

Scottish Teachers' Superannuation Scheme

APPLICATION FOR REFUND OF CONTRIBUTIONS

You should complete this form in BLOCK CAPITALS and send it to us immediately.

Please read the attached guidance notes before completing this form.

As we may need information Her Majesty's Revenue and Customs (HMRC) and your to employer enable us to calculate your refund, this may take some time to obtain.

However, the Agency will pay your refund within 1 month once all required information is to hand.

We will not acknowledge your application unless you ask us to do so.

1. Personal Details

Superannuation No.	
Surname	
Former Surname	
First Name(s)	
Title	
Date of Birth	
NI Number	

Contact Address	
Telephone Number	
E-Mail Address	

2. Details of your employment as a teacher

Name of employer(s) (including name of last school)	Period of employment	
	from	to

3. Payment of your Refund

Your refund will be paid directly into your bank or building society unless you are resident outside the UK. If you are resident outside the UK, payment will be made by a foreign draft (in the relevant currency) to your home address (bank details are not required).

Name of bank or building society

Account no. (including leading zero's)

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Branch address

Sort Code

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Account Type -

Current

Deposit

4. Declaration

(You must sign this section in the presence of the Attestor)

I apply for payment of any sums due to me from the Scottish Teachers' Superannuation Scheme.

I declare that the details given on this form are true. I declare that I am not employed in reckonable teaching service in Scotland nor in any category that would make me ineligible to receive a refund of my contributions.

Signature

Date

5. Attestation

(Your husband or wife cannot be the attestor)

I certify that this form was signed in my presence by the applicant, whom I believe to be the person to whom the details in this form relate.

I am not the applicant's husband or wife.

Signature

Date

Address of attestor

Please return this form immediately to: Scottish Public Pensions Agency
7 Tweedside Park
Tweedbank
Galashiels
TD1 3TE

NOTES FOR GUIDANCE

1. REFUNDS OF CONTRIBUTIONS

Taking a refund of contributions is one of your choices if you are finishing employment as a teacher or opting out of the STSS. The purpose of this note is to explain:

- who is eligible for a refund;
- what deductions are made;
- the other choices open to someone leaving superannuable teaching service.

2. AM I ELIGIBLE FOR A REFUND?

A refund may be payable if:

- you have not completed 2 years' reckonable service after 5 April 1988; or
- you were in reckonable service on 6 April 1988 and you have not completed 2 years' reckonable service; or
- you began reckonable service before 6 April 1988, and you have not completed 5 years' reckonable service.

If you do not fit into one of these categories, you are not eligible for a refund. Instead you may qualify for pension benefits.

These conditions apply only to teachers finishing their employment or opting out of the STSS on or after 6 April 1988.

3. WHAT DEDUCTIONS ARE MADE BEFORE MY REFUND IS PAID?

- A "Contributions Equivalent Premium" (CEP). We pay this to the Contributions Agency for all superannuable teaching service after 5 April 1978. It is the sum needed to buy you an additional old-age pension in the State scheme.
- Income Tax deducted at 20%. Income Tax is paid on a refund because when you contributed to the STSS you did not pay Income Tax on the superannuation contributions part of your pay; with the payment of a refund the Income Tax becomes payable. Tax is taken off after the CEP has been deducted.

EXAMPLE:	Employee's contributions	£866
	CEP (paid to the National Insurance Contributions Office)	<u>-£306</u>
		= £560
	Income Tax (at 20%)	<u>-£112</u>
	Net Refund	= <u>£448</u>

4. AM I DUE INTEREST ON MY CONTRIBUTIONS?

Yes. You will receive compound interest at 3% on the contributions you have paid for each year of service covered by the refund. We calculate the interest up to the day before we pay your refund

5. WHAT ARE MY OTHER OPTIONS?

As you can see from the example, the refund is only of the contributions **you** made towards your pension, **less deductions**. The contributions made by your employer towards your pension remain in the Scheme.

Alternatively, you may take up one of the following options:

- leave your contributions in the Scheme (you may rejoin later - your service will then be totalled and you may qualify for benefits);

or

- transfer your superannuation rights to any new pension scheme you join (e.g. an occupational pension scheme or a personal pension plan).

Please note that you cannot repay refunded contributions to the Scheme if you return to superannuable teaching service.

6. IS IT BETTER TO LEAVE MY CONTRIBUTIONS IN THE SCHEME?

If you do not qualify for benefits, instead of taking a refund of contributions you may wish to consider preserving your superannuation rights in the Scheme, particularly if you intend to return to teaching or rejoin the Scheme at a later date. Your own and employer's contributions would remain in the Scheme and no money would be taken from them. On returning to teaching, we will add your new service to your previous service. If the total is more than 2 years, you will qualify for payment of a pension and lump sum.

7. IS IT BETTER TO PRESERVE MY SUPERANNUATION RIGHTS?

If you have qualified for benefits by meeting one of the conditions in paragraph 2, your superannuation rights will automatically be preserved in the Scheme. The values of your preserved pension and lump sum are inflation-protected until they become payable when you reach age 60 (or earlier if you become incapable of working because of ill health). When your pension becomes payable, we will also increase it each year in line with inflation so that it will keep its value. Other options are available to you and we will send you a letter explaining how you may take them up.

8. HOW CAN I PRESERVE MY SUPERANNUATION RIGHTS?

Your superannuation rights automatically stay in the Scheme unless you wish to take up any of the other options described in paragraph 5. When you finish employment or opt out of the Scheme, we will send you a letter setting out your options and asking you to complete a form indicating which of the options you wish to take.

9. HOW DO I APPLY FOR A REFUND?

If, having read this booklet you think you qualify for a refund and want to apply for one, you should complete the "Application For Refund of Contributions" form. Please note that we will not be able to pay a refund until we have all the information about your superannuable teaching service from your employer. Also, we need information from the National Insurance Contributions Office about the CEP deduction (see section 3). Assuming we are in receipt of all the relevant information, we will aim to process your refund within one month from the date of receipt of your application.

Payment cannot be made in any case until a period of **one month** after you finish employment or opted out of the STSS.

Please return the completed form to:

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

10. CAN I CLAIM A REFUND WHILST RESIDENT ABROAD?

Yes, provided you meet all the conditions listed in this leaflet, there is nothing preventing you from claiming your refund of contributions even though you are no longer resident in the UK.

Payment of refunds overseas is made by means of a foreign draft made out in the relevant currency. The foreign draft is issued to your home address.

11. ANY QUESTIONS

If you have any questions about your refund, please call 01896 893000 or write to us at the address above. Always quote your STSS number.