

Central Bedfordshire Council policy relating to Teachers' Pensions

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October 2017

Foreword from the Director of Children's Services

Dear Headteacher / Business and Finance Manager / HR / Payroll Provider,

In accordance with the Teachers Pensions Scheme Regulations (2010) (Regulation 3) the Council is deemed to be the employer for all Teachers employed by the schools we maintain. Maintained Schools include all Foundation, VC, VA and Community Schools and Nursery's.

Teachers play a critical role in the attainment and development of pupils within all schools within Central Bedfordshire Council and to support them in their role it is important that the Council are provided with accurate records relating to the deduction of pension contributions, confirmation that the employees and employers contributions have been sent to Teachers' Pensions accurately, and on a monthly basis, and that their service with schools maintained by CBC is reported to Teachers' Pensions on a monthly basis.

It is the responsibility of the Council for the submission of an annual End of Year Certificate (EOYC), which provides the total amount of contributions made by the Council to Teachers Pensions between 1st April and 31st March of each year. Additionally, the Council are responsible for submitting the Monthly Data Collection (MDC) information which used to be completed via the Annual Service Return to the Teachers' Pensions. This information is used to calculate pension benefits when a teacher retires. The MDC has been introduced to replace the Annual Service Return and the Council will commence submission of MDC's from October 2017.

The EOYC is audited by an external auditor on an annual basis and if Teachers' Pensions are unable to reconcile contributions received from individual schools and therefore satisfy themselves that contributions are being made in accordance with their requirements they may make a report to the Pensions Regulator.

The following policy details the responsibilities and processes required of schools, the HR/Payroll provider for each school and the Council to ensure that pension contributions are deducted from salary, paid over to Teachers' Pensions and the service recorded in accordance with the Teachers Pension Scheme Regulations.

It is important for all parties to be familiar with the policy and processes detailed in this document and ensure that all pension records are correct and the Council's responsibilities are discharged appropriately.

I would like to take this opportunity to thank you for your role in this important process and your support of the work of schools maintained by CBC.

Yours Sincerely,



Sue Harrison

Director of Children's Services

Central Bedfordshire Council



Who is this policy for?

This policy is information for the following stakeholders;

- Central Bedfordshire Council (CBC) Statutory Schools HR (823)
- All maintained schools
- All external HR and Payroll providers for maintained schools
- Finance – payroll reconciliation procedures/End of Year certificate
- Audit – response to audit recommendations
- Teachers' Pensions (TP)

This policy has been compiled to demonstrate that there are documented up-to-date Teachers' Pension (TP) processes and procedures in place for all the above stakeholders. It will provide a consistent application of the requirements of the Teachers' Pensions schemes and give overall improvement in the service provided to employees and stakeholders by continually monitoring the requirements of the scheme from responses from those involved.

Responsibility of Schools

It is the responsibility of the school to ensure the payroll provider is deducting, and paying over the pension contributions of their employees on their behalf and should manage their payroll function through regular contract management reviews and through monthly payroll report checks. Schools must ensure that the Monthly Contributions Breakdown Report (MCBR), the detailed staffing report and the Monthly Data Collection reports are included within their service contracts and that the payroll provider can demonstrate that they have been sent to the relevant body in accordance with the process outlined below in the Monthly Pension Deduction Routine.

Data Protection

The school is deemed to be the data controller for information and data held in relation to employees working in the school and therefore all information and data should be managed in accordance with the requirement of the General Data Protection Regulations (GDPR) which can be found at <https://ico.org.uk/for-organisations/guide-to-the-general-data-protection-regulation-gdpr/>

Schools Financial Regulations

Schools are required to operate in accordance with the CBC Schools Financial Regulations which can be found at <http://www.centralbedfordshire.gov.uk/schools-portal/finance/regulations/overview.aspx>. These regulations should be read in conjunction with this Teachers' Pensions document.

Teachers' Pension data may be subject to internal and external audit and therefore it is important that Schools records are up to date and all relevant monthly data and evidence of pay over returns are maintained.

Contracts with external HR/Payroll providers

When entering into contracts with external HR and Payroll providers it is important that as part of the procurement process schools ensure that the provider can comply with the requirements of this document and have a successful track record of providing monthly contribution pay overs and data submission to the relevant person, whether this is Teachers' Pension or a Local Authority.



It is advised schools ensure that providers complete starter and leaver actions on a monthly basis and are able to provide these details within the MDC reports in the timescales outlined within this document and in the format required by Teachers' Pensions so that the Council to upload the data to Teachers' Pensions.

Background to the Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit occupational pension scheme, which on 1st April 2015 became a Career Average Scheme. Employees who have contributed to the Teachers' Pension Scheme prior to 1st April 2015 will likely have benefits accrued under both the Career Average Scheme and the scheme prior to this date, which was a Final Salary Scheme.

The Teachers' Pension Scheme is managed by the Department of Education and administered under contract by Capita Business Services Ltd (Capita). It is governed by statutory regulations these being: *The Teachers' Pensions Regulations*. Membership of the Scheme is voluntary and is open to members of the teaching profession in England and Wales who satisfy the membership criteria set out below:

- Employed in a predominately teaching role (e.g. Teacher or lecturer) and is
- aged between 16 and 75 years old employed by either:
 - a local authority or an academy;
 - an independent school;
 - a further or higher education establishment that has been accepted into the Teachers' Pension Scheme, or working for a Function Provider (a company awarded a contract to perform functions on behalf of a local authority).

Contributions to the Scheme by employers and employees are set at rates determined by the Secretary of State.

Pensions are increased annually in line with the Consumer Price Index. Members contribute on a "pay as you go" basis, with these contributions (along with those made by employers) being credited to the Exchequer under arrangements governed by the above Act.

Employer eligibility

The *Teachers Pensions Regulations 2014* define the meaning of an employer as:

'Where a teacher is employed by the governing body of a school maintained by a local authority, that authority is, for the purposes of these Regulations, treated as the employer of the teacher. But such a governing body is also treated as the employer of such a teacher.'

If a person is involved in a role that is predominantly a teaching role, is 16 or over and is not over 75 then they should be enrolled into the TPS and contributions deducted from their salary. This applies equally to full time and part time teachers. In the event that a teacher opts out of the Teachers' Pension Scheme, he or she must be automatically re-enrolled on the 3 year anniversary of the employers staging date, if they meet the eligibility criteria set out in the Auto Enrolment legislation.

Members employed by an agency are not eligible to be members of the Teachers' Pension Scheme.



Teachers Pension process - Accountabilities in order of priority

All parties involved in the administration of Teachers' Pensions have a responsibility for particular actions in the monthly and annual deduction, recording, reporting and accounting process. Within Central Bedfordshire Council this means that schools and their HR / Payroll providers are key stakeholders in the TP administration process. Schools have the responsibility for ensuring the information provided by their payroll provider is correct through the monthly payroll routines and that all information has been verified as correct when sending information to the Council.

Central Bedfordshire Council does not provide operational HR or Payroll services and therefore are required to ensure its statutory obligations are met through the processes set up and administered through all maintained schools and their external HR and Payroll providers.

The following information provides clear instructions relating to each stakeholder's obligations in the Teachers' Pensions recording and administration process.

Starters process & monthly routine pay over and detailed staffing reports

Action	Accountability
Completion of appointment papers for all new starters and submitting the information to the payroll provider.	Schools
Upload the new starter information on STU and pass back to the school to ask if the employee wishes to opt out.	Payroll provider
Ensure opt out procedure is followed if member of staff wishes to opt out. The payroll provider must be informed in writing of the opt out.	Schools
Produce an appointment statement and arrange for deduction of pension contributions. Information sent to the school to file in the employee's personnel file.	Payroll provider
Draft and ensure the arrangement for Final Payroll reports (D&FPR) for schools.	Schools
Make a Pay Over to TP, on a monthly basis and by 7th of each month in accordance with the TP Pay over process* and confirm by e-mail to; teachers.pensions@centralbedfordshire.gov.uk that this has been made for each school a service is provided for. (QUOTE ONLY ref '8230000 Central Bedfordshire Council' on Bank transfer reference)	Payroll Provider
Ensure that the new starter appears on the Monthly Data Collection report.	Payroll Provider and Schools
Payroll provider to ensure that an electronic copy of the Monthly Contributions Breakdown (aka 'Paying in Slip') for all schools they provide a service for is created for each maintained school and sent over to CBC Statutory Schools HR (823) by the 4 th of each month (i.e. January pay over slip to be received by the 4 th February). The address to send this to is: teachers.pensions@centralbedfordshire.gov.uk CBC Statutory Schools HR (823) to share this information for	Schools and Payroll provider



retention with CBC Finance for auditing purposes.	CBC Statutory Schools HR (823)
TP and payroll provider to then send a copy of the Monthly Contributions Breakdown (Paying in Slip) along with the detailed monthly staffing report for the attention of the CBC Finance team to teachers.pensions@centralbedfordshire.gov.uk	Payroll provider and TP

*** Schools must ensure that Payroll provider accepts full liability for late payments**

Opt Out - hard copy process

Action	Accountability
Employee completes hard copy opt out form and passes the signed copy to the school. School scans the document to CBC Statutory HR Service (823) at teachers.pensions@centralbedfordshire.gov.uk for authorisation and retention for audit purposes. CBC Statutory HR Service (823) sends copy of the form to the payroll provider to complete the relevant payroll information.	Employee School/ CBC Statutory Schools HR (823) CBC Statutory Schools HR (823)
Payroll provider returns completed form to CBC Statutory HR Service(823) at teachers.pensions@centralbedfordshire.gov.uk	Payroll provider
Completed copy sent to TP for their records. Letter confirming TP opt out received from TP and sent to payroll provider for their records.	CBC Statutory Schools HR (823)
Payroll provider to ensure no further deductions are made and arrange any refunds.	Payroll provider

Opt Out – Online process

Action	Accountability
Employee completes Online Opt Out form via My Pension Online.	Employee
TP forward the Online Opt Out form to CBC Statutory Schools HR (823) for authorisation.	TP
CBC Statutory Schools HR (823) contacts the schools payroll provider for the relevant payroll information. CBC Statutory Schools HR (823) authorise the online Opt Out form, return to TP and create/save a copy on CBC's teacher's record.	CBC Statutory Schools HR (823)
TP keep a copy of the authorised Opt Out form for employee's TP record.	TP



CBC Statutory Schools HR (823) print, scan and email the Opt Out letter from Teachers' Pensions to the Payroll provider and the School. CBC retain their own copy for file and audit purposes.	CBC Statutory Schools HR (823)
Payroll provider ensures no further deductions made and arranges any refunds and retains a copy for their records. Schools also retain a copy on employee personnel file.	Payroll Provider Schools

Leavers process

Action	Accountability
School notifies Payroll provider of leaver in accordance with the providers notification process.	School
Payroll Provider actions termination on payroll.	Payroll provider
School checks correct leave date has been actioned on the Monthly Contributions Breakdown report and the Monthly Data Collection Report. The detailed Monthly Contributions Breakdown report and the Monthly Data Collection Report is sent to CBC Statutory Schools HR (823) at teachers.pensions@centralbedfordshire.gov.uk	School Payroll provider CBC Finance Control & Standards Team
Council Finance retains the reports for audit purposes and is used for spot checking contribution rate deduction in accordance with CBC audit requirements by CBC Statutory Schools HR (823).	Council Finance Control & Standards Team CBC Statutory Schools HR (823)

Retirement - hard copy process

Action	Accountability
Employee completes hardcopy Retirement form and sends to their school who will forward it to their Payroll provider.	Employee
Payroll provider inputs final year salary and forwards to Council HR. The payroll provider must not authorise the form on behalf of the Council. This form must be sent to teachers.pensions@centralbedfordshire.gov.uk	Payroll provider
CBC Statutory Schools HR (823) authorise and send to TP. CBC create/save a copy on CBC's teacher's record.	CBC Statutory Schools HR (823) TP



Retirement – online copy process

Action	Accountability
Employee completes online retirement form and then TP will notify CBC Statutory Schools HR (823) that there is a retirement form for completion.	Employee
CBC Statutory Schools HR (823) requests salary from Payroll provider.	CBC Statutory Schools HR (823)
Payroll provider produces salary record and returns to CBC HR at teachers.pensions@centralbedfordshire.gov.uk .	Payroll provider
CBC Statutory Schools HR (823) inputs information into STU. CBC create/save a copy on CBC's teacher's record.	CBC Statutory Schools HR (823)

*Certificate of Re-employment

Following the introduction of MDC there is no longer a requirement to complete a certificate of re-employment in most circumstances. In accordance with the Teachers' Pension website guidance 2017: *'completion of a certificate of re-employment will only be required if the individual is nearing or will have exceeded their earning limit, or where they've multiple contracts with a single employer and choose to defer their pension for one or more of these contracts.'* If a certificate needs completing then Teachers' Pensions will notify the Council/employer via email.

End of Year Contributions Summary

Action	Accountability
Schools and Payroll provider produce a Monthly Contributions Breakdown MCB report (summary and detail). Input Summary MCB into STU then send a copy with detailed report for the attention of CBC Statutory Schools HR Service to teachers.pensions@centralbedfordshire.gov.uk	Schools & Payroll provider
CBC Statutory Schools HR Service retain for auditing purposes	CBC Statutory Schools HR Service
TP provide in April the contributions that have been recorded as being received and confirm that the End of Year Certificate (EOYC) is available to view on-line.	TP
CBC CBC Statutory Schools HR Service receives EOY contributions and checks for completion. The S.151 Officer authorises them and return to CBC HR.	CBC Statutory Schools HR Service
CBC Statutory Schools HR (823) forward on the EOYC contributions to TP by the statutory deadline of the 31 st May.	CBC Statutory Schools HR (823)



End of Year Certification (EOYC) Process (Auditing process)

All Local Authorities are required to return an audited EOYC to TP by the last working day in November and are also required to make their EOYC available to their auditors by 30 June along with instructions for the certification of form EOYC. It is a requirement that the Local Authority notify TP that this has been done and provide a copy of the unaudited form to Teachers Pensions by the last working day in May.

Action	Accountability
TP provide in April the contributions that have been recorded as being received and confirm that the End of Year Certificate (EOYC) is available to view on-line.	TP
Payroll provider produces the data and sends it to the school by the end of April.	Payroll provider
School completes EOYC template and then forwards to CBC Statutory Schools HR (823) by 2 nd week in May.	Schools
CBC Statutory Schools HR (823) reconcile with EOYC's and includes data from centrally employed teachers and forwards the unaudited form to TP by the last working day in May. Errors on MCB's identified and forwarded to Schools and payroll provider.	CBC Statutory Schools HR (823)
Schools & Payroll provider resolves any inconsistencies by 2nd week in June. They then forward onto CBC Statutory Schools HR (823) at teachers.pensions@centralbedfordshire.gov.uk	Schools Payroll provider
CBC Statutory Schools HR (823) approves the EOYC and then forwards to CBC Finance Team.	CBC Statutory Schools HR (823)
EOYC is checked and authorised by S151 Officer and returned to CBC Statutory Schools HR (823).	CBC Finance Team
CBC Finance Team sends to Auditors by 30th June.	CBC Finance Team
EOYC is checked and audited by CBC Appointed Auditor. Forwards the audited return to TP directly by the last working day in November.	CBC Appointed Auditor



Monthly Data Collection

Action	Accountability
<p>Payroll providers complete the Monthly Data Collection spreadsheet for the current payroll calendar month before sending it to the school by the end of the month that the data is relevant to. The spreadsheet can be found on the TP website https://www.teacherspensions.co.uk/employers/managing-members/administration/monthly-data-collection/forms-and-guides.aspx</p> <p>Payroll Provider sends the completed spreadsheet to teachers.pensions@centralbedfordshire.gov.uk no later than the 4th of each month (i.e. MDC for January to be received by 4th February).</p>	Payroll Provider
<p>Once received by CBC it is assumed the data verified by the school is correct. CBC Statutory Schools HR (823) completes final data error checks and spot check data against MCB.</p> <p>CBC Statutory Schools HR submits the Monthly Data Collection spreadsheet to Teachers' Pensions by the statutory deadline of 7th of the month (this will be earlier if the 7th falls on a bank holiday or weekend). Once submitted any data errors identified by Teachers' Pensions will be notified to schools and the payroll provider by the CBC Statutory Schools HR (823).</p> <p>As the Council has until 30th of the month to re-upload the data, then the school is required to provide responses to the errors to CBC Statutory Schools HR (823) within 7 calendar days of being notified of the errors.</p> <p>If the deadline for re-uploading the information is missed because the errors haven't been addressed or the deadlines for submitting the original MDC data were not met by the school or the payroll provider, then fines will be levied against the Council by Teachers' Pensions. If this happens then these costs will be passed on to schools.</p>	<p>CBC Statutory Schools HR (823)</p> <p>Schools</p>

What else should I read?

The following TP link will provide information, support and help to administer the Teachers' Pension Scheme changes, particularly with respect to the Monthly Data Collection changes taking place;

<https://www.teacherspensions.co.uk/employers/employer-fags/monthly-data-collection.aspx>



What action will CBC take if HR/Payroll providers do not send the Monthly Contributions Breakdown, detailed staffing reports and the Monthly Data Collection on a monthly basis?

The CBC Statutory Schools HR Team will write to or e-mail the HR/Payroll provider on the first occasion that the relevant report is not received.

If the outstanding reports are not received by the date provided in the letter and /or further reports are subsequently not received the CBC Statutory Schools Team will write to the headteacher and chair of governors at the relevant school to inform them that data has not been received from their payroll provider and that as a result the Council cannot account for pension contribution payments being made and submitted to Teachers' Pensions for employees in their school. The headteacher will be advised to contact the payroll provider in order to discuss the matter and ensure any outstanding reports are provided to the Council.

Who do I contact if I have queries in relation to the information contained in this policy?

Please send any queries to: teachers.pensions@centralbedfordshire.gov.uk

Appendices

A - Teachers' Pensions Visio Process Flow Charts – Summary of information above.

The appendices in this document provide a Visio flowchart process of the requirements in relation to Teachers' Pension. The flowcharts are the same processes as the main text of the document and should be read in conjunction with the guidance.

B – Link to the detailed Monthly Breakdown Report template to be used by all providers

<http://www.centralbedfordshire.gov.uk/schools-portal/human-resources/statutory-service/pensions.aspx>

