

The Royal College of Nursing Pension Scheme

# Employer Administration Guide



Retirement Solutions

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# Admission to membership

It is a legal requirement to give basic information about your pension arrangements to new members.

## Eligibility

The scheme is now closed to new members.

# Contributions/data processing

## Switching benefit levels

Members are entitled to switch to a higher Normal Pension Age (NPA) on 1 April each year. RCN should email a list of members to [rcn@tpt.org.uk](mailto:rcn@tpt.org.uk) shortly before this date to enable TPT to make the relevant updates to the member records.

## Definition of Pensionable Earnings

The definition of Pensionable Earnings for calculation of pension contributions is:

“Fixed annual salary (including London weighting but excluding fluctuating payments such as commission, bonuses and overtime). Earnings will also include temporary payments (as defined by the employer) paid to the member by the employer.”

## eBusiness

Monthly contributions and salary/hours changes are submitted via TPT's online pensions management system, eBusiness. File templates and help guides can be found using the following link:

<https://www.tpt.org.uk/login/online-help-guides>

## Errors

If possible, any errors in the payment of pension contributions (e.g. under- or overpayments) should be resolved by making an adjustment on a future submission. If this is not possible, TPT reserves the right to charge for any manual correction work required.

# Additional Voluntary Contributions (AVCs)

Members of the scheme may pay AVCs to the Flexible Retirement Plan (FRP), or to an alternative pension provider of their choice, in order to increase their income in retirement. Full details of the options available, and further information about AVCs, will be provided by TPT on request.

You, as the employer, are not required to make any extra payment.

**Please note:** if the member chooses to make payments to an alternative provider, you are not required to deduct or remit these contributions.

Members will receive full tax relief on contributions to as many different tax-registered pension arrangements as they choose, provided that the total paid in each year does not exceed their annual earnings or the Annual Allowance. Details of the Annual Allowance can be found at the following website: [www.gov.uk/tax-on-your-private-pension/annual-allowance](http://www.gov.uk/tax-on-your-private-pension/annual-allowance)

Any member wishing to pay AVCs to FRP should complete an 'AVC Application Form', found using the following link: <https://www.tpt.org.uk/schemes/frp-dc-member>

You must then sign the Employer's Declaration before sending the completed form to TPT so that our records can be updated.

You should deduct AVCs from gross pay, in the same way as main scheme contributions, before calculating tax under the PAYE system.

## Transfers in

The Scheme no longer accepts transfers-in of previous pension benefits.

# Change in hours

Under the CARE benefit structure, blocks of pension are built up year by year directly in relation to the contributions paid in each year.

Where members change their working pattern (for example, to or from part time), the appropriate amount of pension contributions will be deducted and pension benefits will build up accordingly.

In order for TPT to monitor movements in pension contributions received and ensure that the appropriate amount has been deducted in each year, you should ensure that TPT are notified of any changes in contractual working hours for scheme members.

# Absence from work

A member may be absent for some time due to pregnancy, illness or other reasons. It is important that you notify TPT in all cases where members are absent from work.

## Maternity and Family Leave

Under the Scheme's rules, for the first 39 weeks of a member's maternity leave, pension contributions should continue to be deducted from any full pay or Statutory Maternity Pay (SMP) that the member is receiving. During any period of absence due to maternity up to 39 weeks, the employer will pay its full contribution plus any shortfall in member contributions based on the level of pay the employee would have received throughout the period if she had been working normally.

So, if for any period of the first 39 weeks, the member would have paid £90 per month in employee contributions, but is paying £30 per month as a result of receiving SMP, the employer would need to pay the balance of £60 (in addition to the normal employer contribution, based on pay the member would normally receive). If the member is not receiving any pay from her employer, full contributions are required from the Employer, i.e. an amount equal to both employee and employer contributions. Any shortfall paid by the Employer, as described above, should be paid as employer contributions, not member contributions.

Membership of the Scheme must be maintained for the first 39 weeks as though the member was working normally. Therefore, the member will earn the same pension as she would have had she been at work.

**Please note:** this does not apply to any AVCs paid by the member.

For the period from 40 to 52 weeks, no contributions are due from either member or Employer, and pension benefits will not accrue. However, the member has the choice, on her return to work, to pay contribution arrears for this period. If she chooses to do so, her employer must also pay its share. If arrears are paid, the period will count as normal membership, otherwise there will be a break in her membership.

For periods of paternity, adoption or parental leave (known collectively as 'family leave'), if the leave is paid, the same rules apply as those for maternity leave; if the leave is unpaid, the temporary absence rule applies (see below).

The full range of death benefits will continue to apply whilst the employee is on maternity leave or family leave.

## Sick Leave

If the member continues to receive pay during their absence from work, contributions should continue to be deducted. If the member is no longer being paid, contributions cannot be deducted and pensionable service will cease to accrue. However, the member will continue to be covered for life assurance benefit protection under the scheme rules, whilst he or she remains an employee (subject to the Continued Absence rule detailed below).

## PHI Scheme

If the member's absence is long-term, and they are covered under the Permanent Health Insurance (PHI) arrangements, membership of the scheme will continue. However, employer and employee contributions must be paid in full.

The full range of death benefits will continue to apply whilst the employee is a member of the PHI Scheme.

## Absence for other reasons

If the member is absent with the approval of the employer (e.g. sabbatical leave) they will remain a member of the scheme but will not accrue pensionable service for any periods during which contributions are unpaid.

The full range of death benefits will continue to apply.

## Continued Absence

If a member remains absent at the end of one year, without pay or on reduced pay, then they will be treated as an automatic leaver.

## What happens if a member is absent for other reasons?

If the member is absent with the approval of RCN, and fulfil any of the following criteria, they will remain a member of the Scheme but will not build up pensionable service for any periods during which pension contributions are not paid:

The criteria are:

- Period of absence is taken to take up work of national importance;
- Period of absence is for taken for an approved course of study or training; or
- Period of absence is taken for approved leave of absence or secondment.

They will continue to be covered for death-in-service benefits for up to one year (or three years for work of national importance). If they were to die more than one year after the absence started (or three years for work of national importance) they would be treated as if they had left the Scheme on the date before they died.

Death-in-service and Group Income Protection policy cover will be subject to any exclusion imposed by the insurer and staff should take advice before starting any period of absence.

# Changes in personal details

## Basic Data Changes

It is important that members notify us when their circumstances change, so that we may update our records accordingly.

### Change of address

Changes of address can be accepted from the employer or the member directly. This can be done over the telephone or by email.

### Change of nominee for benefits on death

We are unable to accept such changes over the telephone or by e-mail at the moment.

The member can either:

- provide signed confirmation of the changes; or
- provide a completed Nomination Form, which can be downloaded from:  
<https://www.tpt.org.uk/our-other-pension-schemes>

### Change of name/status

All changes of name/status should be confirmed in writing or by email, accompanied with a copy of the relevant certificate (marriage, deed poll etc).

If the member is married or has nominated a beneficiary for the survivor's pension, it would be beneficial to provide us with a copy of the partner/spouse's birth certificate. Copies certified by the employer are acceptable.

**Please note:** all original documents will be returned following completion of the amendment.



# Leaving the Scheme

## Resignation, Dismissal or Opting Out

1. Scheme leavers can be processed via eBusiness, please refer to the help guides in section 2.3.
2. Once TPT has received the notification, a letter will be issued to the member's home address outlining the options available:
  - **Deferred Pension** – The pension remains in the scheme and continues to increase whilst in deferment. Benefits can currently be taken at age 55 but are reduced for early payment.
  - **Transfer** – It may be possible for the member to transfer the benefits from the Scheme to another registered pension arrangement. Members who wish to take this option should ask their pension provider to contact TPT for a quotation.
  - **Refund of Contributions** – This option is only available to members with less than 2 years' membership. Members may receive a refund of the contributions which they have paid into the Scheme. There are two deductions from the refund:
    - i) tax at 20% will generally be deducted from the contributions refunded, however where the refund exceeds £20,000, tax will be deducted at 40% on the amount in excess of £20,000; and
    - ii) an amount which will buy the member back into the additional State Pension (known as State Second Pension).

**Please note:** should the member have transferred benefits from a previous arrangement, it may not always be possible for them to receive a refund of contributions.

3. If the employee is retiring or leaving because of ill-health, please refer to either of the following two sections as appropriate.

An employee who has previously chosen to opt out of the Scheme whilst remaining in employment cannot rejoin the Scheme at a later date.

# Retirement

## Early/normal retirement (other than ill-health)

Early retirement can currently be taken at any time from age 55. The employer's consent is required for any early retirements prior to age 60, which should take the form of a letter from the Human Resources Team at RCN.

Members have the option of drawing the whole of their pension and remaining in service, but they are not then entitled to accrue any further benefits for future service.

Normal Pension Age (NPA) for scheme benefits built up prior to 1 June 2007 is 60.

NPA for scheme benefits built up from 1 June 2007 to 31 October 2013 is 60 or 65 depending on the level selected by the member.

NPA for scheme benefits built up from 1 November 2013 is 60, 65 or 67 depending on the level selected by the member.

If a member claims the pension prior to NPA, the pension will be reduced to reflect early payment.

The reduction in pension for retirement earlier than NPA is applied as the pension is expected to be paid for a longer period.

If the member decides to retire early, subject to obtaining the necessary employer consent, please notify TPT who will then send the member information about their retirement options.

The Employer may complete a paper Withdrawal Form in advance of the member's retirement date to avoid any delays. TPT will then liaise directly with the member.

The Withdrawal Form is available from: <https://www.tpt.org.uk/our-other-pension-schemes>

**Please note:** we cannot pay any benefits without a completed Withdrawal Form.

## Late retirement

If still employed by you, members can continue contributing to the Scheme after NPA and build up additional pension benefits.

Death benefits will continue to be provided on the same basis as they were before NPA and the pension must be paid no later than age 75.

As soon as you know the date the member expects to retire, please notify TPT and send a completed Withdrawal Form.

# Ill-health retirement

## Application for ill-health early retirement

You should inform TPT as soon as it seems likely that a member may need to retire early because of ill-health. Guidance on eligibility for early pension benefits is available on request.

TPT will send a questionnaire for you to complete and return. We will also ask the member to complete and return a form giving consent for TPT to contact their doctor for a medical report.

In order for the member to qualify, we must be satisfied that they will be unable to work again, in any capacity, before reaching NPA.

Once the ill-health retirement is approved, we will contact you to request a Withdrawal Form. The ill-health pension is payable from the day after the date of retirement shown on the Withdrawal Form.

# Death in Service

## Notification procedure

As soon as you become aware of the death of a member, you should immediately telephone your normal contact at TPT.

TPT will require the original death certificate or a certified copy, as soon as this is available, and a completed Withdrawal Form.

Any further information relating to the deceased member's next of kin or nominated beneficiaries, or any unusual circumstances, should be notified. This will assist TPT in dealing with the payment of the benefits in a sympathetic and efficient manner.

If you prefer to remain involved, you should notify TPT. Otherwise, TPT will liaise directly with the deceased's family and/or nominated beneficiaries, asking for any necessary forms to be completed and requesting copies of relevant certificates.

# Pensioner payroll

## Pensions increases

Members of Occupational Pension Schemes which contracted-out of the State Earnings Related Pension Scheme introduced from 6 April 1997 built up an entitlement to a Guaranteed Minimum Pension (GMP). Responsibility for payment of increases on GMP built up prior to 6 April 1988 will be increased by the State.

The part of the GMP accrued after 6 April 1988 will increase in line with inflation to a maximum of 3% per annum. If inflation exceeds 3% any extra increases will be paid by the State with any State Pension due.

The balance of pension above the GMP will increase as follows:

- Pension built up prior to 1 June 2007 – by the increase in the Retail Prices Index, up to a maximum of 5% per year.
- Pension built up from 1 June 2007 to 31 October 2013 – by the increase in the Consumer Prices Index, up to a maximum of 5% per year.
- Pension built up from 1 November 2013 – by the increase in the Consumer Prices Index, up to a maximum of 3% per year.

The first pension increase is a proportionate increase to reflect the amount of time that the pension has been in payment.

## Pension payments

Pensions are paid directly to members' nominated bank accounts quarterly in advance on 6th April, 6th July, 6th October and 6th January.

## Income Tax

Pensions, like most income (including State Pensions), will be taxable and income tax will be deducted at source under the PAYE system taking into account the member's personal tax coding. The first payment is taxed at Basic Rate and once the confirmed tax code is received we will make any adjustments to future payments.

If members have any queries about Income Tax, they should be advised to contact HM Revenue & Customs at the following address:

Pay As You Earn and Self Assessment  
HM Revenue and Customs  
BX9 1AS

Telephone: **0300 200 3300**

# Contacts at TPT

## Senior Scheme Management Contact:

### Employer Relationship Team

[clientrelations@tpt.org.uk](mailto:clientrelations@tpt.org.uk)

Telephone: **0113 394 2754**

## Senior Administration Contact:

### Joanne Hirstwood

Team Leader

[joanne.hirstwood@tpt.org.uk](mailto:joanne.hirstwood@tpt.org.uk)

Direct Telephone: **0113 394 2747**

## General Member Enquiries:

### Retirement Solutions Team 3

Team Telephone Number: **0113 394 2552**

Email: [enquiries@tpt.org.uk](mailto:enquiries@tpt.org.uk)

# Disclaimer

The purpose of this guide is to provide general guidance on your pension scheme. This is not a complete or authoritative statement on the formal Rules of the Scheme or the Scheme Document. You can download the Scheme Rules by visiting <https://www.tpt.org.uk/about-us/annual-reports>

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