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To: ALL HEADTEACHERS
CHAIRMEN OF GOVERNORS

TEACHERS PENSION REGULATIONS	
Changes that allow teachers to retire between the ages of 55 & 60 with Actuarially Reduced Benefits (ARBs)	
Likely to be of interest to:	Headteachers/Chairmen of Governors
For information/Action:	: ✓

Dear Colleague

The regulations affecting the payment of Teachers Pensions were amended with effect from 30 March 2000, and teachers who meet the set criteria can now apply to be released with Actuarially Reduced Benefits (ARBs). The LEA has no option but to concur in such a request but can delay the last day of service for up to 6 months. This does not involve the Local Education Authority in any additional payment.

A number of other technical changes were also made to these regulations, that allows teachers who are in receipt of a pension to restart work in a pensionable employment.

To qualify for an ARB they must have completed at least 2 years pensionable service, at the time that this amendment was implemented, are not taking ill health benefits or premature retirement and have an ARB pension which is at least the value of the state guaranteed minimum pension.

This is a voluntary form of retirement and the decision to take ARBs is a matter for the individual. Any individual applying to leave employment in this way will require the employers consent. This consent cannot be reasonably withheld for a period longer than 6 months and an agreed date for termination of employment should be negotiated.

The proposed method of application for release under these arrangements is set out on the attached appendices.

Calculation of benefits

The retirement pension tax-free lump sum paid under these arrangements is calculated in the normal way. The sum is then multiplied by a factor that varies according to age. The pension reduction factor is different for the lump sum and pension payments.

Examples of the level of reduction in both cases are as follows;

		Reduced Pension Level	Reduced Lump Sum Level
Age	55	74.2%	84.3%
	57	83.3%	90.2%
	59	94.0%	96.6%

If a member of staff seeks retirement under this scheme they should be given the attached appendices and an appointment made with a member of the Education Personnel Staff to discuss the benefits they will receive.

Yours sincerely

David Shields
Principal Personnel Officer

BRACKNELL FOREST BOROUGH COUNCIL

APPLICATION BY TEACHER FOR RELEASE FROM EMPLOYMENT WITH ACTUARIALLY REDUCED BENEFITS

Process for dealing with applications for release of teacher with Actuarially Reduced Benefits. (Any member of staff considering seeking release under these arrangements should have discussed the matter with the Headteacher prior to application.)

- 1 A standard Proforma –attached- is obtained from school or Education Personnel for completion.
- 2 Member of staff returns completed form to Headteacher
- 3 Headteacher forwards application to Education Personnel with any comments and confirming proposed termination date has their agreement.
- 4 Education Personnel arrange to discuss application with individual and ensure they have financial estimate.
- 5 Agreement to release to be agreed by Principal Personnel Officer in the Education Department. (Suggest a 4 working week timescale).
- 6 Education Personnel write to individual, Headteacher and set in motion pension arrangements.

To: Headteacher.....School
CC: Chairman of Governors

BRACKNELL FOREST BOROUGH COUNCIL

**APPLICATION FOR RELEASE BY LEA AND TO RECEIVE ACTUARIALLY
REDUCED BENEFITS**

Name of applicant:

Name of school:

Home address:

Date of birth:

Date of termination of employment:
(Usually normal notice period)

Date:.....Signed:.....

Date received by Headteacher:.....

Comments:

Termination date:.....

Date received in Education Personnel:.....

Date agreed by Education Department:.....

Date school and individual notified:.....