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STATUTORY INSTRUMENTS

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**2014 No. 2651**

**EDUCATION, ENGLAND AND WALES**

**The Teachers' Pensions (Miscellaneous  
Amendments) (No. 2) Regulations 2014**

*Made* - - - - - *29th September 2014*  
*Laid before Parliament* *3rd October 2014*  
*Coming into force* - - - *1st April 2015*

The Secretary of State for Education makes these Regulations in exercise of the powers conferred by sections 9 and 12 of, and Schedule 3 to, the Superannuation Act 1972<sup>(1)</sup>.

The Secretary of State has consulted with the persons referred to in section 9(5) of that Act.

In accordance with section 9(1) of that Act, these Regulations are made with the consent of the Treasury<sup>(2)</sup>.

**Citation and commencement**

1. These Regulations may be cited as the Teachers' Pensions (Miscellaneous Amendments) (No. 2) Regulations 2014 and come into force on 1st April 2015.

**Amendments to the Teachers' Pensions Regulations 2010**

2. The Teachers' Pensions Regulations 2010<sup>(3)</sup> are amended in accordance with regulations 3 to 29.

**References to the Council of British Independent Schools**

3. (1) For each reference to "COBISEC" substitute "COBIS" in—
- (a) regulation 13(3)(c), and
  - (b) paragraphs 3 and 25 of Schedule 2.
- (2) In Schedule 1—

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(1) 1972 c. 11. Section 9 was amended by sections 4, 8 and 11 of the Pensions (Miscellaneous Provisions) Act 1990 (c. 7); paragraph 7 of Schedule 8 to the Pension Schemes Act 1993 (c. 48); article 107 of S.I. 2001/3649; and article 5 of, and paragraph 27 of Part 2 of Schedule 2 to, S.I. 2010/1158. Section 12 was amended by section 10 of the Pensions (Miscellaneous Provisions) Act 1990.

(2) See S.I. 1981/1670.

(3) S.I. 2010/990; relevant amending instruments are S.I. 2011/614, 2012/673, 2012/2270, 2013/275 and 2014/424.

- (a) for the expression “COBISEC” substitute “COBIS”, and
- (b) in the meaning “the Council of British Independent Schools in the European Communities” omit “in the European Communities”.

**Amendments to regulation 13 (Accepted schools)**

- 4. In regulation 13, paragraph (6)—
  - (a) after the words “may be given” omit “if”, and
  - (b) insert “if” at the beginning of sub-paragraphs (a), (b) and (c).

**Amendment to regulation 14A (Meaning of “accepted member”)**

- 5. In regulation 14A, paragraph (5), for “(1)” substitute “(4)”.

**Amendments to regulation 14F (Meaning of “accepted employer”)**

- 6. In regulation 14F, sub-paragraph (c)—
  - (a) for “no” substitute “is not the subject of a”, and
  - (b) omit all the words after “14H(1)”.

**Amendment to regulation 16 (Contributable salary – residential accommodation)**

- 7. In regulation 16, paragraph (8), omit “less the amount of the tax chargeable on contributions of that amount under section 205 of FA 2004”.

**Amendments to regulation 17 (Cap on contributable salary)**

- 8. In regulation 17—
  - (a) in paragraph (1)(a), for “(2) or (3)” substitute “(2), (3) or (3A)”;
  - (b) after paragraph (3), insert—
    - “(3A) This paragraph applies to a person whose annual rate of contributable salary for the tax year or part of the tax year which included 31st March 2008, calculated in accordance with regulation C1 of TPR 1997 (salary on which contributions are payable), did not exceed the permitted maximum for that tax year of £112,800.”;
  - (c) for paragraph 12, substitute—
    - “(12) In this regulation the “permitted maximum” for any tax year is the permitted maximum for the previous tax year increased (if there is a relevant increase in the retail prices index for the tax year) by the appropriate percentage for the tax year.
    - (13) For the purposes of this regulation—
      - (a) there is a relevant increase in the retail prices index for a tax year if the retail prices index for the month of September before the tax year is higher than it was for the previous September;
      - (b) the appropriate percentage for the tax year is the same percentage as the percentage increase in the retail prices index;
      - (c) if the result of the application of paragraph (12) above in relation to a tax year would not be a multiple of £600, the permitted maximum for that tax year is what it would be but for this provision, rounded up to the nearest amount which is such a multiple.”.

### **Amendment to regulation 30 (Payment by employers to Secretary of State)**

9. In regulation 30, paragraph (1), after sub-paragraph (c) insert—
- “, and
- (d) an administration charge of such percentage as is notified from time to time by the Secretary of State.”.

### **Amendments to Part 4 (Transfers)**

10. For Part 4 substitute—

**“PART 4**  
**Transfers**  
**CHAPTER 1**  
**General provisions**

#### **Application of Part**

31. (1) This Part does not affect a person’s entitlement to a cash equivalent conferred by or under Chapter 4 of Part 4 of PSA 1993.

(2) A transfer value in respect of any pension credit rights or pension credit benefits is not to be paid or accepted under this Part.

(3) A transfer value in respect of a person (P) is not to be accepted under this Part if the previous scheme was a money purchase arrangement as defined in section 152 of FA 2004—

- (a) to which P’s employer was not a contributor, and
- (b) which provided benefits additional to those provided by a scheme to which P was a contributor.

(4) Under this Part a transfer value may not be paid in respect of P’s phased retirement benefits in payment, only in respect of P’s other benefits.

(5) A transfer value may be paid or accepted under this Part, in respect of P, to the extent that paragraphs (6) or (7) apply to the transfer value.

(6) A transfer value referable to P’s NPA 65 reckonable service may be paid or accepted if—

- (a) P is a person with mixed service, and
- (b) P’s NPA 60 reckonable service has come into payment.

(7) A transfer value referable to P’s further employment may be paid if—

- (a) retirement benefits, a short-service serious ill-health grant or a short-service annuity have not come into payment in respect of that further employment, and
- (b) retirement benefits, a short-service serious ill-health grant or a short-service annuity have come into payment in respect of the previous employment.

#### **Interpretation of Part**

31A. In this Part—

“club transfer value” in relation to reckonable service in this scheme or another club scheme, means an amount calculated—

- (a) in accordance with the club transfer arrangements, and
- (b) by reference to tables provided by the Government Actuary for this purpose that are in use on the date used for the calculation.

“CUKS transfer value” in relation to reckonable service in this scheme or a comparable United Kingdom scheme, means an amount calculated in accordance with the arrangements for comparable United Kingdom scheme transfers.

“transfer value” in relation to reckonable service which is not related to a club transfer value or a CUKS transfer value, under—

- (a) this scheme, means a value determined by the Secretary of State having taken advice from the Government Actuary, or
- (b) another scheme, means a value determined by the scheme actuary and accepted by the Secretary of State.

### **Reduction in transfer value: lifetime allowance charge**

**32A.** (1) This regulation applies where—

- (a) the lifetime allowance charge under section 214 of FA 2004 arises on the payment of a cash equivalent or a transfer value in respect of a person to a qualifying recognised overseas pension scheme, and
- (b) the person and the Secretary of State are jointly and severally liable to the charge.

(2) The Secretary of State must pay the charge.

(3) The cash equivalent or transfer value which, apart from this regulation, would be payable must be reduced to reflect the amount of the charge in such manner as the Secretary of State determines, after taking advice from the scheme actuary.

(4) In this regulation “qualifying recognised overseas pension scheme” has the same meaning as in Part 4 of FA 2004.

## CHAPTER 2

### Transfers on a club basis

#### SECTION 1

#### *Application of Chapter*

#### **Application of this Chapter**

**33.** This Chapter applies in relation to the payment and acceptance of club transfer values.

#### SECTION 2

#### *Transfers out*

#### **Application of this Section**

**33A.** (1) This Section applies to—

- (a) a person who ceases to be in pensionable employment and enters a club scheme;
- (b) a person who—
  - (i) ceases to be in pensionable employment,

- (ii) enters a public service scheme established for teachers and maintained in the Channel Islands or the Isle of Man on or before 31st March 2015, and
- (iii) makes an application for a transfer value payment on or before 31st March 2017.

(2) Part 1 of Schedule 6 determines the amount of a club transfer value payment.

#### **Payment under this Section**

**33B.** (1) A club transfer value may only be paid under this Section in respect of a person (P) if P satisfies the conditions in either paragraph (2) or (3).

(2) The conditions are that P—

- (a) has left all pensionable employment under this scheme,
- (b) makes a written application to the Secretary of State within 12 months from the date on which P becomes subject to another club scheme,
- (c) meets the requirements for a club transfer from the receiving scheme, and
- (d) has not reached the age of 75.

(3) The conditions are that P—

- (a) has entered pensionable employment in a public service scheme for teachers established and maintained in the Channel Islands or the Isle of Man on or before 31st March 2015, after leaving this scheme, and makes a written application for a transfer value payment to the Secretary of State either—
  - (i) on or before the day on which P reaches the normal pension age, or
  - (ii) after the day on which P reaches the normal pension age, having entered pensionable employment—
    - (aa) on or before the day on which P reaches the normal pension age, and
    - (bb) immediately after the end of P's employment in this scheme service, and
- (b) makes the application on or before 31st March 2017.

#### **Restrictions on the payment of a club transfer value**

**33C.** Save as provided in regulation 31(5), a club transfer value is not to be paid under this Section if, before a person's application for a club transfer value payment is received, the person—

- (a) becomes subject to another club scheme and is in receipt of retirement benefits,
- (b) is in receipt of a short-service serious ill-health grant, or
- (c) is in receipt of a short-service annuity.

#### **SECTION 3**

#### *Transfers in*

#### **Application of this Section**

**33D.** (1) This Section applies to—

- (a) a person who ceases to be in another club scheme and enters pensionable employment in this scheme, and
  - (b) a person who—
    - (i) ceases to be in a public service scheme for teachers established and maintained in the Channel Islands or the Isle of Man on or before 31st March 2015,
    - (ii) enters pensionable employment in this scheme on or before 31st March 2015, and
    - (iii) makes an application for a transfer value payment on or before 31st March 2017.
- (2) A person in respect of whom a club transfer value is accepted is entitled to count reckonable service in accordance with paragraph 11A of Part 2 of Schedule 6.

### **Receipt under this Section**

**33E.** (1) A club transfer value may be accepted under this Section in respect of a person (P) if P satisfies the conditions in either paragraph (2) or (3).

- (2) P—
- (a) enters pensionable employment,
  - (b) makes a written application to the Secretary of State within 12 months from the date on which P enters pensionable employment,
  - (c) makes the application before P attains the age of 75, and
  - (d) before P ceased to be subject to the previous scheme, retirement benefits have not come into payment to P either—
    - (i) under regulation 60 (retirement benefits), or
    - (ii) under a provision of a statutory scheme corresponding to regulation 60.
- (3) (a) P enters pensionable employment on or before 31st March 2015, after leaving a public service scheme for teachers established and maintained in the Channel Islands or the Isle of Man, and either—
- (i) makes a written application to the Secretary of State on or before the day on which P reaches the normal pension age, or
  - (ii) makes the application after the day on which P reaches the normal pension age, having entered pensionable employment—
    - (aa) on or before the day on which P reaches the normal pension age, and
    - (bb) immediately after the end of P's employment in the previous scheme service, and
- (b) P makes the application on or before 31st March 2017.

## **CHAPTER 3**

### Transfers on a comparable United Kingdom service basis

#### **SECTION 1**

## *Application of Chapter*

### **Application of this Chapter**

**34.** This Chapter applies in relation to the payment and acceptance of CUKS transfer values.  
SECTION 2

## *Transfers out*

### **Application of this Section**

- 34A.** (1) This Section applies if—
- (a) a person (P) ceases to be in pensionable employment and has become subject to a comparable United Kingdom scheme on or before 31st March 2015, and
  - (b) P makes an application for a transfer value payment on or before 31st March 2017.
- (2) Part 1 of Schedule 6 determines the amount of a CUKS transfer value payment.

### **Payment under this Section**

- 34B.** (1) A CUKS transfer value may only be paid under this Section in respect of a person (P) if either paragraph (2) or (3) applies.
- (2) P makes an application for a CUKS transfer value payment on or before the day P reaches the normal pension age.
- (3) (a) P makes an application for a CUKS transfer value after the day on which P reaches the normal pension age,
- (b) P joined the comparable United Kingdom scheme—
    - (i) immediately after ceasing to be in pensionable employment, and
    - (ii) before reaching the normal pension age, and
  - (c) before P's application for a CUKS transfer value payment is received, P is not in receipt of—
    - (i) retirement benefits from the other comparable United Kingdom scheme,
    - (ii) a short-service serious ill-health grant, or
    - (iii) a short-service annuity.

SECTION 3

## *Transfers in*

### **Application of this Section**

- 34C.** (1) This Section applies if a person—
- (a) ceases to be in a comparable United Kingdom scheme,
  - (b) enters pensionable employment in this scheme on or before 31st March 2015, and
  - (c) makes an application for a transfer value payment on or before 31st March 2017.
- (2) A person in respect of whom a CUKS transfer value is accepted is entitled to count reckonable service in accordance with Part 2 of Schedule 6.

### **Receipt under this Section**

**34D.** (1) A CUKS transfer value payment may be accepted under this Section in respect of a person (P) to whom this Section applies, if either paragraph (2) or (3) applies.

(2) (a) P makes an application for a CUKS transfer value on or before the day on which P reaches the normal pension age, and

(b) when P's application is received, P is not in receipt of—

- (i) retirement benefits under this scheme,
- (ii) a short-service serious ill-health grant, or
- (iii) a short-service annuity.

(3) (a) P makes an application for a CUKS transfer value after the day on which P reaches the normal pension age, and

(b) P entered pensionable employment—

- (i) immediately after ceasing comparable UK service, and
- (ii) on or before the date on which P reaches the normal pension age.

## **CHAPTER 4**

### **Transfers on a cash equivalent basis**

#### **SECTION 1**

#### *Application of Chapter*

#### **Application of this Chapter**

**35.** This Chapter applies in relation to the payment and acceptance of transfer values.  
**SECTION 2**

#### *Transfers out*

#### **Application of this Section**

**35A.** (1) This Section applies if a person ceases to be in pensionable employment and has become subject to another registered pension scheme.

(2) This Section only applies to a person who ceases to be in pensionable employment and becomes subject to a personal pension scheme if the person was in pensionable employment after 31st December 1985.

#### **Payment under this Section**

**35B.** A transfer value may only be paid under this Section in respect of a person (P) if P—

- (a) has left all pensionable employment under this scheme,
- (b) makes a written application for a transfer value payment to the Secretary of State within 12 months from the date on which P becomes subject to another registered pension scheme, and
- (c) has not reached the normal pension age when P's application is received.



### **Restrictions on the payment of a transfer value**

**35C.** A transfer value is not to be paid under this Section if, before a person's application for a transfer value payment is received, the person is in receipt of—

- (a) retirement benefits under this scheme,
- (b) a short-service serious ill-health grant, or
- (c) a short service annuity.

### **Limitation on payment of transfer values**

**35D.** (1) Where the receiving scheme is not a contracted-out occupational pension scheme a transfer value may only be paid under this Section if the person—

- (a) is not qualified for retirement benefits, or
- (b) has ceased to be in pensionable employment before 6th April 1978, or
- (c) is a married woman or widow who, by virtue of an election made or treated as made under regulations under section 19(4) of the Social Security Contributions and Benefits Act 1992, either is liable to pay primary Class 1 contributions or Class 2 contributions at a reduced rate or is under no liability to pay Class 2 contributions.

(2) Where a person has accrued section 9(2B) rights a transfer value may only be paid under regulation 31 in respect of those rights if any applicable provisions of Part 3 of the Contracting-Out (Transfer and Transfer Payments Regulations) 1996 are complied with.

(3) Where the person has acquired a right to a cash equivalent, a transfer value may only be paid under this Section if—

- (a) the service to which the cash equivalent relates includes service before 1st September 1988, and
- (b) the right has been exercised by requiring the whole of the cash equivalent to be paid to the scheme managers of an occupational pension scheme which is not a club scheme.

(4) Where the person has acquired a right to a part cash equivalent, a transfer value may only be paid under this Section if the person would not remain qualified for retirement benefits on taking that right.

(5) In this regulation—

“occupational pension scheme” has the same meaning as in section 150(5) of FA 2004, and

“receiving scheme” means the scheme a person becomes subject to after leaving pensionable employment.

## **SECTION 3**

### *Transfers in*

#### **Application of this Section**

**35E.** (1) This Section applies if a person ceases to be in another registered pension scheme and enters pensionable employment.

(2) A person in respect of whom a transfer value on a cash equivalent basis is accepted is entitled to count reckonable service in accordance with Part 2 of Schedule 6.

### **Receipt under this Section**

**35F.** A transfer value may be accepted under this Section in respect of a person (P) who enters pensionable employment if—

- (a) P makes a written application to the Secretary of State within 12 months from the date on which P enters pensionable employment, and
- (b) P’s application is made before P attains the normal pension age.

### **Restrictions on the acceptance of a transfer value**

**35G.** A transfer value payment in respect of a person (P) may not be accepted under this Section if, before P’s application for a transfer value payment is received, P is in receipt of—

- (a) retirement benefits under this scheme,
- (b) a short-service serious ill-health grant, or
- (c) a short-service annuity.

## CHAPTER 5

### Bulk transfers

#### SECTION 1

#### *Transfers out*

### **Payment of bulk transfer values**

**36.** (1) This regulation applies where, as a result of a relevant transfer to a new employer, a person or a group of persons is no longer in pensionable employment, and either has joined or is entitled to join the new employer’s pension scheme (“the receiving scheme”) referred to below as a bulk transfer.

(2) A transfer value may be calculated by the Secretary of State, after taking advice from the scheme actuary, in respect of a person who has made a written application to the Secretary of State for such a transfer within 3 months after the date on which the person was notified of the opportunity to take part in the bulk transfer arrangement.

(3) Such transfer value may be paid to the receiving scheme on the person’s becoming subject to the scheme.

#### SECTION 2

#### *Transfers in*

### **Acceptance of bulk transfer values**

**36A.** (1) This regulation applies where, as the result of a relevant transfer to a new employer, a person or a group of persons has become employed in pensionable employment and is given the opportunity to transfer past service pension rights, referred to below as a “bulk transfer”.

(2) A transfer value may be accepted by the Secretary of State in respect of a person who has made a written application within 3 months after the date on which the person was notified of the opportunity to take part in the bulk transfer, but this paragraph is subject to regulation 33G(1).

(3) A person in respect of whom a transfer of such rights has been accepted as part of a bulk transfer is entitled to count reckonable service in accordance with Part 3 of Schedule 6.”.

**Amendment to regulation 44 (Calculation of reckonable service where cap on contributable salary is removed)**

11. In paragraph (7) of regulation 44, in the definition “permitted maximum”, for all the words after “permitted maximum” substitute “has the meaning given in regulation 17(12)”.

**Amendments to regulation 51 (Meaning of “UK transferee with NPA 60 rights, etc”)**

12. In regulation 51—

- (a) in paragraphs (1)(a) and (2)(a), for “on or after 1st January 2007” substitute “on or before 31st March 2015”;
- (b) in paragraphs (1)(b) and (2)(b), for “before that date” substitute “on or before 31st December 2006”;
- (c) in paragraphs (1)(c) and 2(c), for “regulation 35” substitute “Part 4, Chapter 3, Section 3”.

**Amendments to regulation 55 (Retirement benefits qualification service)**

13. In paragraph (1) of regulation 55—

- (a) at the end of sub-paragraph (d), insert “prior to 1st January 2007, or comparable United Kingdom service up to and including 31st March 2015”;
- (b) in sub-paragraph (g) after “any period of employment” insert “which ended on or before 31st March 1975”;
- (c) in paragraph (1)(h), for “36” substitute “36A”.

**Amendment to regulation 59 (Cessation of phased retirement pension)**

14. In paragraph (1) of regulation 59, for “annual rate” substitute “amount”.

**Amendments to regulation 64 (Abatement of retirement pension during further employment)**

15. For regulation 64 substitute—

**“Interpretation: abatement of pension**

64. In this regulation and regulations 64A to 64D—

“abatable pension” means the sum of a person’s retirement pension—

- (a) disregarding the effect of any reduction under regulation 64D, and
- (b) excluding—
  - (i) phased retirement pension,
  - (ii) additional pension,
  - (iii) a pension (or part of a pension) which is payable to the person (P) by reason of Case E applying to P’s reckonable service, and
  - (iv) retirement benefits defined in and payable under the Teachers’ Pension Scheme Regulations 2014;

“adjusted salary of reference” for a person (P) is—

- (a) if P's previous employment was full-time, the higher of—
  - (i) the highest salary taken into account in determining P's average salary under regulation 37 or 38, multiplied by the adjustment factor, or
  - (ii) (if applicable) the highest salary taken into account in determining P's average salary under regulation 37 or 38 relating to P's further employment, multiplied by the adjustment factor;
- (b) if P's previous employment was part-time, the higher of the full-time equivalent of—
  - (i) the highest salary taken into account in determining P's average salary under regulation 37 or 38, multiplied by the adjustment factor, or
  - (ii) (if applicable) the highest salary taken into account in determining P's average salary under regulation 37 or 38 relating to P's further employment, multiplied by the adjustment factor;
- (c) if P becomes entitled to a further retirement pension during a tax year, and the salary of reference for P's employment immediately prior to the further retirement ("the new higher salary of reference") is higher than that for the previous employment ("the existing salary of reference"), the sum of—
  - (i) the existing salary of reference divided by 365 multiplied by the number of days from the beginning of the tax year to the day before the further retirement, and
  - (ii) the new higher salary of reference divided by 365 multiplied by the number of days from the date of entitlement to further retirement benefits to the end of the tax year;

"adjustment factor" for a salary is the amount (if any) by which, immediately before the first day of the employment, that salary would have increased if it had been the annual rate of an official pension as defined in section 5(1) of PIA 1971, beginning and first qualifying for increases under that Act, on the same date as—

- (a) the last day of employment at that salary, in a case where the average salary was determined under regulation 37, or
- (b) the retirement pension, in a case where the average salary was determined under regulation 38;

"initial adjusted salary of reference" is a person's adjusted salary of reference divided by 365 and multiplied by the number of days in the initial period;

"initial period" is that part of a tax year running from a person's entitlement day in respect of retirement benefits and ending at the end of the tax year;

"pension receipts" means the sum of a person's retirement pension—

- (a) including—
  - (i) phased retirement pension,
  - (ii) a pension (or part of a pension) which is payable to the person (P) by reason of Cases A, D or E applying to P's reckonable service, including mandatory compensation for premature retirement of the Teachers (Compensation for Redundancy and Premature Retirement) Regulations 1997(4), and compensation payable under regulation 12 (discretionary compensation for premature retirement) of those Regulations.
  - (iii) a pension specified in regulation 7(10),

- (iv) retirement benefits defined in and payable under the Teachers' Pension Scheme Regulations 2014, and
- (b) excluding additional pension, and  
“salary” means—
  - (a) contributable salary;
  - (b) pensionable earnings as defined in Chapter 4 of Part 3 of the Teachers' Pension Scheme Regulations 2014.

#### **Scope of abatement of retirement pension following further employment**

**64A.** Regulation 64B applies to a person (P) to whom retirement benefits have become payable and who is employed—

- (a) in pensionable employment, comparable United Kingdom service or employment which would have been pensionable but for—
  - (i) P having made an election under regulation 9 (election for employment not to be pensionable), or
  - (ii) P having reached the age of 75;
- (b) in part-time employment in a capacity described in paragraphs 1, 2 and 4 to 9 of Schedule 2, which is not pensionable employment by reason of the fact that the employment falls within regulation 7(6), and P has not made an election under regulation 10(1) (election for employment to be pensionable), or
- (c) in full-time employment which is not pensionable employment by reason of the fact that the employment falls within regulation 7(8), and P has not made an election under regulation 10(2)(d).

#### **Abatement of a retirement pension following further employment**

**64B.** (1) Where this regulation applies to a person (P) and P is in an initial period—

- (a) if P's salary in the employment during the initial period equals or exceeds P's initial adjusted salary of reference, no abatable pension is to be paid in that tax year;
- (b) in any other case, the abatable pension to which P is entitled in the initial period is to be paid only in respect of X number of days, where—

$$X = \frac{A}{B}$$

and where—

A is the amount by which P's salary in the employment during the initial period falls short of P's initial adjusted salary of reference, and

B is the total of P's pension receipts for the initial period divided by the number of days in the initial period.

(2) Where this regulation applies to P and P is not in an initial period—

- (a) if P's salary in the tax year equals or exceeds P's adjusted salary of reference, no abatable pension is to be paid in that tax year;
- (b) in any other case, the abatable pension to which P is entitled in that tax year is to be paid only in respect of X number of days, where—

$$X = A/B$$

and where—

A is the amount by which P's salary in the employment during the tax year falls short of P's adjusted salary of reference, and

B is the total of P's pension receipts for the tax year divided by 365.

### **Method of abatement**

**64C.** (1) Where the abatable pension of a person (P) falls to be reduced—

- (a) under regulation 64B(1), paragraph (2) applies, or
- (b) under regulation 64B(2), paragraph (3) applies.

(2) Where this paragraph applies, the Secretary of State is to pay P's abatable pension in accordance with regulation 109 (monthly payments) or regulation 110 (quarterly payments), without taking account of the reduction, until the abatable pension has been paid in respect of the number of days calculated in regulation 64B(1)(b), on the assumption that P will remain in employment at the same salary for the remainder of the initial period.

(3) Where this paragraph applies, the Secretary of State is to pay P's abatable pension in accordance with regulation 109 (monthly payments) or regulation 110 (quarterly payments), without taking account of the reduction, until the abatable pension has been paid in respect of the number of days calculated in regulation 64B(2)(b), on the assumption that P will remain in employment at the same salary for the remainder of the tax year.

(4) When P's abatable pension has been paid in respect of the number of days calculated in regulation 64B(1)(b) or (2)(b) paragraph (5) applies, unless P ceases to be in the employment, or is in employment at a lower salary, in which case paragraph (6) applies.

(5) If this paragraph applies the Secretary of State is to pay no further abatable pension to P in respect of—

- (a) the remainder of the initial period, if regulation 64B(1)(b) applies, or
- (b) the remainder of the tax year, if regulation 64B(2)(b) applies.

(6) If this paragraph applies the Secretary of State is to pay P's abatable pension during the remainder of the initial period or tax year, of such amount and at such times as is necessary in order to achieve the outcome described in—

- (a) regulation 64B(1)(b) in respect of an initial period, or
- (b) regulation 64B(2)(b) in respect of a tax year.

### **Recovery of overpaid pension**

**64D.** (1) If the abatable pension paid in any tax year has exceeded the amount which should have been paid by virtue of regulations 64B and 64C, the difference between the amount which has been paid and the amount which should have been paid is an overpayment to which paragraph (2) applies.

(2) Where this paragraph applies, the overpayment is recoverable—

- (a) under regulation 114,
- (b) by a reduction in the abatable pension paid in any subsequent tax year, or
- (c) by a combination of (a) and (b)."

**Amendments to regulation 71 (Calculation of retirement benefits after ill-health pension ceases to be payable: supplemental)**

16. In regulation 71, paragraph (9), for “after” substitute “before”.

**Amendment to regulation 94 (Adult pension)**

17. In regulation 94, at the end of paragraph (7)(a), insert—

“—

- (i) to prevent cessation of a pension, or
- (ii) to reinstate a previously ceased pension;”.

**Amendment to regulation 117 (Person to be treated as electing to receive lump sum in place of pension)**

18. In regulation 117, in sub-paragraph (2)(a), for “117” substitute “116”.

**Amendments to regulation 119 (Commutation: small pensions)**

19. In regulation 119—

- (a) in paragraph (4)(c), for “regulation 35” substitute “Part 4, Chapter 4, Section 3”;
- (b) in paragraph (8)—
  - (i) at the end of sub-paragraph (c), insert “, and”;
  - (ii) substitute sub-paragraph (d) with—
    - “(d) “(d) the lump sum is a trivial commutation lump sum death benefit as defined in paragraph 20 of Schedule 29 to FA 2004.”;
  - (iii) omit “and in this paragraph D is the person who had been in pensionable employment and on whose death the family benefits became payable.”.

**Amendment to regulation 123 (Reduction of benefits: lifetime allowance charge)**

20. For regulation 123 substitute—

**“Reduction of benefits: annual allowance and lifetime allowance charge**

**123.** (1) This regulation applies to the situations set out in paragraphs (2) and (3), in relation to a benefit payable under these Regulations, and in paragraphs (4) and (5) “the charge” refers to either of the charges set out in paragraphs (2) and (3).

(2) The lifetime allowance charge under section 214 of FA 2004 arises because a benefit becomes payable to a person and the person and the Secretary of State are jointly and severally liable to the charge.

(3) The annual allowance charge under section 227 of FA 2004 arises in respect of a person who serves a notice under section 237B of that Act(5).

(4) The Secretary of State must pay the charge.

(5) The amount of the benefit must be reduced to reflect the amount of the charge in such manner as the Secretary of State is to determine, after taking advice from the scheme actuary.”.

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(5) Section 237B was inserted by the Finance Act 2011 (c.11), Schedule 17.

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## Amendment to Schedule 1 (Glossary)

21. Schedule 1 is amended as follows—

- (a) in accordance with the table immediately following this sub-paragraph on the following basis—
- (i) below the term in the “Expression” column insert the term in column A, and
- (ii) below the meaning in the “Meaning” column insert the words in column B.

<i>Expression</i>	<i>A</i>	<i>Meaning</i>	<i>B</i>
TSAVCR	16 to 19 Academy	the Teachers’ Superannuation (Additional Voluntary Contributions) Regulations 1994.	the meaning in section 1B of the Academies Act 2010 <sup>(6)</sup>
Academy	Academy School	construe in accordance with section 579 of EA 1996.	the meaning in section 1A of the Academies Act 2010.
adult pension qualification service	alternative provision Academy	see Schedule 8 (adult pension qualification service).	the meaning in section 1C of the Academies Act 2010.
club scheme	club transfer value	a registered pension scheme which  (a) is a contracted-out scheme or is a scheme established and maintained in the Channel Islands or the Isle of Man which is not a contracted-out scheme,  (b) is a final salary scheme,  (c) is a scheme which is open to new participants (“open scheme”) or, if not a scheme so open (“closed scheme”), is a scheme whose	see regulation 31A.

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<sup>(6)</sup> 2010 c.32. Sections 1A, 1B and 1C were inserted by section 57(3) of the Education Act 2011 (c. 21).



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<i>Expression</i>	<i>A</i>	<i>Meaning</i>	<i>B</i>
		trustees or managers also provide an open scheme which is a scheme for new employees of the same employer and of the same grade or level of post as participants of the closed scheme, and	
		(d) is a scheme whose trustees or managers have undertaken to comply with the reciprocal arrangements for the payment and receipt of transfer values agreed from time to time between the trustees or managers of such a scheme.	
contributions refund period	CUKS value	transfer a period in respect of which contributions have been or are to be repaid and—	see regulation 31A.
		(a) have not been, or fallen to be treated as having been, refunded, or	
		(b) have been returned but have since been repaid.	
transferred services	transfer value	See regulation 14D.	see regulation 31A.

(b) remove the following definitions in the “Expression” column and the corresponding meaning in the “Meaning” column—

- (i) transfer value (in the context of payment of a transfer value);
- (ii) transfer value (in the context of acceptance of a transfer value).

### **Amendment to Schedule 2 (Pensionable employment), Part 3 (Employments Pensionable on Election with Employer Consent)**

22. In Schedule 3—

(a) at the end of paragraph 2(aa), insert—

“(ab) “(ab) in a Multi-Academy Trust; or”;

(b) after paragraph 25, insert—

“26. Teacher employed in the Lycée Français Charles de Gaulle de Londres.”.

### **Amendments to Schedule 3 (Employees’ and Employers’ Contributions)**

23. In Schedule 3—

(a) in paragraph 2 (Employees’ contributions), for sub-paragraph (2), including the table, substitute—

“(2) For each of a member’s pensionable employments, the member must pay contributions on the member’s contributable salary in that employment at the percentage rate of employees’ contributions.

(3) The percentage rate of employees’ contributions for a pensionable employment is the rate in Column 2 of the table corresponding to the band for the annual salary in Column 1.

(4) The annual salary bands in Column 1 are increased for each financial year, if there is a relevant increase in the consumer prices index for that financial year, by the appropriate percentage for the financial year, rounded up to the nearest £1.

(5) There is a relevant increase in the consumer prices index for a financial year if the consumer prices index for the month of September before that financial year is higher than that for the previous September.

(6) The appropriate percentage for the financial year is the same percentage as the percentage increase in the consumer prices index for that year.

(7) In this regulation, “consumer prices index” means the all items consumer prices index published by the Statistics Board, a body corporate established by section 1 of the Statistics and Registration Service Act 2007(7).

**Table**

<i>Column 1</i>	<i>Column 2</i>
<i>Annual salary for the pensionable employment for the financial year 2015-16</i>	<i>Employees’ contribution rate</i>
£0 - £25,999	7.4%
£26,000 - £34,999	8.6%
£35,000 - £41,499	9.6%
£41,500 - £54,999	10.2%
£55,000 - £74,999	11.3%
≥ £75,000	11.7%.”.

- (b) in paragraph 4 (Employers' contributions), for sub-paragraph (2) substitute—
- “(2) The percentage rate is—
- (a) 14.1% from 1st April 2015 until 30th August 2015 inclusive;
  - (b) 16.4% from 1st September 2015;
  - (c) the rate determined in each successive valuation report with effect from a date to be notified to employers by the Secretary of State.”.

#### **Amendments to Schedule 4 (Contributions for additional pensions)**

**24.** In Schedule 4—

- (a) in paragraph 4 (Determination of contributions), sub-paragraph (1), after “is from time to time” insert “to”;
- (b) in paragraph 11 (Death of AP beneficiary during payment or refund period), substitute “AP beneficiary” with “AP beneficiary’s death grant nominee or personal estate” in the following locations—
  - (i) sub-paragraph (3)(a),
  - (ii) sub-paragraph (3)(b), and
  - (iii) the second time it appears in paragraph (4).

#### **Amendments to Schedule 6 (Transfer values), Part 2 (Inward Transfers)**

**25.** In Schedule 6—

- (a) for paragraphs 11 and 12, substitute—
  - “**11.** If Section 3 of Chapter 3 of Part 4 (Transfers on a CUKS basis; transfers in) applies, a person (P) is entitled to count as reckonable service the period of service under a comparable United Kingdom scheme certified by the scheme managers as having stood to P’s credit under the scheme when P ceased to be subject to it.
  - 11A.** (1) If Section 3 of Chapter 2 of Part 4 (Transfers on a club basis; transfer in) applies, a person (P) is entitled to count as reckonable service the period specified in this paragraph.
  - (2) A period specified in this paragraph is determined by the Secretary of State having taken advice from the scheme actuary and by reference to the age and salary of P notified by the scheme manager of the club scheme.
  - (3) Any sum representing interest that is included in the transfer value is not to be taken into account.
- “**12.** (1) If Section 3 of Chapter 4 of Part 4 (Transfers on a cash equivalent basis; transfer in) applies, a person (P) is entitled to count as reckonable service the period specified in this paragraph.
- (2) A period specified in this paragraph is determined by the Secretary of State having taken advice from the scheme actuary and by reference to—
  - (a) P’s age and salary at the date P entered pensionable employment, if a transfer value is received within 12 months of entering pensionable employment;
  - (b) P’s age and salary at the date a transfer value is received, if the transfer value is received more than 12 months after P enters pensionable employment.

- (3) Any sum representing interest that is included in the transfer value is to be taken into account.”.
- (b) for sub-paragraph (1)(a) of paragraph 13, substitute—
  - “(a) “(a) the person is subject to a personal pension scheme after ceasing to be in pensionable employment and that pensionable employment was after 31st December 1985.”.
- (c) in paragraph 14, for “36” substitute “36A”.
- (d) in paragraph 15, for “scheme of managers” substitute “scheme manager”.

#### **Amendments to Schedule 7 (Retirement Benefits)**

- 26. In paragraph 3 of Schedule 7—
  - (a) in sub-paragraph (3)(b) omit all the words up to but not including “or”;
  - (b) for sub-paragraph (4)(a), substitute—
    - “(a) “(a) is made within two years after the end of pensionable employment, and”;
  - (c) in sub-paragraph (4)(b) omit “except where P satisfies condition 2 because P falls within sub-paragraph (3)(b),”.

#### **Amendments to Part 2 (Family Benefit Service: Children) of Schedule 9 (Family benefit service)**

- 27. In Schedule 9—
  - (a) in paragraph 6, Paragraph (i) after the words “any period of reckonable service” insert “on or before 31st March 1972”;
  - (b) in paragraph 7—
    - (i) for sub-paragraph (3) substitute—
      - “(3) But if the sum of the enhancement period determined in accordance with sub-paragraph (2) and the periods of D’s family benefit service (apart from any enhancement period) exceeds 45 years, the enhancement period is the longest period which does not cause D’s family benefit service to exceed 45 years.”;
    - (ii) omit sub-paragraphs (4) and (5).

#### **Amendment to Schedule 10 (Modified application in certain cases)**

- 28. In paragraph 2(6), of Schedule 10, after “preclude the payment” omit “the payment”.

#### **Amendments to Schedule 13 (Savings and transitional provisions)**

- 29. In Schedule 13—
  - (a) for paragraph 8, substitute—
    - “8. Despite the revocation of TPR 1997, and save as provided in paragraph 8A, Part 1 of Schedule 4 to those Regulations continues to have effect in relation to elections made under regulation C4 of those Regulations before 1st January 2007.
    - 8A. (1) Paragraph 8 does not apply to paragraph 8(6) of Schedule 4 to those Regulations.

- (2) If Part 1 of Schedule 4 to those Regulations applies to a person who had attained the age of 60 when he ceased to hold his employment, the amount of payment is based on the actuarial equivalent.”;
- (b) in paragraph 26 (Person formerly members of the National Health Service Pension Scheme), after “before the commencement date” insert “, and a break in pensionable service following the termination of such a person’s employment by reason of that person’s compulsory redundancy is not “a break in pensionable employment” for the purposes of paragraph 37(c) of that Part.”.

29th September 2014

*David Laws*  
Minister of State  
Department for Education

We consent

26th September 2014

*Gavin Barwell*  
*Mark Lancaster*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations, which come into force on 1st April 2015, amend the Teachers' Pensions Regulations 2010.

*Regulation 7* removes reference to section 205 of the Finance Act 2004 as this relates to "short service refunds" of contributions only and does not apply to refunds in respect of residential accommodation as contributable salary.

*Regulation 8 and 11* clarifies the position in respect of the continued application of the caps on contributory salary which are now referred to as the "permitted maximum" in amended regulation 17(12). This "permitted maximum" is different to the "permitted maximum" in Schedule 1 of the 2010 Regulations which relates to the maximum retirement lump sum a member can receive under the Finance Act 2004.

*Regulation 9* requires scheme employers to pay an administration charge for the costs of administering the scheme.

*Regulations 10, 21 and 25* are concerned with transfers. The whole of Part 4 is replaced to provide for changes in club rules and the ending of comparable United Kingdom service transfers. Whilst some previous drafting has been retained, in particular in relation to bulk transfers, the amendments seek to clarify the operation of transfers.

*Regulation 12* provides that a person transferring from a comparable United Kingdom scheme to the teachers' pension scheme will retain a NPA of 60 if they satisfy the comparable United Kingdom service transfer provisions.

*Regulation 13* provides that a period of comparable British service from before 1 January 2007 or a period of comparable United Kingdom Service before 1 April 2015, is treated as retirement benefits qualification service. It also clarifies the qualification periods in respect of previous service in the Universities Superannuation scheme and in respect of bulk transfers where an individual does not transfer.

*Regulation 14* amends the conditions that determine whether a phased retirement application will fail, in with line career average arrangements. Consequently the total amount of salary received in the 12 months period after phased retirement may accumulate to the value of 80% of the relevant pre-phased retirement salary before a phased retirement pension will cease to be paid.

*Regulation 15* clarifies the operation of abatement taking into account the pension payable from the career average arrangements, even though the career average pension itself is a 'pension receipt' and it not therefore abated.

*Regulation 16* provides that for members with mixed service, the slide-back calculation (whereby previous enhancement is re-calculated) is applied to the service relating to a normal pension age of 60 rather than a normal pension age of 65.

*Regulation 17* clarifies the discretion of the Secretary of State to re-instate a pension previously stopped upon marriage.

*Regulation 19* inserts a reference to paragraph 20 of Schedule 29 to the Finance Act 2004 into a calculation so that changes to the small pensions commutation limit are automatically applied to family benefits under the scheme.

*Regulation 20* provides for a reduction in the amount of a member's benefit on account of the annual allowance charge where a notice under section 237B of the Finance Act 2004 has been served.

*Regulation 22* amends Schedule 2, Part 1 to permit teachers employed by a Multi-Academy Trust to join the scheme and Part 3 to permit teachers at the Lycée Français Charles de Gaulle to join the scheme with the consent of their employer.

*Regulation 23* sets out the member contribution rate starting on 1st April 2015 and amends the member contributions provision to allow for contributions based on actual salary. Band uprating will be in line with the consumer price index. It also provides for the contribution rate for employers.

*Regulation 26* amends the timescale for ‘in-service’ applications for ill-health retirement received on, or after, 1st April 2015 from 6 months to 2 years from leaving pensionable employment.

*Regulation 27* removes the 40 year limit to service that counts towards enhancement to family benefit. The overall limit on reckonable service of 45 years still applies.

*Regulation 29* clarifies that former members of the NHS Pension Scheme retain a right to NPA of 55 if they were made compulsorily redundant before the age of 50. This mirrors provisions in the National Health Service Pension Scheme Regulations 1995 for former nurses and former mental health officers. This regulation also amends the calculation of the outstanding balance of additional contributions for a past period where full-time members have attained the age of 60. From 1 April 2015, this will be based on the actuarial equivalent.

*Regulations 3, 4, 5, 6, 18, 24 and 28* make minor corrections.

An impact assessment has not been produced for this instrument as it has no impact on businesses or civil society organisations. The instrument has a minimal impact on the public sector.