



## **Teachers' Pensions Scheme Regulations Pension Policy Guidance Notes: 1 April 2015**

These notes establish clear and robust guidelines to managers and human resources officers. All decisions relating to the payments and discretions contained within this policy need to be objectively justifiable if challenged.

**All other past policies and discretions are revoked following the approval of the policy. The discretions detailed in the policy will apply from 1 April 2015.**

### **PART 1 - DECISIONS TO BE MADE AT THE START OF EMPLOYMENT**

#### **Teachers Pension Regulations 2014**

##### **1. Section 3 - Regulations 204 and 222: Power to allow inwards transfer values to be accepted after 12 months membership**

**No policy change.**

This Regulation was contained in the previous discretionary powers. There could be significant cost to the pension fund liabilities if this discretion was not limited. The extension will be allowed when the delay is of no fault of the employee e.g. previous scheme not providing transfer details in a timely manner.

The decision to allow the transfer will be authorised by the Chief Financial Officer or their Deputy (Head of Finance) on the recommendation of the Manager of Payroll & Pensions.

##### **2. Schedule 2, Part 2: Power to award additional pension**

**No policy change.**

This Regulation was contained in the previous discretionary powers. Awarding additional pension would incur significant pension scheme liabilities for the Council and therefore the award of additional pension will not be adopted.

### **Part 2 - DECISIONS TO BE MADE AT TERMINATION OF EMPLOYMENT**

#### **The Teachers (Compensation for Redundancy and Premature Retirement) Regulations 2015**

##### **1. No limit on weekly pay for calculation of redundancy payment**

**No policy change.**

Redundancy payment entitlement will be calculated as if there had been no limit on the amount of the week's pay used in the calculation. In calculating a redundancy

payment, this will be calculated based on the employee's actual weekly pay rather than the statutory weekly limit. The redundancy payment will be funded corporately provided the redundancy is based on Council policy of:

1. A school closure
2. Whereby a compulsory redundancy will be avoided

Any awards agreed outside this policy will be funded from school budgets. Further information is contained in Annex 7 of Walsall Children's Services Scheme for Financing Schools 2013.

## **2. Part 3 – Discretionary compensation for termination**

### **No policy change**

A one-off lump sum compensation payment may be awarded to an employee up to a maximum value of 104 weeks pay (2 years) inclusive of any redundancy payment made.

This discretion cannot be applied if premature retirement is agreed. Employees can not have both. If employees contracts are terminated through redundancy an exemption in the age regulations will allow employers to apply an enumerator of the statutory redundancy payment. This exemption does not apply to those who are terminated on efficiency grounds.

The Council have decided to adopt this discretion in part and will award an additional lump sum compensation payment equal to the value of the statutory redundancy payment maximum payment 30 weeks – but only in cases of some compulsory redundancies on the joint authority of the Chief Financial Officer or their Deputy (Head of Finance) and the Head of Human Resources (both parties must be in agreement). Each award will be subject to a cap to employees paid less than the full time equivalent value of NJC scale point 29.

The enhancement will be restricted to a teacher who:

- a) have at least 3 years continuous service with Walsall MBC
- b) are in circumstance whereby a compulsory redundancy will be avoided
- c) have not previously received an enhanced severance payment
- d) Are not subject of formal competency procedures at the time of redundancy.

Prior to a decision being made the cost of the award must be obtained and the funding to support the award must be confirmed by the relevant Finance Manager.

Any awards agreed outside this policy will be funded from school budgets. Further information is contained in Annex 7 of Walsall Children's Services Scheme for Financing Schools 2013.

## **3. Premature retirement - Mandatory compensation**

### **Revised policy**

If the governing body at a school wishes to award premature retirement in respect of one or more of its teachers, this will be at a cost to the school budget. The cost can be substantial as it represents the capitalised value of pension benefits paid over the lifetime of the employee and any surviving spouse thereafter. The decision could therefore have a significant impact on school funding.

Any award of premature retirement that is requested by the school must be made in accordance with the Council policy and must be approved on the joint authority of the Chief Financial Officer or their Deputy (Head of Finance) and the Head of Human Resources at the Local Authority (both parties must be in agreement).

The cost of awarding premature retirement will be funded from the school's budget. Further information is contained in Annex 7 of Walsall Children's Services Scheme for Financing Schools 2013.

#### **4. Chapter 5: Voluntary early retirement – actuarially reduced benefits**

##### **No policy change**

This is an administration procedure which determines when and how the employee can access their retirement benefits on a voluntary basis from age 55 to normal retirement age. The Council requires the teacher to provide 6 months notice of intent. Pension benefits will be paid on an actuarially reduced basis. There is no cost to the service.

#### **5. Regulation 39 and 40 (TPR 2010 regulations) - Restriction on average Salary**

##### **No policy change**

This is a cost to the service and will not be adopted for funding from Council funds. School Governors' may choose to fund the addition from the school budget but must judge each specific case equally and fairly on its own merits having fully considered service delivery and financial costs.

### **PART 3 – INJURY ALLOWANCES**

#### **1. Conditions of Service for School Teachers in England and Wales: Section 9**

##### **No policy change**

**For Teachers** – Section 9 of the Conditions of Service for School

An injury allowance is payable to teachers in cases of absence due to an accident, injury or assault whilst in the course of the teachers duties. This includes attendance for instruction at a physical training or other classes organised and approved by the employer or participation in any extra curricular or voluntary activity connected to the school.

- There is no permanent payment.
- Accident report forms **MUST** be sent to Employee Services to be kept on the personal file.

- The absence cannot be classed as industrial injury until evidence to support the payment is received
- A copy should be sent to Safety Health and Welfare and retained in the school accident book.

### **Temporary payment**

All claims are to be submitted to the Injury Allowance Panel and cannot be paid until approved by the Panel.

An extension to full pay is allowed in all approved cases subject to restrictions detailed below such pay being treated as sick pay, but not exceeding 6 calendar months. An extension can be considered by the Panel if requested and will be agreed based on the evidence presented.

Payments are funded from the school budgets not the Pension fund. All payments will be reduced by payments received from state benefits or any payment from compensation or insurance resulting from claims made regarding the injury or illness.

Reductions to the payments are made if –

1. 50% reduction for pre existing condition or
2. 50% reduction for contributory negligence.

There is no separate internal appeals process as designated by the Injury Allowance Panel.

### **PART 4 – APPEAL PROCESS**

#### **No policy change.**

Any disputes about decisions made in respect of these discretions should be sent in writing to:

The Executive Director (Children's)  
 The Council House  
 Walsall Council  
 WS1 1TW **or**  
 The Chief Executive

This was contained in the previous policy statement and will continue unchanged within this revised policy. Appeals in writing should be received within 6 months of a decision to the specified person named in the policy.