

Scottish Teachers' Superannuation Scheme,  
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## **A GUIDE TO PRESERVING AND TRANSFERRING YOUR PENSION RIGHTS**

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- This booklet gives general guidance only and should not be treated as a complete and authoritative statement of the Teachers' Superannuation (Scotland) Regulations.

If you are unsure about any further points, please telephone 01896 893000 or write to us at the address shown above.

## INTRODUCTION

1. This booklet gives general information about transferring your pension rights to and from the Scottish Teachers' Superannuation Scheme (STSS); the booklet also gives guidance on preserving of these rights in the STSS.
2. Various options may be open to you on joining or leaving the STSS. They are important, since they could affect how you will provide for your retirement and for any dependants.
3. The booklet is split into four sections which each deal with one option:
  - Part A explains the option of transferring pension rights to the STSS **from** another pension scheme.
  - Part B describes the option of transferring your pension rights in the STSS **to** another scheme.
  - Part C describes the option of preserving your pension rights in the STSS.
  - Part D briefly describes the option of preserving your pension rights in another pension scheme.
4. Other options which may be available to you on joining or leaving the STSS are detailed in the booklet, STSS Members' Guide.

This booklet is available from:

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

Telephone 01896 893000 or via our website [www.sppa.gov.uk](http://www.sppa.gov.uk).

**5. You must remember that whatever options are open to you, the ultimate choice must be yours.** The Agency cannot offer financial advice.

6. In this booklet, “service” means teaching employment, which will count in any calculation of benefits payable from the STSS. In other words, ‘reckonable service’.

## **PART A - TRANSFERRING YOUR PENSION RIGHTS FROM ANOTHER SCHEME TO STSS**

### **Can I transfer my pension rights from other teachers' schemes?**

7. **Yes.** Transfers from the statutory teachers’ schemes in England and Wales, Northern Ireland, the Channel Islands and the Isle of Man will always allow transfer of service on a day for day basis. There are no time limits for such transfers.

### **Can I transfer my pension rights from any other pension schemes?**

8. **Yes,** in the case of the public sector, and there are many other pension schemes in the private sector which operate transfer arrangements. In addition, transfers from insurance companies may be possible. In these circumstances, there is a time restriction of 12 months after the date you joined the STSS to request a transfer. It will be for your former scheme to decide whether it can make a transfer payment in your case. The amount transferred will also be a matter entirely for your former scheme.

### **How does SPPA treat the transfer payment?**

9. If your former scheme offers a transfer payment, SPPA will be able to tell you how much service this would produce in the STSS. This will help you to decide whether to proceed with a transfer payment, or opt for a preserved pension in your former scheme (see Part D).

10. If you wish to investigate the possibility of a transfer of your pension rights from another superannuation scheme, please complete form STSS:(TVIN)1 and send it to us without delay. NB, if you intend transferring service from the Teachers’ Pension Scheme

(England & Wales), you should also complete form STSS:(0211FM)1. These forms are available through our website [www.sppa.gov.uk](http://www.sppa.gov.uk) .

## **OTHER POINTS ABOUT TRANSFERS INTO THE STSS**

### **Repayment of previously withdrawn contributions**

11. If you transfer your service from your former pension scheme and you had contributions in the STSS which were refunded to you before 1 June 1973, you can repay them when you re-enter the STSS. This will reinstate the service withdrawn. For details of this arrangement, please refer to the Scheme Members' Guide.

### **Purchasing added years/additional pension**

12. When you transfer rights to the STSS, you cannot continue any arrangements you have made to buy extra service for pension purposes or additional pension benefits in your former scheme. You may, however, wish to consider purchasing additional pension benefits, if so, please refer to the Scheme Members' Guide for further information.

### **Additional voluntary contributions**

13. You can also pay additional voluntary contributions to the Prudential. The benefits payable would be separate from your benefits with the STSS.

### **Free standing additional voluntary contributions (FSAVC)**

14. If you wish, you can take out a FSAVC contract with an insurance company. The benefits resulting from these additional contributions would be separate from your STSS benefits.

## **PART B - TRANSFER OF YOUR PENSION RIGHTS FROM STSS TO ANOTHER PENSION SCHEME**

### **Can I transfer to any other pension schemes?**

15. **Yes.** Transfers are common in the public sector, and in many other private sector schemes. In addition, transfers can be made to Appropriate Personal Pension Plans, Personal Pension Plans and Section 32 Buy Out Policies operated by insurance companies, provided you left the STSS after 1 January 1986. (The effective date of the legislation.)

16. A transfer is completed by our making a cash payment to your new pension scheme SPPA **cannot** give information about benefits in another scheme which may accept a transfer payment. Your new scheme will be able to provide the information about benefits and other conditions in your new scheme, which will help you decide whether to transfer your pension rights from the STSS. On request, we will give you details of the transfer and of the preserved benefits.

It is therefore **very important** for you to find out, before deciding to transfer your service credit in the STSS, whether the equivalent benefits in your new scheme from the transfer are satisfactory to you.

### **Can I transfer to other statutory teachers' superannuation schemes?**

17. **Yes.** If you take up teaching in England and Wales, Northern Ireland, Isle of Man or the Channel Islands, the relevant statutory teachers' scheme will give full credit for any service you choose to transfer. Applications for transfer should be made to the administrators of your new scheme. Addresses of the statutory teachers' schemes are included after paragraph 20.

There is no time limit for transfers between the statutory teachers' schemes.

### **What are the effects of a transfer of pension rights from the STSS?**

18. When you have accepted a transfer out of the STSS, you give up all rights in the STSS. If you return to service in Scotland at a later date, a transfer back may be possible but such a transfer will be subject to the conditions at that time. There is no guarantee that your former service in the STSS will be reinstated, unless the transferring scheme is another statutory teachers' scheme.

### **What action should I take if I decide to transfer?**

19. If you decide to transfer to another scheme and you have been in pensionable employment in the STSS for less than 2 years, then you should request a transfer **within 12 months** of joining your new pension scheme. There is no time limit if you have been in such employment for more than 2 years. A break between your former and future employments does not disqualify you from transferring rights from the STSS, but some other schemes may refuse to accept a transfer if the break is 12 months or more. **If you are considering a transfer of your pension rights, you should contact your new employer without delay, as time limits may apply in your new pension scheme.**

### **What happens if I am buying added years in the STSS?**

20. If you have paid additional contributions to cover previous experience, to buy added years (current or past years) or to purchase additional pension benefits your transfer will reflect the amount of extra service or additional pension purchased up to the time your payments ceased. Additionally, if you have made a 'past added years' election', you can opt **within 3 months** of leaving service to complete the contract by paying a lump sum. The transfer will then reflect the full amount of years purchased. You should apply in writing to SPPA if you wish to do so.

Addresses of other statutory teachers' schemes in the British Isles.

England & Wales:

Teachers' Pension Scheme  
Mowden Hall  
Darlington  
Co Durham  
DL3 9EE

Northern Ireland:

Department of Education  
Waterside House  
75 Duke Street  
Londonderry  
BT47 1FP

Jersey:

Jersey Teachers' Superannuation Scheme:  
Education Department  
PO Box No 142  
Jersey  
JE4 8QT  
Tel: 01534 509 252

Guernsey and Alderney:

Guernsey and Alderney Teachers' and  
Teachers' Families Superannuation Scheme  
States of Guernsey  
Grange Road  
St Peter Port  
Guernsey  
GY1 1RQ

Isle of Man:

The Secretary  
Civil Service Department  
Government Offices  
Bucks Road  
Douglas  
Isle of Man

## **PART C - PRESERVATION OF YOUR PENSION RIGHTS IN THE STSS**

### **How do I qualify for retiral benefits?**

21. You may have qualified for retiral benefits when you leave the STSS if:

21.1 you have 2 years' reckonable service after 5 April 1988; or

21.2 you were in reckonable service on 6 April 1988 and you have 2 year's reckonable service; or

21.3 you have 5 year's reckonable service at any time, and you were under 65 years of age on 6 April 1988.

### **What are the effects of preservation?**

22. All periods of service of whatever length are totalled for entitlement to and calculation of benefits. Even if your service on leaving teaching is too short to qualify for benefits, you might eventually qualify if your service is preserved in the STSS and you add to it later by returning to teaching. Your decision whether to preserve your service, or to transfer it to another scheme might therefore be influenced by the likelihood of a future return to teaching. Preservation is not affected if you take up employment overseas, but the option of transfer may be unavailable if you do (see paragraph 15). You should consult with the overseas scheme managers to find out whether preservation of your STSS benefits has affected the possibility of a transfer.

### **What happens if I have qualified for benefits?**

23. If you have qualified for benefits and you opt to preserve your rights, you will be eligible for the award of a lump sum and pension at age Normal Retirement Age (earlier if you suffer ill-health and are unable to work). Benefits are preserved from the date you leave the STSS and are adjusted annually to keep your potential pension in line with rises in the cost of living.

## **What are these benefits?**

24. Your personal benefits and the salary used to calculate your benefits depend on when you retire.

24.1 If you retire before 1 April 2007:

- The highest amount of your full salary for a successive 365 days' service, whether continuous or not, in the last 3 years of reckonable service (or total service if it amounts to less than 3 years) is used

24.2 If you leave service before 1 April 2007 but retire before 31 March 2009:

- The best of the following calculations will be used
- The highest amount of your full salary for a successive 365 days' service, whether continuous or not, in the last 3 years of reckonable service (or total service if it amounts to less than 3 years) will be used.
- The salaries for the last ten calendar years are increased using Pensions Increase (PI). Then the average of the best consecutive three years' re-valued salaries in those ten calendar years is used.

24.3 If you retire after 1 April 2009

- The salaries for the last ten calendar years are increased using Pensions Increase (PI). Then the average of the best consecutive three years' re-valued salaries in those ten calendar years is used.

24.4 If you were a scheme member prior to 1 April 2007 your benefits will consist of:

- an annual pension at the rate of  $1/80^{\text{th}}$  of the pensionable salary for each year of reckonable service (parts of year count proportionally); and
- a lump sum related to the same pensionable salary at the rate of  $3/80^{\text{ths}}$  for each year of service.

There are 'contingent benefits' for widows or widowers, nominated partners and nominated dependents. These benefits are related to the same pensionable salary and payable at the rate of  $1/160^{\text{th}}$  for each year of service, the length of family benefits

service applicable dependent on the relationship type and the date you joined the scheme. Contingent children's pensions are payable at amounts depending on individual circumstances. For further information please refer to the Scheme Members' Guide.

## **PART D - PRESERVATION OF YOUR PENSION RIGHTS IN ANOTHER PENSION SCHEME**

### **Preservation in another teachers' scheme**

25. You may be joining or rejoining the STSS after service in one of the statutory teachers' pension schemes in England and Wales, Northern Ireland, the Channel Islands or the Isle of Man. If so, it is in your interest to consider whether you should preserve that service, or to transfer it; a transfer would mean that all your teaching service in the British Isles would be totalled. Your pension would then be payable from one source (see paragraph 7).

### **Preservation in another pension scheme**

26. If you have service in another pension scheme, your former employer will be able to give you information about preserving your pension rights in that scheme. It will be for you to decide whether the terms offered are preferable to the option of a transfer into the STSS.