

Newsletter

from the Association
for College Management

acm

March 2007 Pensions | Work matters | Consultations



Sector
news



Leitch report: the headlines

Forthcoming events

**ACM successful college
manager conference
and AGM**

8 March 2007
Birmingham

Branch networking event

16–17 March 2007
Market Harborough

Wales National Committee meeting

4 May 2007
Llandudno

Branch Policy Forum

11 May 2007
Birmingham

National Council

11–12 May 2007
Birmingham

The skills challenge

Lord Leitch's review, *Prosperity for all in the global economy – world class skills*, was published on 5 December 2006.

The UK economy is the fifth largest in the world. It has experienced 15 years of low inflation, low unemployment and more or less unbroken growth. However, the UK's productivity (how much workers produce) lags behind that of France, Germany and the US. Leitch claims that the UK's relatively low productivity is to do with our population's poor skills, especially basic skills and skills at Levels 2 and 3. ►



◀ Leitch's recommendations

The challenge is to improve, substantially, the UK's skills levels. The current rate of improvement is too slow, the present targets too low. We have to treble the present rates of improvement. 'World class' is, of course, a shifting benchmark; but whatever it is, we want to be there.

What needs to be done

- We need to renew emphasis on, and commitment to, the education and training of adults.
- We must improve adult skills at all levels.
- The demand for skills should be led by individuals and employers; it should also shape provision.
- Funding has to achieve a balance of responsibility between employers, individuals and the state.
- Employers must pledge to make a fair contribution to training. They must do this by 2010, otherwise compulsion will be introduced. Digby Jones, the new skills tsar, has the job of ensuring that employers commit to the pledge. His message to his constituency is said to be: 'Pledge to pay for training voluntarily or there is a serious risk you will be compelled to pay for employee training by law.' If these appeals don't work, there will be a statutory entitlement to workplace training to Level 2 by 2010. (The story is that it took Leitch and his colleagues a long time to convince the government about the introduction of compulsion.)
- By 2010, all funding for learners aged 19 and over will come through Train to Gain (the service that offers employers workplace training to meet their needs, with public subsidy for training for first, full Level 2 qualifications) and Learner Accounts (funding that individuals can put towards the accredited learning of their choice).

- Train to Gain will be available to the public sector.
- Train to Gain brokers will operate in a similar fashion to a sales force.
- We must have qualification reform by 2010 in order to streamline the muddle brought about by 36,000 qualifications and 115 awarding bodies.

Main concerns

There is much in the Leitch report that deserves our congratulations. In particular, we are pleased to see a strong and renewed emphasis on adult education and training. We also welcome progress towards measures that will ensure that employers invest in the training of their workforce. However, we have a number of anxieties that we will be taking up with senior officials at the Department for Education and Skills.

- Employers inevitably have a preoccupation with their specific short- and medium-term skills needs. To allow our skills strategy to be driven by their vision may not develop the qualities and capacities we need in the longer term: a broadly well-educated, well-skilled, well-motivated and employable, flexible workforce.
- If Leitch's recommendations are adopted, employers will train their staff. Who will train the unemployed?
- The specific challenges presented by gender, ethnicity and age are not addressed in the report.
- Putting all the funding through Train to Gain may introduce some instability for providers. It will be more difficult to plan provision. ●

Do you have views on the Leitch report or on the ideas described here? If so, please e-mail us at feedback@acm.uk.com

The challenge is to improve, substantially, the UK's skills levels



The ACM successful college manager conference

**Thursday 8 March 2007
International Convention
Centre, Birmingham**

The 2007 successful college manager conference offers managers a day of top-class training and policy debate.

This one-day training event is a must for all college managers. Policy debates led by keynote speakers are complemented by workshops delivered by first-rate trainers with expertise and experience in further education. The day will be participative, interactive and focused on developing skills and vision. The menu of workshops includes:

- Employer engagement
- Managing underperforming staff
- 14–19 curriculum and qualifications
- Managing organisational change
- Managing diversity
- Dealing with disciplinary and grievance issues.

We have three varied, eminent and stimulating keynote speakers: Sue Pember, Director, FE Learning and Skills Performance Group, Department for Education and Skills (DfES); Frances O'Grady, TUC Deputy General Secretary and Chair of the Learning and Skills Council's (LSC's) Adult Learning Committee; and Ray Dowd, LSC's Agenda for Change Champion.

The conference is open to managers at all levels. Members (delegate fee £149) and non-members (delegate fee £169) are very welcome to attend.

How to book

To secure your place at the 2007 successful college manager conference, book online at www.acm.uk.com, call 01858 411 542 or complete and return a booking form available from events@acm.uk.com

Programme

Please note this programme is subject to change

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|---------|--|
| 9.30am | Registration and refreshments |
| 10.00am | Welcoming address, Daniel Khan , ACM President |
| 10.15am | Keynote address, Sue Pember , Director, FE Learning and Skills Performance Group, DfES |
| 10.45am | Choice of workshops: A Employer engagement B Managing underperforming staff C 14–19 curriculum and qualifications D Managing organisational change E Managing diversity F Dealing with disciplinary and grievance issues |
| 12.15pm | Frances O'Grady , TUC Deputy General Secretary and Chair of the LSC's Adult Learning Committee |
| 12.45pm | Lunch |
| 1.30pm | ACM annual general meeting |
| 2.00pm | Choice of workshops: A Employer engagement B Managing underperforming staff C 14–19 curriculum and qualifications D Managing organisational change E Managing diversity F Dealing with disciplinary and grievance issues |
| 3.30pm | Ray Dowd , LSC's Agenda for Change Champion |
| 4.15pm | Drinks reception, sponsored by JLT Benefit Solutions Presentation of ACM awards |
| 6.30pm | Dinner at Café Lazeez (optional) |

Workshops

The workshops will require delegates' participation and will suggest effective strategies for managers in dealing with the challenges of their job.

A Employer engagement

A workshop aimed at helping managers raise their game for the skills/employer engagement agenda.

B Managing underperforming staff

For managers who are committed to excellence and who want to win the same commitment from their staff.

C 14–19 curriculum and qualifications

An update on the 14–19 curriculum and qualifications from those leading the reforms.

D Managing organisational change

Managing change is a constant challenge for sector leaders, who are required to retain their vision and purpose while motivating staff at all levels. The Centre for Excellence in Leadership will use several case studies to illustrate how successful change management can be achieved, enabling an organisation to move forward with confidence.

E Managing diversity

Strategies to help colleges, as employers, address equality issues and to achieve a more diverse workforce reflecting the composition of their local communities.

F Dealing with disciplinary and grievance issues

An update on best practice.

Work matters



Smoking ban dates

Smoking in an enclosed workplace will become an offence on 2 April in Wales, on 30 April in Northern Ireland and on 1 July in England (smoking is already banned in Scottish workplaces). It will also be an offence to fail to prevent people from smoking in enclosed workplaces. All workplaces, including works vehicles, will be required to display the correct signs.

Colleges should not delay in reviewing their existing smoking policies and consulting with ACM and other unions where changes are needed. In addition, they need to ensure that staff, learners and contractors are given plenty of notice of any change. Where smoking is already banned in a college, then further changes will mostly relate to signage and college vehicles. Colleges will still be able to provide outdoor smoking shelters if they are less than 50% enclosed.

The law provides a statutory framework. However, there is nothing to stop colleges continuing with, or introducing, much more stringent rules than required by the law. For example, a complete ban on smoking everywhere on college premises.

ACM will soon issue a short briefing on smoking policies.

Drinking at work

Don't mix it is a new guide for employers on alcohol at work. Published by the Health and Safety Executive (HSE), the guide states that alcohol-related absenteeism is estimated to cause 3–5% of all absences from work. In the workplace, the biggest problems are the effects alcohol has on productivity and safety. The HSE says there are no precise figures on the number of workplace accidents where alcohol is a factor, but alcohol is known to affect judgement and physical coordination.

Don't mix it provides guidance on how to identify a potential problem and how to deal with the matter. There is advice on developing an effective alcohol policy in consultation with trade unions and on providing support for employees with drink-related problems.

A copy of the guide can be ordered from the HSE by calling 01787 881 165 or downloaded from www.hse.gov.uk/pubns/indg240.htm

Gender Equality Duty taking effect

The Gender Equality Duty comes into force on 6 April 2007. All public authorities, including colleges, must demonstrate that they are eliminating unlawful sex discrimination and harassment, and promoting equality for men and women.

To meet the new duty, colleges will need to gather information about how their work affects men and women; consult unions, service users and other stakeholders; and assess the impact of different policies and practices on both sexes. They must then draw up a gender equality scheme that identifies gender equality goals and describes the actions they will take to implement these. Every public authority must publish a gender equality scheme before 30 April 2007 and review it every three years.

More information, including a code of practice, is available from the Equal Opportunities Commission website: www.eoc.org.uk



Women still woefully under-represented at the top

Women make up just 10% of directors of FTSE 100 companies and barely 20% of Parliament, according to the Equal Opportunities Commission's (EOC's) annual survey looking at women in senior positions across the public and private sectors.

The EOC has calculated that nearly 6000 women are 'missing' from the more than 33,000 top positions across the public and private sectors included in the survey.

Sex and power: who runs Britain? 2007 (a 12-page document with a complete list of women's representation in 27 categories) can be downloaded from the EOC website: www.eoc.org.uk

ACM responds to important consultations that impact on the services offered to learners and employers and on the work and working conditions of our members. The past few months have been a busy time in this regard. Below, we summarise the key points from our recent responses.

ACM's response to the proposals to enable the Privy Council to grant Foundation Degree awarding powers to FE colleges

This Association and the college sector generally welcome the proposal to enable colleges to award Foundation Degrees. This proposal is consistent with the sector's tradition and good pedigree in delivering high-level specialist vocational training. We congratulate the government for its vision and decisiveness with this policy and offer comments on some specific points.

Avoiding a two-tier system

It is critical to the success of this policy, and even more importantly to the interests of students, that a two-tier hierarchy of provision does not develop. For this reason we call upon the government to ensure that the education of Foundation Degree students in FE colleges is as well funded as the education of Foundation Degree students in universities. FE colleges will need direct access to HEFCE (Higher Education Funding Council for England) capital funds to sustain their ability to offer up-to-date Foundation Degrees.

Ensuring that the provision is of high quality

Ministers and colleges share an ambition for Foundation Degrees of excellent quality. It is necessary, therefore, for the Privy Council to set criteria which institutions must meet in order to award Foundation Degrees. Similarly, in order to sustain high standards, it will be important that colleges' internal quality assurance mechanisms are appropriate for this task.

Making arrangements for college-university partnerships to continue

Where current arrangements are viewed as successful by colleges, they may wish to continue with them rather than switch to the direct award. Other colleges may not meet the criteria. For these colleges, it is important that the existing validation arrangements are reviewed and revised so that while they fulfil their function, they do so with minimal bureaucracy.

External examiners

Colleges sometimes have difficulty in finding people to act as external examiners. This may be even more difficult when colleges do not work in partnership with a university. There is a need to promote this work. Perhaps Foundation Degrees Forward could have the responsibility of maintaining a directory of suitable candidates and act as a broker for colleges seeking external examiners.

ACM's contribution to the Comprehensive Spending Review

At ACM, we are committed to an engagement between the college sector and significant global and national challenges. The development of a highly skilled workforce must, ACM agrees, be a top priority. Without it, we will not achieve the continuing economic prosperity that we aspire to and need for a range of ends, only some of which are economic. ►



◀ The Treasury paper, *Long-term opportunities and challenges for the UK: analysis for the 2007 Comprehensive Spending Review*, states that over the next 10 years, a critical challenge for the UK will be to meet 'the global challenge by improving education and skills across the population'. The present government has already demonstrated an impressive commitment to education since 1997, both through a substantial improvement in resources and through more thorough policy development and refinement than we have previously experienced. In addressing the knowledge economy analysis, through enquiries such as that of Lord Leitch and policies such as Level 2 entitlement and Train to Gain, this government has focused on the delivery of vocational education and workforce development in an unprecedented fashion. We applaud that commitment and strongly support the broad direction of policy.

Some recent achievements of the college sector due to government investment

- Significantly enhanced buildings and facilities, thanks to the capital development funding
- Sustained rises in participation and success rates of 16–19 year olds, based on the Education Maintenance Allowance policy
- Improved success rates and high levels of learner satisfaction due, in part, to improved funding levels
- A more concerted focus and identification with vocational training due, in part, to the investment in Centres of Vocational Excellence, and also to general funding improvements
- Progress on addressing the national basic skills challenge, due to entitlement policies and good funding levels for this area of work.

Future resource needs

- **Foundation Degrees** (see 'Avoiding a two-tier system' on page 5, above).
- **Loans for adult students** Current policy requires adult students in FE colleges to make a greater contribution to the cost of their education. The equivalent process in university education led to the introduction of the student loan scheme. The loan scheme should be extended to adult students in further education in order to minimise the negative impact of increased fees on inclusion. Such a policy would have the advantages of consistency and equity, too.
- **New specialised Diplomas** The provision of vocational education for 14–19 year olds has been problematic for decades. In order to ensure the success of the new vocational pathway, it is imperative that the government makes a sufficient investment in the planning and development of specialised Diplomas. At present, many of our members express concerns that there are insufficient resources to fund college–school collaboration. The success of the Diplomas depends on their delivery in top-class learning environments.
- **UK demographic profile** We regret that insufficient attention has been paid in policy and analysis to older people and their vocational and personal learning needs. This Association has made the case for investing in older learners for the benefits it brings: to the lives of those individuals; to the economy through their participation in the workforce; and to the UK's overall prosperity through the savings learning brings due to reductions in the cost of ill health and dependency care.
- **Attract rising stars into the profession at all levels** The age profile of the FE college sector at all levels suggests an impending recruitment crisis. To offer a great service, we need great staff. To attract talented teachers and inspirational managers, we need to offer salaries that are competitive with comparable occupations.



A great service
needs a great
workforce



- **Professionalisation of the workforce** As we indicated in the previous section, a great service needs a great workforce. The government has taken welcome and radical steps to make the sector more professional. What colleges need now are the resources to complete this process effectively and speedily. Investment is necessary for the professional development and updating of the whole workforce: in management as well as teaching.
- **Level 3 entitlement** The knowledge economy analysis demands a high level of skills across the entire working population. The days when our economy demanded a significant proportion of unskilled labour have gone. We propose that the creation of a universal Level 3 entitlement would serve this goal well. Such provision would require specific funding.
- **Revisit reduced funding for English for speakers of other languages (ESOL) provision** ACM believes that education can play a valuable role in strengthening social stability and cohesion in the UK's communities. For example, by offering learning opportunities which support integration as well as individual development; and by promoting values while facilitating social harmony such as learning, respect, responsibility and self determination. For these reasons, we suggest that the government revisits its decision to withdraw funding for ESOL programmes.
- **Provision for students with learning difficulties and disabilities** Provision consistent with the direction and tenor of current policy would provide small, well-focused units offering good training effectively linked to work, sheltered work and entrepreneurial projects. It would also offer supported progression into those destinations. ●

Help to determine future policy

John Lowe, former president of ACM, seeks your input into the Association's response to the proposal that FE colleges become more involved in the provision of higher education.

About 100,000 students are following higher education (HE) programmes in nearly 300 further education (FE) colleges funded by the Higher Education Funding Council for England (HEFCE). The government is keen to expand the role of FE colleges in the provision of higher education. This can be seen in the FE White Paper, published in March 2006, and in the Further Education and Training Bill's proposal to grant FE colleges the power to award Foundation Degrees.

Both the HEFCE and the Learning and Skills Council (LSC) are keen to develop a strategic approach to higher education in FE colleges. The LSC published its strategy for higher education, *Partnership, provision, participation and progression*, in May 2006. The HEFCE is consulting on its policy for higher education in FE colleges. One of its central proposals is that FE colleges wanting to receive HEFCE funding must make a strategic commitment to the development and delivery of higher education.

In general, the HEFCE's proposals are positive and sound, recognising the unique and dynamic contribution that FE colleges make to higher education. They are designed to ensure transparent and secure funding arrangements for the development of this work.

ACM is formulating its response to the HEFCE consultation. If you have particular experience of higher education in FE colleges and you wish to inform our response, please e-mail nadinecartner@acm.uk.com as soon as possible. You might also wish to respond directly to the HEFCE. Its consultation document and response form are available online at www.hefce.ac.uk under 'Publications'.

We understand that universities are lobbying to oppose the proposal to allow FE colleges to award Foundation Degrees independently. A strong and mature response from FE colleges to this consultation can only help our cause.



Pay negotiations in Wales

Progress has been made towards concluding the 2006/07 pay negotiations in Wales. At a joint negotiating meeting on 19 January, fforwm and all of the trade unions agreed a position to recommend to their members. This includes a pay increase across the board for all staff of 2.5% back-dated to August 2006. Discussions on other matters relating to conditions of service for managers and teaching staff will be deferred until after the FE Review recommendations are published in the autumn. Further developments will be posted on the ACM website: www.acm.uk.com

Pay negotiations in England

ACM's Employment Committee will be considering the 2007/08 pay bid at its meeting in January. It is likely to include a claim for an increase greater than that awarded to schoolteachers and at least equal to the underlying rate of inflation. The Association of Colleges will also be asked to restate its commitment that there should be no reduction in differentials between managers and the staff that they manage.

Wales Committee

The ACM Wales Committee met in January. Top of the list of items for discussion was the pay negotiations for 2006/07 and how to encourage the other parties to reach a settlement. It is hoped that an increase of 2.5%, back-dated to August 2006, will be in members' salary payments in February 2007. The Committee also discussed its submission to the forthcoming review of further education in Wales, the Geographic Pathfinders Consultation, the draft report from the Bureaucracy and Red Tape Group and changes to the Local Government Superannuation Scheme. If you would be interested in serving on the Wales Committee, please contact the General Secretary, tel 01992 578 286 or 01858 411 546.

AGM notice

The 20th AGM of the Association for College Management

**Thursday 8 March 2007, 1.30pm
International Convention
Centre, Birmingham**

All members are hereby invited to attend the AGM. The agenda for the meeting is outlined below.

1. Record of the AGM held March 2006
2. President's report
3. General Secretary's report
 - 3.1 Constitutional amendments
 - 3.2 Council election
 - 3.3 Council 2007-08
4. Honorary Treasurer's report
 - 4.1 Audited statement of accounts 2006
 - 4.2 Approval of auditors
5. Any other business

If you are able to attend, please e-mail events@acm.uk.com or telephone 01858 411 542. A copy of the papers and a map of the venue will be sent to you before the meeting.

Changes to representation policy

ACM has made some changes to its policy on representation and legal support for members. The document, which sets out what members can expect from ACM, covers matters such as standards, confidentiality and circumstances when support might be withdrawn. The main changes concern legal proceedings and there is more detailed information about the standard of support provided.

Copies of the policy are given automatically to members who receive workplace representation. The policy can also be downloaded from the ACM website: www.acm.uk.com

Branch delegates needed

ACM's future policy direction will be debated this spring and members can play an active role. Our second Branch Policy Forum will be held in Birmingham on 11 May 2007. All ACM branches are entitled to send one delegate. More importantly, every branch has the opportunity to submit up to two motions or papers for debate.

Last year the forum debated a range of important issues, including pay, restructuring, branch representatives' training and ACM contribution rates.

Branches have until 30 March to choose their delegate and agree what items will go forward to the forum. A circular, setting out the timetable, has already been e-mailed to branches. As well as branch delegates, elected lay members of ACM's Council are also entitled to attend the forum.

Over 700 members seek help

Over 700 members contacted ACM for help and advice last year. Of these, four out of every 10 members had a problem relating to restructuring. The figures were reported at the end of January to ACM's Employment and Services Committee.

After restructuring, it was grievances, pensions and disciplinary matters that caused members to contact ACM. Overall, satisfaction with ACM's service to members remained high. Completed evaluation forms gave a satisfaction rating (good or excellent) of 97.5%.

In total, 716 members called the national helpline or our regional officers during 2006. Of these, 47% required workplace representation by an ACM officer and 7% required referral to a pensions specialist or ACM's solicitors.

Booking now: branch networking event

Our annual training and networking event for ACM branch officers is being held from 1.30pm on Friday 16 March until 12.15pm on Saturday 17 March at the ACM office in Market Harborough. Accommodation on the Friday evening will be provided at a local hotel.

Branch officers in attendance get a chance to share their experiences, discuss new ideas and look at ongoing issues afresh. This year we will cover workplace bullying, recruiting new members and collective bargaining practices and procedures. Facilitators will be David Green, ACM's Head of Employment Relations, and Pauline Rodmell, Regional Officer.

To request a booking form, please e-mail events@acm.uk.com

Ballot required for manager category

Managers should have received ballot papers for the manager category for Council elections. Please complete the form and return it to Electoral Reform Ballot Services by 5pm on Friday 16 February 2007. The results for the Council elections will be announced at the AGM on Thursday 8 March 2007 and published in the next edition of the newsletter.

Pensions



Teachers' Pension Scheme changes

The Teachers' Pension Scheme (TPS) changed on 1 January 2007. Below we summarise the main aspects of the scheme and what it means for existing and new scheme members.

Pension age

For existing scheme members, the normal pension age remains 60. However, the minimum retirement age (other than for ill health) will rise to 55 by 2010. New entrants from 1 January 2007 will have a normal pension age of 65.

Contribution rates

Employee contributions for all members are now 6.4%. Employer contributions have risen from 13.5% to 14.1% from 1 January 2007.

Membership

Membership of the scheme is now automatic for all new teachers, including part-time teachers. If a part-time teacher whose contract started before 1 January 2007 did not elect to join the scheme, non-membership will continue. However, if the part-time teacher now has a break in service, or if they move on to a new contract, they will automatically be put into the scheme upon re-employment. All members remain able to opt out of the scheme at any time.

Premature retirement

The rules on premature retirement remain much the same. Premature retirement is where your employer certifies the reason for retirement as redundancy, and where the employer agrees to pay a share of your retirement benefits. The costs to employers mean this benefit is rarely applied. For those who joined the scheme after 6 April 2006, and for all members from April 2010, the qualifying age will be 55 or over.

Death in service grant

The in-service death grant has increased from two times pensionable salary to three times pensionable salary.

Retirement lump sum

For existing members, a tax-free lump sum of 3/80th of their average salary will continue to apply. In addition, existing members can increase their lump sum up to the new HM Revenue & Customs limit at retirement by commuting £1 of pension in return for £12 of lump sum.

For new entrants, there is no automatic lump sum. However, they will also receive £12 of lump sum for every £1 of pension that they commute.

If you wish to calculate the maximum pension and lump sum in your own case, the maximum pension and lump sum modeller is available as an Excel spreadsheet. Further information on the new lump sum calculation can be found on the TPS website (see below).

New average salary calculation

There is a new definition of 'average salary' for all members in service from 1 January 2007. For those retiring after 31 December 2008, the calculation used is the best of either (1) earnings in the last 365 days of service or (2) an average of the highest three consecutive annual salaries (re-valued by the retail price index RPI) in the last 10 calendar years.

For those retiring between 1 January 2007 and 31 December 2008, the old final salary definition will apply if this works out to be higher.

If your salary is increased by more than 10% plus the standard cost of living increase during any financial year in your last three years of pensionable employment, and your last year's salary is used as the average salary (or where the old method is still used), then your average salary will be restricted unless your employer agrees to make up the cost of the difference.

Retirement benefits

Existing members will receive a pension equal to 1/80th of their average salary (see below) for every year of pensionable service. New entrants will receive 1/60th of their average salary for every year of pensionable service.

Early retirement

These rules are unchanged. You can claim actuarially reduced benefits (ARBs) if you are aged over 55 and have been in pensionable teaching employment on or after 30 March 2000. The reduction is permanent and the amount will depend upon your age.

If the application for ARBs is to be made while you are still working then you will need the consent of your employer. This can only be withheld for a maximum of six months. For those who have left pensionable employment then the earliest ARBs can be paid is six weeks from the date of application.

Phased retirement

Members aged 55 and over are now able to draw up to 75% of their pension benefits while continuing to work as a teacher in a reduced capacity, taking at least a 25% reduction in salary for 12 months or more. This is subject to the employer agreeing to the member's new working arrangement and certifying the reduction in salary.

Additional pension

There is a new provision for enhancing your pension known as Additional Pension (this replaces Past Added Years for existing members, although existing elections will be honoured). Up to £5000 of additional annual pension may be purchased in multiples of £250. Additional Pension can only be bought while a member is in pensionable employment.

For details of costs of purchasing Additional Pension, please visit the TPS website to download the new Additional Pension calculator. There is no similar facility to buy additional lump sum, but you may commute part of your pension in return for a larger lump sum (see above).

Family survivor benefits

Spouses and civil partners already receive a pension in the event of a member's death. Now the benefit is extended to non-married and non-civil partners (to be known as nominated dependent partners), payable for those in service from 1 January 2007, subject to: a two-year qualifying period; a nomination; and proof of inter-dependency at date of death.

Surviving spouses', civil partners' and nominated dependent partners' pensions are payable for life, subject to members being in service on or after 1 January 2007, otherwise pensions cease on re-marriage, civil partnership or co-habitation.

AVCs

Teachers' additional voluntary contributions (AVCs) continue to be available from Prudential. It invests your money and the benefits you receive depend upon the value of the investment and the cost of annuities when you retire.

Retirement through ill health

There are now two tiers of ill-health retirement benefits – Total Incapacity Benefit and Partial Incapacity Benefit. *However, the permanency criteria remains unchanged.*

Partial Incapacity is where members are too ill to teach, but may undertake other gainful employment outside of teaching. In such cases they will be paid all their accrued benefits but without any enhancement.

Total Incapacity Benefit applies to those too ill for any gainful employment. They will receive their accrued benefits plus enhancement equal to half their prospective service up to their normal pension age.

Leaving and then returning to teaching

If you leave teaching but return later, you will retain a normal retirement age of 60 so long as your break in service is no longer than five years. Those returning after a longer break will have a retirement age of 65 in respect of their future service, but your accrued benefits for previous service will be payable in full at age 60.

If you have taken phased retirement or actuarially reduced benefits before returning, your pension will not be affected. However, if you took age or premature retirement benefits then your pension may be abated (ie reduced).

Discontinued arrangements

As a result of the changes to the scheme, some arrangements applicable to existing members have been discontinued.

Stepping-down arrangements, Current Added Years and Past Added Years have all gone, although existing arrangements will be honoured. Elected Further Employment is also not needed as anyone returning to pensionable employment will be placed automatically into the scheme.

Further information

All TPS literature was replaced from 31 December 2006, and all retirement applications must now be made using the new re-branded forms. For more details, including fact sheets, leaflets and forms, please see the TPS website: www.teacherspensions.co.uk



A new-look LGPS

The Local Government Pension Scheme (LGPS) is changing, following a lengthy review and consultation process. Although there will be many similarities with the Teachers' Pension Scheme, there is a two-tiered contribution rate based on earnings. Outlined below are the elements of the proposed new-look LGPS:

- Normal pension age (NPA) of 65 in order to obtain a release of unreduced benefit
- Earliest age for release of pension is to be 55 by 2010 for current members, except on grounds of ill health
- Earliest age for release of pension is 55 for new joiners after 1 April 2008, except on grounds of ill health
- Final Salary Pension based on 1/60th of salary for each year of pensionable service, with the flexible option to commute pension at the rate of £1 of annual pension for £12 of lump sum up to a maximum tax-free lump sum of 25% of capital value of accrued benefit rights at date of retirement
- A final salary calculation based on the better of the last year's whole-time equivalent salary or the 're-valued' (in line with the Retail Price Index RPI) average of the best three consecutive years' salary in the last 10 years of service
- Survivor benefits for life payable to spouses, civil partners and 'nominated' dependent partners (opposite and same sex) at a 1/160th accrual rate
- Survivor benefits payable to children at a maximum accrual of 1/160th
- Revised ill-health retirement package with no review system – banded approach with a higher level of benefits for total incapacity and a different level of benefits for partial incapacity
- A death-in-service tax-free lump sum of three times salary
- Scope to have post-retirement lump sum death benefit up to a maximum of 10 years
- Phased retirement arrangements that would enable LGPS members, under specified circumstances, to draw down some or all of their accrued pension rights from the scheme while still continuing to work
- Actuarial enhancement for those who continue in work beyond an NPA of 65 without accessing their pension benefits
- Tiered employee contribution rates with 5.5% payable on first £12,000 of pensionable pay, and 7.5% paid on the excess over £12,001
- A facility to purchase up to £5000 of added annual pension.



Need legal services?

Have you forgotten that ACM provides legal services at discounted rates via Morrish & Co, its appointed solicitors?

This is a benefit to ACM members and their families.

To take advantage of those services, please contact the ACM helpline on 01858 411 540 or e-mail helpline@acm.uk.com

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