

ANGUS JOINT NEGOTIATING COMMITTEE FOR TEACHERS

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Dear Colleague

AJNCT/37 RETIREMENT POLICY

This new local agreement sets out the new Retirement Policy. This policy is to assist employees who are approaching retirement age to consider their options, to make them aware of the processes to follow to apply for retirement.

This new local agreement was approved by the Angus Joint Negotiating Committee for Teachers at its meeting on 12 December 2024, and subsequently ratified by the Staffing Sub-Committee on 25 March 2025.

Yours sincerely

**NEIL LOWDEN
MIKE CALLAGHAN**

Joint Secretaries

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cc: Chief Executive
Director of Education and Lifelong Learning and Chief Education
Officer
Director of HR, Digital Enablement and Business Support

Angus Joint Negotiating Committee for Teachers

Retirement Policy

For Teachers, Music Instructors and Associated Professionals who are members of the Scottish Teachers' Pension Scheme (STPS)

1. Policy Statement

Angus Council and the Angus Negotiating Committee for Teachers recognise that, it may be in the interests of the Council and its employees to allow relevant employees to retire earlier than normal retirement age or initiate retirement. These options assist the council to meet its objectives and ensure the most efficient use of human resources across the education service, assist with workforce planning, employee retention and regulation of numbers employed by the council to deliver services which are responsive, efficient, reliable and effective.

The retirement process can be employer or employee initiated and is carried out in conjunction with information provided by SPPA.

This policy is to assist employees who are approaching retirement age to consider their options, to make them aware of the processes to follow to apply for retirement, to set out the approval process to make sure their pension is processed in time for retirement. Prior to making any decisions on pension and retirement options, employees are encouraged to seek assistance from an independent financial adviser (IFA). Employees who are members of a trade union may be able to seek this advice via them.

The Scottish Public Pensions Agency sets out the types of retirement under the scheme and information can be found in [Understanding your retirement options](#).

2. Scope

This policy applies to permanent and temporary teachers, music instructors and other professionals who are employees and members of the Scottish Teachers Pension Scheme or Scottish Teachers Superannuation Scheme.

Head Teachers in this policy is the term used to describe the Head Teacher role and includes the role of other managers with different job titles, who manage music instructors and associated professionals.

3. Definitions

Age Retiral – these benefits are payable to a teacher once they cease employment and have reached their normal retirement age (NPA) as defined by the scheme and have voluntarily retired.

Actuarially Reduced Pension (ARP) – this is voluntary early retirement whereby employees, who are members of the STPS, can retire with actuarially reduced benefits. The earliest age for an actuarial reduced pension is 55.

Phased Retirement Scheme – this offers employees who are members of the STPS the opportunity to reduce the number of hours work or move to a post on a lower salary whilst drawing part of their retirement benefits. A member must be aged 55 or over and have at least 2 years membership of the pension scheme. This is only available if the request to reduce the number of hours of work is approved via the Flexible Working Procedure or a move to a post on a lower salary is approved.

Premature Retirement with (VER) – premature retirement is if an employee has been made redundant or retire in the interests of efficiency and this allows employees to access accrued pension benefits without a reduction. The cost of premature retirement benefits is met by the Council.

Ill Health Retirement – these benefits are payable subject to qualifying criteria if an employee becomes permanently unfit to teach or permanently unfit to work due to illness before reaching their Normal Pension Age. The level of payment is determined based on the teacher either being unfit to work or unfit to teach.

4. Pension Schemes

There are now two pension schemes for teachers and associated professionals. The Scottish Public Pensions Agency administer these schemes.

Scottish Teachers Pension Scheme 2015 - All new teachers are automatically enrolled into this scheme and previous members of the earlier scheme will have transitioned over to this scheme. This is based on Career Average Re-evaluated Earnings. Key details are set out [here](#).

Scottish Teacher Superannuation Scheme (STSS) (closed on 1 April 2015) - Employees may be members of this scheme. This is based on final salary benefits. Key details are set out [here](#).

These changes brought about the McCloud Remedy which provides for those with eligibility to wait until retirement before making a choice on pension benefits, whether they are paid based on the old/legacy scheme or new/reformed scheme. This is for benefits built up between 1 April 2015 and 31 March 2022. Further information can be found on this [here](#).

Members who have old/legacy scheme benefits will keep service built up before 1 April 2022 and will be able to access these benefits in the same way and at the same time as if they were still in the scheme. This means members who joined the STSS prior to 01 April 2007 can claim pension benefits at age 60. Members who joined after 01 April 2007 can claim their benefits at age 65. Claiming at NPA means employees will not receive an early retirement reduction on their legacy scheme benefits.

However, if employees choose to retire at their legacy scheme's NPA, they will receive a reduction in pension for any 2015 benefits built up between 01 April 2022 and their retirement date. This is because the NPA of the reformed scheme is set at their State Pension Age (SPA). Employees will be able to defer these benefits until they reach their SPA.

5. Normal Pension Age (NPA)

The definition of normal retirement age (NPA) changed following the changes to the Scottish Teachers' Superannuation Scheme in April 2015. It is:

| | Teachers Superannuation Scheme | Teachers' Pension Scheme 2015 |
|---|--|--------------------------------------|
| Normal Pension Age – the age you can expect to retire with your benefits paid in full | 60 – for members who joined before 1 April 2007 and didn't have a break where you were out of the scheme for more than 5 years before 31 March 2008 65 – for members who joined after 1 April 2007 or who had a 5-year break in service | State Pension Age |

The latest age you can claim your pension in both schemes is age 75 and the youngest is age 55.

6. State Pension Age (SPA)

Employees can check their SPA [here](#). This age is the earliest an employee can start receiving their state pension. The age may be different to when you can get your workplace pension. There is no compulsory retirement date, even when you reach the age the state pension would be payable.

Employees may also want to check their national insurance contributions to make sure there are enough to count towards the state pension. Employees national insurance record can be checked online [here](#).

7. Understanding How Much Pension You Will Get

Employees can access information about their own pension through this link to STPS [Understand how much you'll get](#). Employees can use this information to give to their own financial adviser.

Employees can access their annual benefit statement, if they are in active employment, to see what their pension benefit is. There is information on the 2015 remedy and a calculator to see what difference their choice would make to their pension benefits at retirement.

Use the Microsoft Excel file to get an illustration of benefits at chosen retirement date. This describes the benefits payable for each scheme and estimates the maximum lump sum that could be payable. Employees can print a copy of their personal illustration. Note the calculator does not include additional benefits purchased or other state or private pensions, so employees should also seek their own independent financial advice.

To help employee's get ready for retirement there are webinars and information that SPPA provide, and details can be found [here](#).

Additional pension contributions can be made either as a single lump sum or through additional monthly contributions over a period of 1 to 20 years. More information can be found [here](#).

8. How to Apply and Timescales

To apply for age, premature, phased retirement or actuarial reduced (ARP) employees should complete the form [TEACH: RET](#). Part 1 should be completed by the employee and Part 2 is completed by the employer. You can download the form to complete it. Note that the form is at the end of the document, following the guidance to complete the form.

Along with the completed form an employees must submit a letter of resignation/retiral or request via the [Flexible Working Hours Procedure](#), if phased retirement is being asked for, to their Head Teacher. Head Teachers will complete the payroll form and send with the resignation/retiral letter to payroll@angus.gov.uk line with timescales below.

Applications to SPPA for ill health retirement are processed separately.

Applications must be received by the SPPA at least 4 months before the employee wants to take their benefits from the scheme. Therefore, more notice than this must be given by the employee to the council of an intention to retire. SPPA cannot guarantee payment if less notice is provided. In instances of late payment backdating will be made by SPPA and if appropriate the council.

Employees should where possible notify their Head Teacher/manager of their intention to retire as follows: (note dates subject to final review)

| Planned retirement date | Employee to Notify Head Teacher/ manager | Head Teacher/ manager to pass to Payroll | Payroll pass to SPPA no later than |
|--------------------------------|---|---|---|
| August | End January | End February | Mid-April |
| October | End March | End April | Mid-June |
| December | End May | End June | Mid-August |
| April | End September | End October | Mid December |

The Payroll Section will by no later than the agreed dates above:

1. liaise with the SPPA over any eligibility queries,
2. verify that the application can be authorised,
3. complete part 2 of the retirement form, authorise and forward to SPPA,
4. act as point of contact for SPPA,
5. confirm acceptance with the employee and their Head Teacher.

What happens after your application is submitted is set out [here](#) in “What happens next”. You will receive your award documents by email once it is calculated, processed and authorised. This may be immediately prior to your date of retirement or before the last banking day of the month.

9. Age Retiral

This is retiral when the employee, who are members of the STSS can choose to retire at the expected age with their benefits paid in full. The ages are 60 or 65 as set out in section 5 Normal Pension Age.

Benefits are worked out differently for each scheme.

Scottish Teachers Superannuation Scheme (see section 4)

Members who have benefits in the Scottish Teachers Superannuation Scheme and have a NPA as 60 receive a combination of annual pension plus a compulsory tax-free lump sum. They have the option to give up part of their pension to increase their lump sum.

If the member's NPA is 65 they won't receive an automatic lump sum. There is the option to convert up to 25% of the fund value from the pension to a tax-free lump sum.

Scottish Teachers' Pension Scheme 2015

Member of the 2015 won't receive an automatic lump sum. They do have the option to convert up to 25% of the fund value from the pension as a tax-free lump sum.

An employee wishing to retire from the Council's employment and apply for age retiral must submit a letter of resignation/retirement to their Head Teacher in line with timescales set out in section 8 above, completing the [TEACH: RET Application for Retirement Benefits form](#). The Head Teacher must inform payrollsection@angus.gov.uk in line with the timescales forwarding the change form/process, the letter and the completed application form.

10. Actuarially Reduced Pension (ARP)

This is early retirement where teachers, who are members of the STSS, can choose to retire with actuarially reduced benefits. The amount of actuarial reduction on the lump sum and pension depends on the member's age in years and months at the point of retirement.

Members considering this option should be aware that the pension will be actuarially reduced, and this is permanent. Seeking independent financial advice is therefore essential before proceeding. This is a voluntary form of retirement. Employees must have at least 2 years STSS membership to become eligible and be aged 55 or over. Members with preserved benefits on or after 1 July 2002 are also eligible for ARP.

The employment contract of an employee granted early retirement through an actuarial reduction, will normally be treated as terminating by mutual agreement.

Added years and compensation payments cannot be awarded.

An employee wishing to leave the Council's employment and apply for payment of actuarially reduced benefits must submit a letter of resignation/retirement to their Head Teacher in line with timescales set out in section 8 above, completing the [TEACH: RET Application for Retirement Benefits form](#). The Head Teacher must inform payrollsection@angus.gov.uk in line with the timescales forwarding the letter and the completed application form.

ARP is available to scheme members who cease to be in pensionable or excluded employment, provided the value of the reduced pension is not less than the guaranteed minimum pension to which the member would become entitled at state retirement age.

11. Phased Retirement

This is early retirement and gives employees the opportunity to continue in employment, reduce their working commitment by receiving a lower salary whilst releasing part of their pension benefits. It is available to those aged 55 or over who have been in pensionable employment on or after 1 April 2007 and requires the agreement of the Council to apply.

The maximum amount employees can uplift from the STSS is 75% of total retirement benefits. There must be a reduction of at least 20% of pensionable salary and this must occur for a minimum of 12 months from date of implementation. This reduction can be achieved by either working less hours or moving to a post of lesser responsibility. If the employee works part-time and has multiple contracts this reduction could be achieved by terminating one of the contracts or by reducing them all.

An employee wishing to apply for phased retirement must first submit a request under the flexible working request procedure ([AJNCT/35 Flexible Working Policy](#)), using the [flexible working application form](#), outlining their request to reduce hours or request to reduce to a lower level post to their Head Teacher, in line with timescales set out in section 8 above. [TEACH: RET Application for Retirement Benefits](#) form will also need to be completed by the employee.

The Head Teacher will consider the request liaising with Service Leaders as required. When the application is approved the employee will be notified and the Head Teacher must inform payrollsection@angus.gov.uk completing the change form/process, in line with the timescales forwarding the letter and the completed application form. The change to the employees' contract will be confirmed in writing. The reduction in salary will be effective from the chosen phased retirement date.

If the application is not approved the employee can appeal under the [Flexible Working procedure](#). The application for phased retirement will not be processed if the request to reduce hours or move to a lesser post is not approved.

Employees can take two phased retirements before final retirement but in each case their salary must reduce by at least 20% and the member must retain at least 25% of benefits in the scheme.

If the employees' salary increases within 12 months following phased retirement and has gone above the required 20%, the application will be void and the pension will be suspended.

12. Premature Retirement (Voluntary Early Retiral - VER)

Premature retirement without a reduction in pension benefits is only an option if the teacher's employment is being terminated because of redundancy or on the grounds of organisational efficiency (often called in the interest of efficiency). As the pension would be reduced the employer must agree to pay the remaining pension up to your full pension amount.

Premature retirement benefits may be awarded if an employee has 2 years qualifying service and is aged 55 to 59 (if a member prior to 1 April 2007) or aged 55 to 64 (if a member on or after 1 April 2007)

The teacher must have reached the age of 59 years before the proposed retirement date and the teacher's retirement must result in a net saving to the Council based on a comparison of costs over the 2.50 year period from the proposed retirement date.

This provision is not open to applications. Employees will receive notification if premature retirement (VER) is being considered by the Council.

13.III-Health Retirement

If employees are under Normal Pension Age (NPA) and must retire due to their health, they can apply for ill-health retirement. Normally employees will be in conversation with their Head Teacher and are likely to be off work when they consider applying for ill-health retirement. A referral to the council's occupational health provider will be made to gather medical information.

Applications should only be submitted after all other ways to help the employee remain in work such as redeployment, rehabilitation, phased return to work, a reduction in hours or other before concluding that ill health retirement may be appropriate. Applications must be based on sound medical advice, with a robust and comprehensive application including reports from specialists, GP and Occupational Health and full details and dates of sickness absences to assist the SPPA's medical adviser to assess the application. Insufficient medical evidence may mean the application is unsuccessful. The SPPA medical adviser will not seek further medical evidence on behalf of the applicant, but they will feedback if the application is unsuccessful.

Recommendations for ill-health retirement are made by the SPPA's medical adviser. Once the recommendation is received a meeting will be arranged to discuss the outcome whether successful or unsuccessful to discuss the process.

If an application is unsuccessful SPPA will advise the employee of the Internal Disputes Resolution Procedure (the appeal against the decision) should the employee want to have the decision reviewed.

Guidance on ill-health retirement can be found [here](#).

There are two types of ill health retirement:

Partial Incapacity Benefits would be granted if employees are assessed as being permanently unable to teach but can undertake other employment. Members who qualify for PIB will receive a lower level of benefits consisting of service accrued to date of retirement with no enhancement.

Total Incapacity Benefits would be granted if, as well as being permanently unable to teach, employees are assessed as having their ability to carry out any work impaired by more than 90% and likely to be so permanently. The total amount of enhancement employees may receive if they are awarded TIB is half the service they could have completed before NPA.

14. Monitoring & Review of Policy

This policy will be continually monitored and reviewed as necessary to ensure compliance with relevant legislation and business requirements.

15. Data Protection

When managing and processing a teacher's application for retirement, the council processes personal data collected in accordance with its data protection policy, human resources data protection policy and teacher privacy notice. Data collected from the point at which the council receives an application is held securely and is accessed by, processed by and disclosed to, individuals only for the purposes of approving and managing the request for leave and handling any refusal.

Document Control

| Date | Brief Summary of Changes | Review Date |
|---------------|---|---------------------|
| December 2024 | New AJNCT to provide policy which contains retirement types, processes and applications routes. | As agreed via AJNCT |
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