

Pension update

Following the lengthy discussions around the changes to the Isle of Man Pension Scheme, the details of which can be found at www.nasuwt.org.uk/isleofman, the Public Sector Pensions Authority (PSPA) announced that, following consultation, the changes were due to come into force on 1 April 2018.

Following delays in the drafting of the required legislation, the reformed Teachers' Superannuation Order will not be presented to Tynwald until October and the implementation date is now expected to be 1 November 2018. This means that members will remain in the unreformed Scheme a little longer. The PSPA does not anticipate any further delays and the Order is expected to pass Tynwald without issue.

Pension FAQs

During the consultation period, a number of questions of general interest were asked.

Q) Is it possible to transfer my UK pension into the Isle of Man Scheme?

A) It is possible to transfer UK benefits into the Isle of Man Scheme, provided this is done within 12 months of starting in the Isle of Man Pension Scheme. A request form is available from the PSPA.

Q) Do I have to claim my pension at 60? What happens if I opt out?

A) The rules of the Pension Scheme do not demand that teachers cease employment at age 60, so if they wish to opt out of the Scheme, they may do so. If a teacher opts out of the Pension Scheme, their pension benefits will be preserved and held in the Scheme until they wish to claim them. The teacher must cease employment in all teaching roles in order to claim their full teachers' pension benefits.

Q) Can I claim part of my pension and continue working?

A) Yes – this is known as flexible retirement. At the same time as accessing part of your pension, you also access part of your lump sum. You can also remain part of the Scheme and your pension continues to accrue at the respective part-time rate.

Q) How is my pension calculated if I opt out?

A) If a member opts out of the Pension Scheme, their pension benefits will be frozen from their last day of Scheme membership, so that the final pensionable pay figure will be the average of the best three consecutive years going back ten years from the last day of Scheme membership, not when they choose to claim the deferred benefits.

Q) What happens if a deferred, pre-2007 teacher returns to the Scheme?

A) If a pre-2007 deferred teacher returns to teaching within five years of leaving, they will re-join the older section of the teachers' Pension Scheme. If they return to teaching with a gap of more than five years, any service they accrue from that point will have a normal retirement age (NRA) of 65 and an accrual rate of 1/60 (or 1/62.5 from 1 November 2018).

Continued



- Q) What happens if I want to give up responsibility and drop onto a lower salary before I retire?**
- A)** The final pensionable pay is the average of the best three consecutive years over the last ten. Therefore, providing the member has three years of higher pay remaining within the last ten years, they will be used to calculate the final pensionable pay.
- Q) Can I return to teaching after claiming my pension?**
- A)** Yes, if you retire on or after your NRA, restrictions on earnings apply, and your pension may be reduced if your pension and re-employed earnings exceed your 'salary of reference', which is the salary used to calculate your pension. Further details can be found in the Isle of Man Government's *Guide for members*. If you retire earlier than your NRA other than through ill health, the restrictions do not apply, and generally they also do not apply if taking non-teaching employment (e.g. as a civil servant).

**If you retired on ill-health grounds and return to teaching,
your pension must stop immediately.**

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