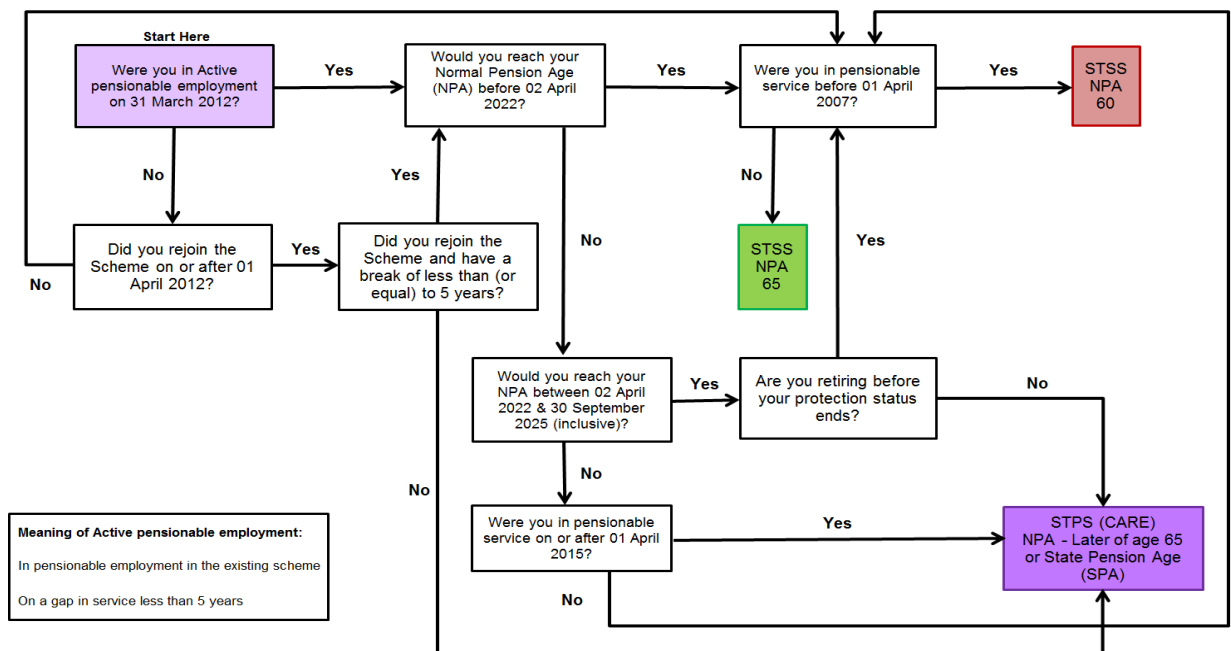
All Education Procedure Manuals can be found on The Hub. The Procedure Manual and the associated Appendices can also be made available, on request, in a variety of formats. These can be requested from Education, People and Development. Information will be made available in accordance with the Council's Accessible Information Policy.

**Passed at EDC Local Negotiating Committee for Teachers (LNCT) – October 2017**

**1.0 INTRODUCTION**

- 1.1 Following the public sector pension reforms, implemented on 01 April 2015, there are now two pension schemes for teachers and associated professionals. These are the Scottish Teachers' Superannuation Scheme (STSS) and the Scottish Teachers' Pension Scheme (STPS) 2015. The Scottish Public Pensions Agency (SPPA) directly administers these schemes.
- 1.2 The information in this Procedure Manual is applicable for members of these pension schemes, hereafter referred to as 'employees'.
- 1.3 An employee should consult the SPPA website for information on each of the schemes and to identify which scheme(s) he/she belongs to. Figure 1 below will assist employees in identifying the scheme they belong to.

**Figure 1: STSS / STPS Pension Schemes**



- 1.4 An employee who is considering applying for retirement should refer to the **SPPA Teachers' Pre Retirement Factsheet**.

[http://sppa.gov.uk/Documents/STSS/STSS%20Useful%20Resources/Factsheets/Teachers%20Pre%20retirement%20Factsheet%202017\\_1.pdf](http://sppa.gov.uk/Documents/STSS/STSS%20Useful%20Resources/Factsheets/Teachers%20Pre%20retirement%20Factsheet%202017_1.pdf)

This includes information about:

- scheme membership
  - protection of benefits
  - types of retirement (Age, Premature, Actuarial Reduced, Phased, Winding Down)
  - lump sum choice
  - taxation
  - additional pension
  - re employment after retirement
  - pension payments
- 1.5 SPPA Factsheets and their associated weblinks are referred to throughout this Procedure Manual. Employees are advised to ensure that they are consulting the most up to date Factsheet which appears on the SPPA website. All Factsheets should be read in conjunction with the appropriate Scheme Member Guide.
- <http://www.sppa.gov.uk/Documents/STSS/STSS%20Useful%20Resources/Guides/Members%20Guide/STSS%20Member%20guide%202017%20V.3.pdf>
- 1.6 This Procedure Manual outlines the means by which an employee can access their pension and sets out the process for making an application for retirement.
- 1.7 Application for the following types of retirement are covered in this Procedure Manual
- Phased Retirement (Section 2.0)
  - Winding Down (Section 3.0)
  - Age Retirement (AGE) (Section 4.0)
  - Actuarially Reduced Pension (ARP) (Section 5.0)
  - Premature Retirement (Voluntary Trawl) (Section 6.0)
  - Ill Health retirement (Section 7.0)
- 1.8 An employee can get an estimate of their pension by using the pension calculator available on the SPPA website or by writing to the SPPA, providing his/her date of birth and superannuation number or national insurance number. **The authority cannot give figures or pension advice.**
- 1.9 **Prior to making any decisions on pension and retirement options, an employee is strongly encouraged to seek assistance from an independent financial adviser.**
- 1.10 An application for retirement, once forwarded to the SPPA, can take up to four months to process. An employee wishing to retire should contact Resource Planning well in advance of the intended retirement date. This will allow the authority time to complete documentation and send it to the SPPA in accordance with the 3 -4 month processing requirement.

## **2.0 PHASED RETIREMENT SCHEME**

- 2.1 Phased retirement allows employees the opportunity to reduce their working commitment by receiving a lower salary whilst releasing part of their pension benefits.
- 2.2 To qualify for phased retirement, the employee must
- have the agreement of the authority before applying
  - be aged 55 or over
  - have been in pensionable employment on or after 1 April 2007.
- 2.3 An employee on a phased retirement is able to take a maximum of 75% of their retirement benefits. There must be a reduction of at least 20% of their pensionable salary and this must occur for a minimum of 12 months.
- 2.4 An employee who is considering phased retirement should, in the first instance, refer to the **SPPA Phased Retirement Factsheet**.

<http://www.sppa.gov.uk/Documents/STSS/STSS%20Useful%20Resources/Factsheets/phased%20015%20V.1.pdf>.

This includes information about:

- the criteria for qualifying for phased retirement benefits
- conditions of phased retirement
- applying for benefits
- requirement of the employer's consent
- the impact of increases in salary
- ill health
- death benefits.

The Factsheet should be read in conjunction with the appropriate Scheme Member Guide.

- 2.5 **Prior to making any decisions on pension and retirement options, an employee is strongly encouraged to seek assistance from an independent financial adviser.**
- 2.6 An employee who is considering phased retirement should contact Resource Planning who will advise on the process of application. A meeting can be arranged to discuss the completion of the form. This meeting is confidential and can be at the employee's place of work or an alternative location.
- 2.7 The employee should advise his/her Head Teacher/Line Manager and Resource Planning, in writing, of his/her intention to retire on a phased basis.

- 2.8 The employee should complete Form TEACH RET (Part 1), available on the SPPA website, and submit this to Resource Planning. This should be done electronically where possible. The authority completes Part 2 of the TEACH RET form.
- 2.9 An application for retirement, once forwarded to the SPPA, can take up to four months to process. An employee wishing to retire should contact Resource Planning well in advance of the intended retirement date. This will allow the authority time to complete documentation and send it to the SPPA in accordance with the 3 -4 month processing requirement.
- 2.10 Resource Planning will forward both parts of the TEACH RET form to the SPPA when complete and advise the employee that this has been done.
- 2.11 The SPPA will deal directly with the applicant once the form has been submitted.

### **3.0 WINDING DOWN**

- 3.1 Winding down is a form of phased retirement which offers an employee approaching his/her retirement age, the opportunity to continue in employment on a part-time basis while protecting his/her overall final retirement pension entitlement.
- 3.2 Winding down employment allows each year of service under the part time contract to count as one full year for pension benefit calculation purposes.
- 3.3 To participate in winding down employment, the employee must
- have the consent of the authority
  - have elected to wind down no earlier than 4 years prior to his/her NPA
  - have been in continuous full time service for a period of 10 years immediately prior to commencing winding down employment.
  - have accrued a minimum of 25 years teaching service prior to commencing winding down
  - be employed on a winding down basis for 0.5 FTE or more
  - remain in winding down for no longer than 4 years
- 3.4 Further details on winding down are contained within the **SPPA Winding Down Factsheet**

<http://sppa.gov.uk/Documents/STSS/STSS%20Useful%20Resources/Factsheets/winding%20down%20factsheet%202015%20v2.pdf>

This includes information about:

- eligibility to wind down
- calculation of final pensionable salary
- conditions of winding down

The Factsheet should be read in conjunction with the appropriate Scheme Member Guide.

- 3.5 **An employee is strongly advised to take financial advice prior to applying for winding down employment as once the pension is in payment it cannot be revoked.**
- 3.6 An employee who is considering winding down should contact Resource Planning who will advise on the process of application. A meeting can be arranged to discuss the completion of the form. This meeting is confidential and can be at the employee's place of work or an alternative location.
- 3.7 The employee should discuss his/her intention to wind down with his/her Head Teacher/ Line Manager and Resource Planning.
- 3.8 The employee should complete the Authority's Winding Down Application (WDS 1) , attached to this Procedure Manual as Appendix 1, and the SPPA Wind Down Application STSS WD (12), available on the SPPA website.
- 3.9 The employee should submit all completed forms to Resource Planning. This should be done electronically where possible.
- 3.10 An application for winding down, once forwarded to the SPPA, can take up to four months to process. An employee wishing to wind down should contact Resource Planning well in advance of the intended start date of the winding down. This will allow the authority time to complete documentation and send it to the SPPA in accordance with the 3 -4 month processing requirement.
- 3.11 Approval for winding down will be dependent on the availability of suitable backfill arrangements for the remaining part of the post. The authority has the right to refuse a winding down application.
- 3.12 If the authority gives approval for winding down, Resource Planning will forward both forms to the SPPA when complete, and advise the applicant that this has been done.
- 3.13 Following this, the SPPA will deal directly with the applicant.
- 3.14 The SPPA have the right to refuse an application to wind down.
- 3.15 An employee must continue to fulfil all of his/her contractual obligations until confirmation of the winding down has been received from SPPA and backfill arrangements are in place.
- 3.16 A winding down arrangement, if approved, will normally commence at the start of a term/session
- 3.17 An employee who has embarked on the winding down scheme does not have the right to automatically transfer back to a full time post. If he/she wished to return to a full time post, this would be effected through the normal recruitment process.

#### **4.0 AGE RETIREMENT**

- 4.1 Retirement at normal pensionable age (NPA) is known as Age Retirement. An employee may retire and receive immediate access to unreduced benefits at his/her NPA, provided he/she has the required qualifying service. If continuing to serve after NPA, an employee can remain in the STSS/STPA until age 75 and may accrue further benefits. Benefits will be paid when the individual retires.
- 4.2 An employee wishing to retire at normal pensionable age does not require any consent from the authority.
- 4.3 **Prior to making any decisions on pension and retirement options, an employee is strongly encouraged to seek assistance from an independent financial adviser.**
- 4.4 An employee who is considering age retiral should contact Resource Planning who will advise on the process of application. A meeting can be arranged to discuss the completion of the form. This meeting is confidential and can be at the employee's place of work or an alternative location.
- 4.5 The employee should advise his/her Head Teacher/Line Manager and Resource Planning, in writing, of his/her intention to retire.
- 4.6 The employee should complete Form TEACH RET (Part 1), available on the SPPA website, and submit this to Resource Planning. This should be done electronically where possible. The authority completes Part 2 of the TEACH RET form.
- 4.7 An application for retirement, once forwarded to the SPPA, can take up to four months to process. An employee wishing to retire should contact Resource Planning well in advance of the intended retirement date. This will allow the authority time to complete documentation and send it to the SPPA in accordance with the 3 -4 month processing requirement.
- 4.8 Resource Planning will forward both parts of the TEACH RET form to the SPPA when complete, and advise the employee that this has been done.
- 4.9 The SPPA will deal directly with the applicant once the form has been submitted.

#### **5.0 ACTUARIALLY REDUCED PENSION**

- 5.1 The actuarially reduced pension (ARP) is an early retirement facility whereby employees can retire with actuarially reduced benefits.



- 5.2 The reduction takes account of the fact that benefits are being paid earlier and therefore potentially for a longer period than would have been the case if the employee had continued in employment. Both the annual pension and the lump sum payment will be subject to actuarial reduction.
- 5.3 This is a voluntary form of retirement and the decision to take actuarially reduced benefits is a matter, principally, for the employee.
- 5.4 An employee wishing to retire with ARP must obtain the consent of the authority. Consent can be withheld but only for a maximum of 6 months from the date of the request.
- 5.5 **An employee considering this option should be aware that the pension will be actuarially reduced and this is permanent. Seeking independent financial advice is therefore essential before proceeding.**
- 5.6 An employee aged between 55 and NPA can apply to retire early with immediate access to ARP benefits provided he/she has the required qualifying service.
- 5.7 The employee must have:
- at least 2 years STSS membership
  - pensionable service or excluded employment on or after 1 July 2002;
  - qualified for retirement benefits;
  - an ARP pension which is at least the value of the state guaranteed minimum pension.
- 5.8 Added years and compensation payments cannot be awarded to an employee who has opted to retire on ARP.
- 5.9 An employee who is considering ARP should contact Resource Planning who will advise on the process of application. A meeting can be arranged to discuss the completion of the form. This meeting is confidential and can be at the employee's place of work or an alternative location.
- 5.10 The employee should advise his/her Head Teacher/Line Manager and Resource Planning, in writing, of his/her intention to retire.
- 5.11 The employee should complete Form TEACH RET (Part 1), available on the SPPA website, and submit this to Resource Planning. This should be done electronically where possible. The authority completes Part 2 of the TEACH RET form.
- 5.12 An application for retirement, once forwarded to the SPPA, can take up to four months to process. An employee wishing to retire should contact Resource Planning well in advance of the intended retirement date. This will allow the authority time to complete documentation and send it to the SPPA in accordance with the 3 -4 month processing requirement.

- 5.13 Resource Planning will forward both parts of the TEACH RET form to the SPPA when complete, and advise the employee that this has been done.
- 5.14 The SPPA will deal directly with the applicant once the form has been submitted.

## **6.0 PREMATURE RETIREMENT**

- 6.1 A premature retirement programme (voluntary trawl) may be implemented as part of efficiency savings following a service review. In such cases, pension benefits may be enhanced by an additional period of service.
- 6.2 The cost of premature retirement benefits is shared between the pension scheme and the authority. The amount of the enhancement will be determined by the authority at the time of the premature retirement programme.
- 6.3 Employees will receive written notification if premature retirement is being considered by the authority. This provision is not open to applications.
- 6.4 Premature retirement benefits may be awarded if the employee
- has at least two years qualifying service
  - is aged between 55 and 59 (for members of the scheme prior to 01 April 2007) or 55 and 64 (for members of the scheme on or after 01 April 2007)
- 6.5 Premature retirement can only be offered to employees if they are in pensionable employment when their retirement application is received by the SPPA. Therefore if the employee is on nil pay or on a career break, employers cannot offer nor grant premature retirement.
- 6.6 An employee who is considering premature retirement should refer to the **SPPA 'Premature Retirement Factsheet'**. This Factsheet is currently under review by the SPPA (October 2017).

<http://www.sppa.gov.uk/Documents/STSS/STSS%20Useful%20Resources/Factsheets/Premature%202013%20V.1.1.pdf>

This includes information about:

- the criteria for qualifying for premature retirement benefits
- compensation payments by the employer
- additional pension
- lump sum choices
- application for benefits
- re employment

The Factsheet should be read in conjunction with the appropriate Scheme Member Guide.

- 6.7 An employee cannot return to work for one year following retirement through a premature retirement programme.
- 6.8 Arrangements for application for premature retirement will be communicated to employees at the start of the premature retirement programme.
- 6.9 The employee should advise his/her Head Teacher/Line Manager of his/her intention to retire in writing.
- 6.10 The employee should complete Form TEACH RET (Part 1), available on the SPPA website, and submit this to Resource Planning. This should be done electronically where possible. The authority completes Part 2 of the TEACH RET form.
- 6.11 An application for retirement, once forwarded to the SPPA, can take up to four months to process. An employee wishing to retire should contact Resource Planning well in advance of the intended retirement date. This will allow the authority time to complete documentation and send it to the SPPA in accordance with the 3 -4 month processing requirement.
- 6.12 Resource Planning will forward both parts of the TEACH RET form to the SPPA when complete and advise the employee that this has been done.
- 6.13 The SPPA will deal directly with the applicant once the form has been submitted.

## **7.0 ILL HEALTH RETIREMENT**

- 7.1 If an employee is under Normal Pension Age (NPA) and has to retire through ill-health, he/she can apply for ill-health benefits. An application should only be submitted after all other avenues such as redeployment have been exhausted.
- 7.2 Retirement on the grounds of ill health must be approved by the SPPA.
- 7.3 Total Incapacity Benefits may be granted if, as well as being permanently unable to teach, an employee is assessed as having their ability to carry out any work impaired by more than 90% and likely to be so permanently. The total amount of enhancement an employee may receive if he/she is awarded Total Incapacity Benefit is half the service he/she could have completed before NPA.
- 7.4 Partial Incapacity Benefits may be granted if the employee is assessed as being permanently unable to teach but can undertake other employment. An employee who qualifies for Partial Incapacity Benefit will receive a lower level of benefits consisting of service accrued to date of retirement with no enhancement.

7.5 Further details on ill health retirement are contained within the **SPPA 'Ill Health Retirement Factsheet'** . This Factsheet is currently under review by the SPPA (October 2017).

<http://www.sppa.gov.uk/Documents/STSS/STSS%20Useful%20Resources/Factsheets/Premature%202013%20V.1.1.pdf>.

This includes information about:

- the criteria for qualifying for ill health retirement benefits
- referral to a Medical Advisor
- level of benefits(total incapacity benefits/partial incapacity)
- unsuccessful applications
- additional pension
- application
- returning to work

The Factsheet should be read in conjunction with the appropriate Scheme Member Guide.

- 7.6 If OH considers that there is a potential ill health retiral outcome at consultation, they will request consent from the employee for OH to obtain further medical information to support the ill health retiral application. The employee will be asked to complete the consent form on Page 3 of the SPPA STSS MED 1 - Scottish Teachers' Superannuation Scheme (STSS), Application for Incapacity Retirement Medical Report form. This is available on the SPPA website.
- 7.7 On receipt of the medical information by OH, OH completes the SPPA STSS: (MED) 1 form and confirm the ill health retiral outcome. This is sent directly to the employee along with the medical information obtained by OH.
- 7.8 HR will agree a provisional retirement date e.g. 6 weeks in advance.
- 7.9 HR request Payroll to complete the relevant superannuation information on the SPPA STSS: (INC) - Application for Teacher's Incapacity Benefit, while the employee completes the rest of the information on this form.
- 7.10 HR check and send all the above documentation to SPPA for consideration by an SPPA medical adviser.
- 7.11 Confirmation of the ill health retiral application outcome is sent directly to the employee.
- 7.12 The employee must confirm the outcome with HR and provide them with the SPPA outcome letter.

## **8.0 RE EMPLOYMENT AFTER RETIREMENT**

- 8.1 If a member becomes re employed after retirement, he/she must notify the SPPA.
- 8.2 A member should be aware that he/she may be subject to an earnings limit upon re employment after retirement.
- 8.3 A member entering re-employment must have a break of at least one working day, after retirement, before returning to work. Failure to take at least one day break will result in the pension being stopped and any pension and lump sum already paid will be recovered.
- 8.4 An employee who is considering re employment after retirement should consult the SPPA 'Re-employment' Factsheet.

<http://www.sppa.gov.uk/Documents/STSS/STSS%20Useful%20Resources/Factsheets/Premature%202013%20V.1.1.pdf>

This includes information about:

- earnings limit
- monitoring earnings
- earnings limit increases
- pension contributions in re-employment
- refund of contributions
- short service annuity
- second pension
- returning to work after ill health retiral

The Factsheet should be read in conjunction with the appropriate Scheme Member Guide.

**APPENDIX 1** (A WORD COPY OF THIS FORM IS AVAILABLE)

## Request to Wind Down (WDS1)

**SECTION 1** To be completed by the applicant and forwarded to the Head Teacher or the Chief Education Officer (for Head Teacher applicants)

NAME

SCHOOL

POST  GTCS NUMBER

ADDRESS

POSTCODE  CONTACT NUMBER

DATE OF BIRTH

**SERVICE HISTORY**

POST HELD	DATE FROM	DATE TO

PROPOSED WINDING DOWN START DATE

PROPOSED WINDING DOWN FTE

**PROPOSED PATTERN OF WORK**

DAY	am	pm
MONDAY		
TUESDAY		
WEDNESDAY		
THURSDAY		
FRIDAY		

ARE YOU INTENDING TO DEMIT TO A POST OF LESSER RESPONSIBILITY?

If YES, please give brief details

Signature of applicant

Date

**SECTION 2** To be completed by the Head Teacher/ Chief Education Officer, as appropriate, and forwarded to Resource Planning.

I have discussed this application for winding down with the applicant and confirm that this can be accommodated within the school

YES/NO

Please give details

Will the remaining part of the post require to be filled?

YES/NO

I am able to support this application in principle.

Signature of Head Teacher/  
Chief Education Officer

Date

**SECTION 3** To be completed by Resource Planning

I can confirm that the application for winding down has/has not been approved.

Details

Signature of Resource Planning Manager

Date