

EMPLOYMENT MATTERS COMMITTEE

7 JANUARY 2009

TEACHERS' PENSION SCHEME – MEDWAY DISCRETION

Report from: Tricia Palmer, Assistant Director Organisational Services

Author: Ralph Edwards, Head of HR Services (Schools)

Summary

This report advises Members of a change in the Teachers Pensions Regulations from 1 April 2010 which means that a decision taken by the Employment Matters Committee on 23 July 2009 can no longer be applied.

1. Budget and Policy Framework

1.1 The policy lies within the Council's policy and budget framework and the Committee's terms of reference. Therefore, this is a matter for the Employment Matters Committee.

2. Background

2.1 On 23 July 2009 the Employment Matters Committee agreed to Medway only exercising its discretion under the Teachers' (Compensation for Redundancy and Premature Retirement) Regulations 1997 for teachers who are redundant and aged 55 to 59. In effect this would enable those teachers to continue to access their pension. Teachers aged 50 to 54 would no longer have early access.

2.2 Members also agreed that there should be an exception to enable any staff made redundant by the closure of New Brompton College, Medway Community College or Chatham South Schools on 31 August 2010 to benefit from the previous discretion. This was due to the fact that the decision to close the schools to form two new Academies had already been taken.

2.3 In short any teacher made redundant on 31 August 2010 at the 3 schools named in paragraph 2.2, aged 50 to 60 would still be entitled to premature retirement benefits and discretionary compensation.

- 2.4 However, from 6 April 2010 The Teachers Pensions etc (Reform Amendments) Regulations 2006 will only allow employers to award premature retirement benefits to scheme members who have attained age 55 with the exception of those taking ill-health retirement. This means that any teacher aged 50 to 54 would not be able to be awarded premature retirement benefits. Unfortunately, this means that the decision made by Employment Matters Committee on 23 July 2009 can no longer be applied.

3. Advice and Analysis

- 3.1 The change in teachers pensions regulations negates the decision taken by Members for teachers who have not attained aged 55, and may be redundant as a result of the opening of the Gillingham Academy and Bishop of Rochester Academy.

4. Risk Management

- 4.1 The change in teachers pensions regulations from 6 April 2010 and Medway continuing to exercise its discretion under the teachers pensions regulations for teachers who are redundant and aged 55 to 59 will mean that equality is achieved in terms of members of the teachers pension scheme and the local government pension scheme.
- 4.2 There is less risk of adverse employee relations.

5. Financial and Legal Implications

- 5.1 There is the potential for reduced costs should any member of the teachers pension scheme aged 50 to 54 be made redundant as a result of the closure of Medway Community College, Chatham South or New Brompton College.
- 5.2 Medway's policy needs to change as a result of changes in the teachers pensions scheme as detailed elsewhere in this report.

6. Diversity Impact Assessment

- 6.1 A DIA was undertaken for the report submitted to Committee on 23 July 2009 and the impact was statistically insignificant.

7. Recommendation

- 7.1 That the Employment Matters Committee reaffirms Medway exercising its discretion under the teachers pensions regulations to award premature retirement benefits to scheme members who have attained the age of 55 on the date the pensionable employment terminates and notes that it is unable to apply transitional arrangements based on the

previous rules for teachers at Chatham South School, Medway
Community College and New Brompton College.

Lead Officer Contact: Ralph Edwards
Telephone: 01634 331090
E-mail: ralph.edwards@medway.gov.uk

Background papers

Teachers (Compensation for Redundancy and Premature Retirement)
Regulations 1997
The Teachers' Pensions etc. (Reform Amendments) Regulations 2006