

2015 No. 000

PUBLIC SERVICE PENSIONS, ENGLAND AND WALES
EDUCATION, ENGLAND AND WALES

The Teachers' Pension Scheme (Amendment) Regulations 2015

<i>Made</i>	- - - -	<i>2015</i>
<i>Laid before Parliament</i>		<i>2015</i>
<i>Coming into force</i>	- -	<i>1st April 2015</i>

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 1(1)(a), (2)(d)(b), (3) and (4), 2(c), 3(1), (2), (3)(a), 18(5) to (9)(d) of, and paragraph 4(a) of Schedule 2, Schedule 3, paragraph 18 of Schedule 5 to the Public Service Pensions Act 2013(e).

In accordance with section 21 of that Act, the Secretary of State has consulted the representatives of such persons as appear to the Secretary of State likely to be affected by these Regulations.

In accordance with section 3(5) of that Act, these Regulations are made with the consent of the Treasury.

Citation and commencement

1. These Regulations may be cited as the Teachers' Pension Scheme (Amendment) Regulations 2015 and come into force on 1st April 2015.

Amendment of the Teachers' Pension Scheme Regulations 2014

2. The Teachers' Pension Scheme Regulations 2014(f) are amended as follows.

Amendment to regulation 65 (Deferred member's account closed after service under another public service scheme)

3. In paragraph (1)(c) of regulation 65, for "less than 5 years" substitute "5 years or less".

(a) See section 1(4) of the Act for the meaning of "scheme regulations".
(b) See paragraph 4 of Schedule 1 to the Act for the meaning of "teachers".
(c) See section 2(2) of the Act for the meaning of "responsible authority".
(d) See section 18(2) of, and paragraph 18 of Schedule 5 to, the Act for the meaning of the existing scheme.
(e) 2013 c.25.
(f) S.I. 2014/512, as amended by S.I. 2014/2652.

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Amendment to paragraph 30 (Making a buy-out election) of Schedule 2 (Scheme flexibilities)

4. In paragraph 30 of Schedule 2, for sub-paragraph (3)(a), substitute “if P is in more than one eligible employment, the names of the employers in relation to P’s eligible employments.”

Amendment to paragraph 31 (Application of existing scheme regulations) of Schedule 3 (Transitional provisions)

5. In paragraph 31 of Schedule 3—

- (a) in sub-paragraph (1), after “in relation to the calculation”, insert “and payment”;
- (b) in sub-paragraphs (1) and (2), for “TPR 2010” substitute “the existing scheme regulations”;
- (c) after sub-paragraph (3) insert—

“(4) For the purpose of determining P’s entitlement to retirement benefits, P’s pensionable employment under the existing scheme terminates when P’s pensionable service under this scheme terminates.”

Amendment to paragraph 33 (Annual rate of pension) of Schedule 3

6. In paragraph 33, after “provided otherwise in” insert “paragraph 38 (application for payment of ill-health pensions) and”.

Amendment to paragraph 34 of Schedule 3 (Application for payment of age retirement pension)

7. In paragraph 34 of Schedule 3, in sub-paragraph (2), after “normal pension age under this scheme” insert “and who has ceased being in pensionable service in this scheme”.

Amendment to paragraph 36 (Application for payment of premature retirement pension) and paragraph 37 (Application for payment of early retirement pension) of Schedule 3

8. In paragraphs 36 and 37 of Schedule 3, for “as part of”, where these words occur, substitute “in addition to”.

Amendment to paragraph 38 (Application for payment of ill-health pension) of Schedule 3

9. In paragraph 38 of Schedule 3—

- (a) in sub-paragraph (1)(b), omit “after that date”.
- (b) for sub-paragraph (2), substitute—

“If P makes an application for payment of an ill-health pension on or after P’s transition date, which is successfully determined before P’s normal pension age in the existing scheme—

- (a) before P’s normal pension age in the existing scheme, P will receive under this scheme an amount equivalent to any benefits due to P in respect of P’s pensionable service in this scheme and in the existing scheme, in accordance with paragraph 38A;
- (b) from P’s normal pension age in the existing scheme, P will receive, in accordance with paragraph 38B—
 - (i) under the existing scheme, any benefits due to P in respect of P’s pensionable service in the existing scheme, and
 - (ii) under this scheme, any benefits due to P in respect of P’s pensionable service in this scheme.”

Insertion of paragraphs 38A and 38B into Schedule 3

10. After paragraph 38 of Schedule 3, insert—

“Transition member who has not reached normal pension age under the existing scheme

38A.—(1) This paragraph applies in relation to a transition member (P) who—

- (a) becomes entitled to an ill-health pension under this scheme; and
- (b) has not reached normal pension age under the existing scheme.

(2) If this paragraph applies—

- (a) an ill-health pension is not payable to P under the existing scheme until P’s normal pension age in that scheme; and
- (b) an ill-health pension is payable to P under this scheme, determined in accordance with sub-paragraph (3).

(3) If this paragraph applies, the following are payable to P—

- (a) an ill-health pension, the annual rate of which is the sum of—
 - (i) P’s annual rate of ill-health pension calculated under regulation 113 of these Regulations;
 - (ii) the annual rate of retirement pension that would, if P was entitled to payment of an ill-health pension under the existing scheme, be payable to P under the existing scheme regulations, excluding any total incapacity pension payable under regulation 65 (total incapacity benefits) of the existing scheme and adjusted following any election by P under regulation 116 of those regulations (election to receive lump sum in place of part of pension); and
 - (iii) the annual rate of total incapacity pension, if any, payable under regulation 116 (entitlement to total incapacity pension) of these Regulations;
- (b) (i) any lump sum payable to P under regulation 168 (conversion of part of pension) of these Regulations; and
- (ii) the amount of any lump sum that would have been payable to P had P been entitled to payment of an ill-health pension under the existing scheme, including any lump sum payable under regulation 116 (election to receive lump sum in place of part of pension) of the existing scheme regulations, if P makes such an election.

(4) P’s entitlement to the pension payable under sub-paragraph (3)(a)(ii) is subject to the same conditions, and ceases to be payable in the same circumstances, as the pension which P would have received, had P been entitled to payment of an ill-health pension under the existing scheme in accordance with the existing scheme regulations.

(5) If—

- (a) a transfer of benefits takes place from the existing scheme prior to the existing scheme normal pension age, P’s entitlement to the pension payable under sub-paragraph (3)(a)(ii) comes to an end;
- (b) a phased or an early retirement pension with actuarial adjustment is taken under Schedule 7 (retirement benefits) to the existing scheme regulations, the pension payable under sub-paragraph (3)(a)(ii) is reduced by an amount equivalent to the value of—
 - (i) any phased retirement benefits taken from the existing scheme, including any a lump sum;
 - (ii) any early retirement pension with actuarial adjustment from the old scheme, including any lump sum.

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(6) If this paragraph applies, P may not apply under the existing scheme for retirement benefits under Case E (early retirement with actuarial adjustment) as provided in Schedule 7 (retirement benefits) of the existing scheme regulations.

Transition member in receipt of an ill-health pension who has reached normal pension age under the existing scheme

38B.—(1) This paragraph applies in relation to a transition member (P) in receipt of an ill-health pension in accordance with paragraph 38A.

(2) When P reaches normal pension age under the existing scheme, the benefit which is payable under paragraph 38A in respect of P's service in the existing scheme ceases to be payable under this scheme, and becomes payable under the existing scheme, in accordance with the existing scheme regulations.

(3) In calculating the annual rate of pension payable under the existing scheme for the purposes of sub-paragraph (2), the following are taken into account—

- (a) any lump sums paid out, under the existing scheme or this scheme, including by an election under regulation 116 (election to receive lump sum in place of part of pension) or by commutation under regulation 118 (commutation: serious ill-health) or regulation 119 (commutation: small pensions) of the existing scheme regulations;
- (b) any transfer payment made to another scheme before the member reached normal pension age under the existing scheme.

(4) Before the payments in sub-paragraph (3)(a) and (b) are taken into account, they must be increased by the amount by which the annual rate of a retirement pension of that amount would have been increased under PIA 1971 if—

- (a) that pension was eligible to be so increased; and
- (b) the entitlement day for that pension was the date P's ill-health pension became payable under this scheme."

Amendment to paragraph 47 (Application for payment of benefits for pension credit members) of Schedule 3

11. In paragraph 47—

- (a) in sub-paragraph (1)—
 - (i) for "transition member" substitute "pension credit member";
 - (ii) after "member (P)" insert "with pension credit rights in this scheme and the existing scheme,";
 - (iii) after "will receive" insert "under the existing scheme";
- (b) in sub-paragraph (2)—
 - (i) after "P may apply" insert "under this scheme";
 - (ii) after "for payment" omit "from this scheme".

Amendment to paragraph 52 (Transfer payments in respect of the existing scheme) of Schedule 3

12. After paragraph 52 of Schedule 3 insert "in respect of which pension benefits have not been taken".

Date

Name
Minister of State
Department for Education

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We consent

Name

Name

Date

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 2014.

The Regulations correct several minor errors in the Teachers' Pensions Regulations 2014 (*regulations 3, 4 and 11(a)(i)*).

They amend Schedule 3 (transitional arrangements) to clarify the circumstances in which existing scheme retirement benefits are payable to transition members post-transition out of the existing scheme or the new scheme (*regulations 5 to 12*). They insert new paragraphs 38A and 38B which provide that any existing scheme ill-health retirement benefits to which transition members are entitled are paid by the new scheme before the member's existing scheme normal pension age. From normal pension age the existing scheme retirement pension is paid by the existing scheme.

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.