
STATUTORY INSTRUMENTS

2014 No. 0000

PUBLIC SERVICE PENSIONS, ENGLAND AND WALES

EDUCATION, ENGLAND AND WALES

The Teachers' Pension Scheme Regulations 2014

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CONTENTS

PART 1

Preliminary

1.	Citation, extent and commencement	10
2.	Establishment of Teachers' Pension Scheme 2014	10
3.	Interpretation	10
4.	Leaving eligible employment	15
5.	Leaving pensionable service	16

PART 2

Governance

6.	Scheme manager	16
7.	Establishment of pension board	16
8.	Membership of pension board	16
9.	Conflict of interest	17
10.	Establishment of scheme advisory board	17
11.	Membership of scheme advisory board	17
12.	Conflict of interest	17

PART 3

Scheme membership

CHAPTER 1

Interpretation

13.	Meaning of "an eligible employment"	18
14.	Meaning of "P's automatic enrolment date" and "P's automatic re-enrolment date"	18
15.	Meaning of "full-time" and "part-time" employment	18

Consultation draft

16.	Meaning of “election to opt in” and “election to opt out”	18
CHAPTER 2		
Membership		
17.	Eligibility for active membership	18
18.	More than one employment	19
19.	Dual capacity membership	19
20.	Payment of retirement benefits to dual capacity members	19
CHAPTER 3		
Pensionable service		
SECTION 1		
<i>General provisions</i>		
21.	Service not pensionable unless member is entitled to pay	19
22.	Service not pensionable unless standard contributions are paid	20
SECTION 2		
<i>Service in Her Majesty’s armed forces</i>		
23.	Pensionable service – armed forces service	20
24.	Election for armed forces service to be pensionable	20
SECTION 3		
<i>Pensionable service on or after automatic enrolment date</i>		
25.	Pensionable service on or after automatic enrolment date	21
26.	Election to opt out	21
27.	Election to opt in	21
SECTION 4		
<i>Pensionable service before automatic enrolment date</i>		
28.	Pensionable service before automatic enrolment date	22
29.	Election to opt out (before automatic enrolment date)	22
30.	Election to opt in (before automatic enrolment date)	23
CHAPTER 4		
Pensionable earnings		
31.	Interpretation	23
32.	Meaning of “regular employment” and “irregular employment”	24
33.	Pensionable earnings for school teachers	24
34.	Pensionable earnings for other members	24
35.	Amounts not forming part of pensionable earnings	25
36.	Application for residential benefits in kind to form part of pensionable earnings	25
37.	Money value of residential benefits in kind to form part of pensionable earnings	26
38.	Pensionable earnings for the purpose of accruing benefits	26
39.	Calculation of full-time equivalent annual rate of pensionable earnings — one regular employment	26
40.	Calculation of full-time equivalent annual rate of pensionable earnings — one irregular employment	27
41.	Calculation of full-time equivalent annual rate of pensionable earnings — more than one regular employment	27
42.	Calculation of full-time equivalent annual rate of pensionable earnings — more than one employment including at least one irregular employment	27

Consultation draft

PART 4

Pension accounts

CHAPTER 1

Interpretation

43.	Interpretation	28
44.	Pensionable service	28
45.	Meaning of “leaver index adjustment”	28
46.	Meaning of “leaver PIA index adjustment”	29

CHAPTER 2

Calculation of accrued pension

47.	Calculation of amount of accrued pension for purposes of retirement other than phased retirement	29
48.	Calculation of amount of accrued pension for purpose of phased retirement	29

CHAPTER 3

Pension accounts: general

49.	Establishment of pension accounts: general	30
50.	Closure of pension accounts on transfer out or repayment of balance of contributions	30

CHAPTER 4

Active member’s account

51.	Establishment of active member’s account	30
52.	Account to specify amount of pension for a financial year	31
53.	Account to specify opening balance and index adjustment	31
54.	Ill health pension ceases to be payable	31
55.	Phased retirement pension ceases to be payable	32

CHAPTER 5

Additional pension account

56.	Establishment of additional pension account	32
57.	Account to specify amount of additional pension	32
58.	Account to specify opening balance and PIA index adjustment	32
59.	Ill health pension ceases to be payable	32
60.	Phased retirement pension ceases to be payable	33

CHAPTER 6

Deferred member’s account

61.	Establishment of deferred member’s account	33
62.	Account to specify amount of accrued earned pension and leaver index adjustment	33
63.	Account closed when member re-enters pensionable service	33
64.	Account remains open after disqualifying break	33
65.	Account established after ill health pension ceases to be payable	34
66.	Account established after phased retirement pension ceases to be payable	34

CHAPTER 7

Pensioner members’ accounts

SECTION 1

Interpretation

67.	Meaning of “full retirement earned pension”	34
-----	---	----

Consultation draft

68.	Meaning of “full retirement additional pension”	34
69.	Meaning of “phased retirement earned pension”	34
70.	Meaning of “phased retirement additional pension”	34
71.	Meaning of “standard reduction”	35
72.	Meaning of “actuarial adjustment”	35
73.	Meaning of “commutation amount”	35

SECTION 2

Establishment of pensioner members’ accounts

74.	Pension accounts for active or deferred members who become pensioner members	35
75.	Pension accounts for phased retirement members	36

SECTION 3

Closure of accounts

76.	Ill health pension ceases to be payable	36
77.	Phased retirement pension ceases to be payable	36

CHAPTER 8

Pension accounts for pension credit members

78.	Pension accounts for pension credit members	36
79.	Separate account for each capacity of membership	37

PART 5

Retirement benefits for teachers

CHAPTER 1

Interpretation

80.	Qualifying for retirement benefits	37
81.	Re-qualifying for retirement benefits in respect of post-benefit service	37
82.	Payment of retirement benefits for post-benefit service	38

CHAPTER 2

Age retirement

83.	Meaning of “entitlement day” (age retirement pension)	38
84.	Entitlement to age retirement pension	39
85.	Annual rate of age retirement pension	39
86.	Arrears of pension payable to deferred member who becomes pensioner member after reaching normal pension age	39

CHAPTER 3

Phased retirement

87.	Interpretation of Chapter	40
88.	The reduced annual rate condition	40
89.	The new employment condition	40
90.	Meaning of “entitlement day” (phased retirement pension)	41
91.	Entitlement to phased retirement pension	41
92.	Phased retirement applications	41
93.	Phased retirement proportion	41
94.	Annual rate of phased retirement pension	42
95.	Cessation of phased retirement pension	42
96.	Subsequent phased retirement applications	42

Consultation draft

CHAPTER 4

Premature retirement

97.	Interpretation — pensionable service	43
98.	Meaning of “entitlement day” (premature retirement pension)	43
99.	Entitlement to premature retirement pension	43
100.	Annual rate of premature retirement pension	44

CHAPTER 5

Early retirement

101.	Meaning of “entitlement day” (early retirement pension)	44
102.	Entitlement to early retirement pension	45
103.	Annual rate of early retirement pension	45

CHAPTER 6

Ill health retirement

SECTION 1

General

104.	Interpretation	45
105.	Incapacity definitions	45
106.	Ill-health applications	46

SECTION 2

Ill health pension

107.	Entitlement day for ill health pension	46
108.	Entitlement to ill-health pension	46
109.	No entitlement to ill-health pension	47
110.	When ill health pension does not become payable	48
111.	Annual rate of ill health pension	48
112.	When ill-health pension ceases to be payable	48

SECTION 3

Total incapacity pension

113.	Meaning of “entitlement day” (total incapacity pension)	48
114.	Entitlement to total incapacity pension	48
115.	Annual rate of total incapacity pension	49
116.	Cessation of total incapacity pension	49

CHAPTER 7

Short-service serious ill health grant

117.	Application for payment of grant	50
118.	Meaning of “entitlement day” (short-service serious ill-health grant)	50
119.	Entitlement to short-service serious ill-health grant	50
120.	Amount of grant	50

CHAPTER 8

Short-service annuity for post-benefit service

121.	Meaning of “entitlement day” (short-service annuity)	50
122.	Entitlement to short-service annuity	51
123.	Annual rate of short-service annuity	51

Consultation draft

PART 6

Survivor's benefits

CHAPTER 1

General interpretation

124.	General	51
125.	When a retirement pension becomes payable	51
126.	Meaning of "dies in service"	51
127.	Meaning of "dies out of service"	52
128.	Meaning of "dies as a pensioner member"	52
129.	Payment of survivor benefits for post-benefit service	52
130.	Death of a dual capacity member	52

CHAPTER 2

Specific interpretation

131.	Meaning of "death grant beneficiary"	52
132.	Meaning of "surviving adult"	53
133.	Meaning of "surviving nominated partner"	53
134.	Meaning of "surviving nominated beneficiary"	53
135.	Meaning of "eligible child"	54

CHAPTER 3

Death grant

SECTION 1

General

136.	Payment of death grant	55
------	------------------------	----

SECTION 2

Death in service

137.	Death in service grant	55
------	------------------------	----

SECTION 3

Death out of service

138.	Death out of service grant	56
139.	Supplementary death grant payable on death of pensioner member	56

CHAPTER 4

Surviving adult pensions

140.	Surviving adult pensions	56
141.	Annual rate of surviving adult pension: short-term	57
142.	Annual rate of surviving adult pension: long-term	57
143.	Enhancement of surviving adult pension	57

CHAPTER 5

Additional (surviving adult) pensions

144.	Additional pensions for surviving adults	57
145.	Annual rate of additional (surviving adult) pension: short-term	58
146.	Annual rate of additional (surviving adult) pension: long-term	58

CHAPTER 6

Child pensions

147.	Entitlement to child pension	58
------	------------------------------	----

Consultation draft

148.	Annual rate of child pension: short-term	59
149.	Annual rate of child pension: long-term	59
150.	Enhancement of child pension	60

PART 7

Benefits for pension credit members

CHAPTER 1

General

151.	Interpretation of Part	60
------	------------------------	----

CHAPTER 2

Pension credit retirement pension

152.	Entitlement day for pension credit retirement pension	61
153.	Entitlement to pension credit retirement pension	61
154.	Annual rate of pension credit retirement pension	61

CHAPTER 3

Death grant

155.	Meaning of death grant beneficiary	61
156.	Death grant: death of pension credit member before pension becomes payable	62
157.	Death grant: death of pension credit member after benefits payable	62
158.	Payment of death grant	62

PART 8

Payment of benefits

CHAPTER 1

Application for payment of benefits

159.	Benefits payable by the scheme manager	62
160.	Application for payment of benefits	63

CHAPTER 2

Payment of pensions

161.	Monthly payment of pension	63
162.	Quarterly payment of pension	64
163.	Apportionment Act 1870 not to apply	64

CHAPTER 3

Payment of lump sums

164.	Member declaration	65
165.	Commutation of part of pension	65
166.	Amount of lump sum payable under regulation 165	65
167.	Commutation amount for lump sum payable under regulation 165	65
168.	Commutation of whole pension (serious ill health)	66
169.	Amount of lump sum payable under regulation 168 instead of retirement pension	66
170.	Amount of lump sum payable under regulation 168 instead of a pension credit retirement pension	66
171.	Commutation: small pensions	66

CHAPTER 4

Continuing entitlement to benefit

172.	Evidence of continuing entitlement to benefit	67
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Consultation draft

173.	Cessation of benefits where no entitlement	68
CHAPTER 5 Miscellaneous		
174.	Interest on late payment of benefits	68
175.	Payment of benefits in certain cases	69
176.	Benefits not assignable	69
177.	Forfeiture of benefits	69
178.	Reduction of benefits: annual allowances and lifetime allowance charge	70
179.	General prohibition on unauthorised payments	70
PART 9 Contributions CHAPTER 1 Interpretation of Part		
180.	Pensionable earnings for a pay period	70
CHAPTER 2 Employees' contributions		
181.	Contributions for standard earned pension	70
182.	Contributions under Schedule 3	71
183.	Contributions payable during a period of permanent service in the armed forces	71
CHAPTER 3 Repayment of contributions after short service		
184.	Meaning of "entitlement day" (repayment of balance of contributions)	71
185.	Entitlement to repayment of balance of contributions	71
186.	Application for repayment of balance of contributions	72
187.	Calculation of balance of contributions	72
CHAPTER 4 Employers' contributions		
188.	Employers' contributions	72
CHAPTER 5 Deduction and payment of contributions		
189.	Deduction of contributions from pensionable earnings	73
190.	Deductions not made before an employment ends	73
191.	Recovery of unpaid contributions from benefits	73
192.	Payment by employers to scheme manager	73
PART 10 Actuarial valuations and employer cost cap		
PART 11 Transfers		
193.	Payment of transfer values	74

PART 12
Miscellaneous and supplemental

194.	Employment records	75
195.	Information and documents	75
196.	Provision of benefit information statements to members	76
197.	Extension of time	76
198.	Transitional provisions	76

SCHEDULE 1	— Eligible employment	76
PART 1	— General	76
PART 2	— Service pensionable without election	80
PART 3	— Service pensionable on election	82
PART 4	— Service pensionable on election with employer consent	82
SCHEDULE 2	— Transferred pension	83
SCHEDULE 3	— Scheme flexibilities	84
PART 1	— General	84
PART 2	— Additional pension election	85
PART 3	— Faster accrual election	90
PART 4	— Election to buy out the standard reduction	92
SCHEDULE 4	— Employees’ and employers’ contributions	94
SCHEDULE 5	— Transitional provisions	95
PART 1	— Interpretation	95
PART 2	— Exceptions for full protection members	96
PART 3	— Exceptions for tapered protection members	97
PART 4	— Transition members becoming active members of this scheme	97
PART 5	— Payment of benefits to transition members	98
PART 6	— Provision in relation to existing scheme	101

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 1(1)(a) and (2)(d)(b), 2(c), 3, 4(d), 5(e), 7(f), 10, 11(1), 12(1), (3), (6) and (7)(g), 14, 18(1) and (5) to (8)(h) and 25, paragraph (c) of the definition of “employer” in section 37, paragraph 4 of Schedule 1, paragraph 4(a) of Schedule 2, and Schedule 3 of the Public Service Pensions Act 2013(i).

In accordance with section 21(1) 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.

(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 4(2) of the Act for the meaning of “scheme manager”. See section 4(6) of the Act for the meaning of a connected statutory pension scheme.
 (e) See section 5(8) of the Act for the meaning of “pension board”.
 (f) See section 8(4) of the Act for the meaning of “career average revalued earnings scheme”.
 (g) See section 12(2) of the Act for the meaning of “employer cost cap”.
 (h) See section 18(2) of, and paragraph 18 of Schedule 5 to, the Act for the meaning of the existing scheme.
 (i) 2013 c. 25.

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

PART 1

Preliminary

Citation, extent and commencement

- 1.**—(1) These Regulations—
- (a) may be cited as the Teachers’ Pension Scheme Regulations 2014; and
 - (b) extend to England and Wales.
- (2) These Regulations come into force as follows—
- (a) this Part and Part 2 come into force on 1st April 2014;
 - (b) the remaining provisions come into force on 1st April 2015.

Establishment of Teachers’ Pension Scheme 2014

- 2.**—(1) These Regulations establish a scheme for the payment of pensions and other benefits to or in respect of teachers in England and Wales.
- (2) For the purpose of these Regulations, a person in an eligible employment—
- (a) is a teacher; or
 - (b) is treated as a teacher.
- (3) This scheme is to be known as the Teachers’ Pension Scheme 2014.

Interpretation

- 3.** In these Regulations—
- “the Act” means the Public Service Pensions Act 2013;
- “EA 2002” means the Education Act 2002(**a**);
- “FA 2004” means the Finance Act 2004(**b**);
- “PA 1995” means the Pensions Act 1995(**c**);
- “PIA 1971” means the Pensions (Increase) Act 1971(**d**);
- “PSA 1993” means the Pension Schemes Act 1993(**e**);
- “WRPA 1999” means the Welfare Reform and Pensions Act 1999(**f**);
- “accrued additional pension”—
- (a) for the purpose of a retirement pension other than a phased retirement pension, has the meaning given in regulation 47;
 - (b) for the purpose of a phased retirement pension, has the meaning given in regulation 48;
- “accrued earned pension”—
- (a) for the purpose of a retirement pension other than a phased retirement pension, has the meaning given in regulation 47;

(a) 2002 c. 32.
(b) 2004 c. 12.
(c) 1995 c. 26.
(d) 1971 c. 56.
(e) 1993 c. 48.
(f) 1999 c.30.

- (b) for the purpose of a phased retirement pension, has the meaning given in regulation 48;
- “accrued pension” means—
- (a) accrued earned pension; and
 - (b) accrued additional pension (if any);
- “accrual rate” means the fraction of pensionable earnings that accrue as earned pension for a financial year;
- “active member” has the meaning given in section 124(1) of PA 1995;
- “active member’s account” has the meaning given in regulation 51;
- “actuarial”, in relation to a calculation or value, means determined by, or in accordance with tables or guidance prepared by, the scheme actuary;
- “actuarial adjustment” has the meaning given in Chapter 7 of Part 4;
- “additional paternity leave” has the meaning given in regulation 2(1) of the Additional Paternity Leave Regulations 2010;
- “additional pension” means—
- (a) additional (self only) pension; or
 - (b) additional (surviving adult) pension;
- “additional pension contributions” has the meaning given in Schedule 3;
- “additional pension election” has the meaning given in Schedule 3;
- “additional (self only) pension” means an additional pension payable to a pensioner member;
- “additional (surviving adult) pension” means an additional pension payable to the member’s surviving adult after the member has died;
- “adoption leave” has the meaning given in regulation 2(1) of the Paternity and Adoption Leave Regulations 2002(a);
- “age retirement pension” means a pension payable under Chapter 2 of Part 5;
- “amount of credited pension” has the meaning given in regulation 78(3);
- “annual rate of pensionable earnings” means—
- (a) for a member who is in pensionable service in relation to one full-time employment only — the member’s annual rate of pensionable earnings in that employment; and
 - (b) for a member who is in pensionable service in relation to a part-time employment or more than one employment — the member’s full-time equivalent annual rate of pensionable earnings;
- “appropriate factor”, in relation to a person, means a factor determined by the scheme actuary;
- “balance of contributions” means the amount of contributions repayable under regulation 187;
- “buy-out contributions” has the meaning given in Schedule 3;
- “child pension” means a pension payable under regulation 147;
- “closing date”, in relation to a transition member, has the meaning given in Schedule 5;
- “commutation amount” has the meaning given in Part 4;
- “comparable British service” means any period of service in the British Islands outside England and Wales that is pensionable under a pension scheme for teachers in public service;
- “comparable United Kingdom service” means any period of service in the United Kingdom outside England and Wales that is pensionable under a pension scheme for teachers in public service;
- “continuity of service”, in relation to a transition member, has the meaning given in Schedule 5;

(a) S.I. 2002/2788.

- “contributions equivalent premium” means a premium under section 55(2) of PSA 1993;
- “death grant” means a death grant under Part 6;
- “deferred member” has the meaning given in section 124(1) of PA 1995;
- “deferred member’s account” has the meaning given in Chapter 6 of Part 4;
- “dual capacity member” has the meaning given in regulation 19;
- “early retirement pension” means a pension payable under regulation 102;
- “earned pension” means pension calculated by reference to a member’s pensionable earnings;
- “eligible child” has the meaning given in regulation 135;
- “eligible employment” has the meaning given in Part 3;
- “employed” means employed under a contract of employment;
- “employer”, for a person employed by the governing body of a school maintained by a local authority, means—
- (a) the local authority; or
 - (b) for the purpose of an additional pension election, the local authority and the governing body;
- “employment” means employment under a contract of employment;
- “entitlement day” has the meaning given in Part 5 (retirement benefits);
- “existing scheme” means regulations under section 9 of the Superannuation Act 1972(a) (whether made before or after the coming into force of these Regulations);
- “faster accrual contributions” has the meaning given in Schedule 3;
- “faster accrual earned pension”, in relation to a financial year, means the amount of earned pension calculated by applying the faster accrual rate to the member’s pensionable earnings for that year;
- “faster accrual election” has the meaning given in Schedule 3;
- “financial year” means the 12 months ending with 31st March in any year;
- “full retirement additional pension” has the meaning given in regulation 68;
- “full retirement earned pension” has the meaning given in regulation 67;
- “full-time”, in relation to employment, has the meaning given in regulation 15(a);
- “full-time equivalent annual rate of pensionable earnings” has the meaning given in Chapter 4 of Part 3;
- “function provider” has the meaning given in paragraph 1 of Schedule 1;
- “ill-health pension” means a pension payable under regulation 108;
- “ill-health retirement benefits” means—
- (a) an ill-health pension; and
 - (b) a lump sum payable under regulation 165 in place of part of that pension;
- “incapacitated” has the meaning given in Chapter 4 of Part 5 (ill health retirement);
- “index adjustment”, in relation to the opening balance of earned pension for any financial year, means the percentage increase or decrease specified in a Treasury order under section 9(2) of the Act in relation to the previous financial year, plus 1.6%;
- “initial payment” has the meaning given in regulation 161 or 162;
- “last active financial year” means the financial year in which the last day of pensionable service falls;

(a) 1972 c. 11.

“last day of pensionable service”, in relation to a member, means the day on which a member leaves all pensionable service;

“leaver index adjustment” has the meaning given in Part 4;

“leaver PIA index adjustment” has the meaning given in Part 4;

“local authority” means—

- (a) a county council,
- (b) a metropolitan district council,
- (c) a non-metropolitan district council for an area for which there is no county council,
- (d) a county borough council (in Wales),
- (e) a London borough council,
- (f) the Common Council of the City of London,
- (g) the Council of the Isles of Scilly;

“maternity leave” means ordinary maternity leave or additional maternity leave within the meaning of the Maternity and Parental Leave etc. Regulations 1999(a);

“member”, in relation to this scheme, means an active member, deferred member, pensioner member or pension credit member;

“non-pensionable family leave” means a period of adoption leave, maternity leave, parental leave, paternity leave or additional paternity leave during which the employee—

- (a) does not receive any statutory pay; and
- (b) is not paid a salary or is paid less than half the salary;

“non-pensionable sick leave” means a period of sick leave taken by an employee with the consent of the employer, during which the employee—

- (a) does not receive any statutory pay; and
- (b) is not paid a salary or is paid less than half the salary;

“normal pension age”—

- (a) in relation to this scheme, is determined in accordance with section 10 of the Act; and
- (b) in relation to the existing scheme, has the meaning given in that scheme;

“occupational pension scheme” has the meaning given in section 1 of PSA 1993;

“opening balance”, in relation to earned pension or transferred pension, has the meaning given in regulation 53;

“opening balance”, in relation to additional pension, has the meaning given in regulation 58;

“parental leave” means leave within the meaning of Part 3 of the Maternity and Parental Leave etc. Regulations 1999;

“part-time”, in relation to employment, has the meaning given in regulation 15(b);

“paternity leave” means leave under regulation 4 or 8 of the Paternity and Adoption Leave Regulations 2002(b);

“pay order” means an order under section 122 of EA 2002, for the time being in force and includes any document referred to in such an order;

“pay period” means a period in respect of which a member’s pensionable earnings are payable;

“pension credit” has the meaning given in Part 7 (benefits for pension credit members);

“pension credit member” has the meaning given in Part 7;

“pension credit member’s account” has the meaning given in regulation 78;

(a) S.I. 1999/3312 to which there are amendments not relevant to these Regulations.

(b) S.I. 2002/2788.

- “pension credit retirement pension” has the meaning given in Part 7;
- “pension debit member” has the meaning given in Part 7;
- “pensionable earnings” has the meaning given in Chapter 4 of Part 3;
- “pensioner member” has the meaning given in section 124(1) of PA 1995;
- “pensioner member’s account” has the meaning given in regulation 74;
- “pension sharing order” means any provision or order specified in section 28 of the Welfare Reform and Pensions Act 1999(a);
- “period of permanent service”, in relation to service in the armed forces, has the meaning given in regulation 24;
- “permitted maximum” means the amount determined in accordance with paragraph 2 of Schedule 29 to FA 2004;
- “personal pension scheme” means a personal pension scheme as defined in section 1 of PSA 1993 that is a registered pension scheme;
- “phased retirement application” has the meaning given in Chapter 3 of Part 5;
- “phased retirement pension” means a pension payable under regulation 91;
- “phased retirement proportion” means the proportion of accrued earned pension specified in a phased retirement application;
- “PIA index adjustment”, in relation to the opening balance of additional pension for any financial year, means the amount by which the annual rate of a pension of an amount equal to the opening balance would have been increased in that year under PIA 1971 if—
- (a) that pension were eligible to be so increased; and
 - (b) the beginning date for that pension were the first day of the previous financial year;
- “post-benefit service” has the meaning given in regulation 81(3);
- “premature retirement pension” means a pension payable under regulation 99;
- “prospective normal pension age”, in relation to a member’s prospective entitlement to benefits, means the normal pension age that the scheme manager (having regard to the Government’s stated policy) determines would apply in relation to those benefits;
- “qualified”, in relation to retirement benefits payable under this scheme, has the meaning given in regulation 80;
- “registered pension scheme” means a pension scheme that is registered under Chapter 2 of Part 4 of FA 2004;
- “re-qualified”, in relation to retirement benefits payable under this scheme, has the meaning given in regulation 81;
- “retirement benefits” means—
- (a) a retirement pension; and
 - (b) a lump sum payable under regulation 165 in place of part of that pension;
- “retirement pension” means—
- (a) an age retirement pension;
 - (b) a phased retirement pension;
 - (c) a premature retirement pension;
 - (d) an early retirement pension;
 - (e) an ill-health pension;
 - (f) a total incapacity pension;
- “salary” means gross salary payable under an employment contract;

(a) S.I. 1999/30.

- “this scheme” means the scheme established by these Regulations;
- “scheme actuary” means the person appointed by the scheme manager for the time being to provide a consulting service on actuarial matters;
- “scheme manager” has the meaning given in Part 2;
- “short-service serious-ill health grant” means a grant payable under Chapter 7 of Part 5;
- “standard accrual rate”, in relation to a member’s pensionable earnings, means 1/57th;
- “standard contributions” means contributions payable under regulation 181(1) for standard earned pension;
- “standard contributions rate” has the meaning given in regulation 181(2);
- “standard earned pension”, in relation to a financial year, means the amount of earned pension calculated by applying the standard accrual rate to the member’s pensionable earnings for that year;
- “standard increase”, in relation to pensionable earnings, has the meaning given in Chapter 4 of Part 3;
- “standard rate”, in relation to interest, means the Superannuation Contributions Adjusted for Past Experience discount rate set by the Treasury;
- “standard reduction” has the meaning given in Chapter 7 of Part 4;
- “statutory pay” means—
- (a) statutory adoption pay, statutory maternity pay or statutory paternity pay within the meaning of the Social Security Contributions and Benefits Act 1992(a), or
 - (b) additional statutory paternity pay within the meaning given in regulation 2(1) of the Additional Statutory Paternity Pay (General) Regulations 2010(b);
- “surviving adult” has the meaning given in regulation 132;
- “surviving adult pension ” means a pension payable under regulation 140;
- “surviving civil partner” means a person who, at the time of a member’s death, was in a civil partnership(c) with the member;
- “surviving nominated beneficiary” has the meaning given in regulation 134;
- “surviving nominated partner” has the meaning given in regulation 133;
- “surviving spouse” means a person who, at the time of a member’s death, was married to the member;
- “survivor’s pension” has the meaning given in Part 6;
- “total incapacity benefits” means—
- (a) a total incapacity pension; and
 - (b) a lump sum payable under regulation 165 in place of part of that pension;
- “total incapacity pension” means a pension payable under regulation 114;
- “transfer day” means the day on which a pension sharing order takes effect;
- “transfer value payment” means a payment of an amount equal to the guaranteed cash equivalent as defined in section 94(1A) of PSA 1993;
- “transferred pension” means pension attributable to the receipt of a transfer value payment;
- “transition member” has the meaning given in Schedule 5.

Leaving eligible employment

4.—(1) For the purpose of these Regulations, a person (P) leaves all eligible employment—

-
- (a) 1992 c. 4.
 - (b) S.I. 2010/1056.
 - (c) See section 1 of the Civil Partnership Act 2004 (c. 33) for the meaning of “civil partnership”.

- (a) if P is in one eligible employment only — when P leaves that employment; or
 - (b) if P is in more than one eligible employment — when P leaves all those employments.
- (2) For the purpose of these Regulations—
- (a) P leaves an eligible employment when P ends a period of non-pensionable family leave, non-pensionable sick leave or unpaid leave in relation to that employment and does not return to that employment; but
 - (b) P does not leave an eligible employment unless at least one complete day has passed since P’s last day in that employment.

Leaving pensionable service

- 5.**—(1) For the purpose of these Regulations, a person (P) leaves all pensionable service—
- (a) if P is in pensionable service in relation to one employment only — when P leaves pensionable service in relation to that employment; or
 - (b) if P is in pensionable service in relation to more than one employment — when P leaves pensionable service in relation to all those employments.
- (2) For the purpose of these Regulations, P leaves pensionable service in relation to an employment when P begins a period of non-pensionable family leave, non-pensionable sick leave or unpaid leave in relation to that employment.

PART 2

Governance

Scheme manager

- 6.**—(1) The Secretary of State is the scheme manager for this scheme and any connected scheme^(a).
- (2) The scheme manager is responsible for managing this scheme and any connected scheme.

Establishment of pension board

- 7.**—(1) A pension board (“the Teachers’ Pension Scheme Pension Board”) is established.
- (2) The Teachers’ Pension Scheme Pension Board is responsible for assisting the scheme manager in relation to securing compliance with—
- (a) these Regulations;
 - (b) any other legislation relating to the governance and administration of this scheme and any connected scheme; and
 - (c) requirements imposed by the Pensions Regulator in relation to this scheme and any connected scheme.
- (3) The scheme manager is to determine the process by which the Teachers’ Pension Scheme Pension Board discharges its functions.

Membership of pension board

- 8.**—(1) Subject to paragraph 2, the scheme manager may determine—
- (a) the membership of the Teachers’ Pension Scheme Pension Board;

(a) See section 4(6) of the Act for the meaning of “connected scheme”.

- (b) the manner in which members of the Teachers' Pension Scheme Pension Board may be appointed and removed; and
- (c) the terms of appointment of the members of the Teachers' Pension Scheme Pension Board.

(2) The Teachers' Pension Scheme Pension Board is to include equal numbers of members representing the employers(a) and members.

Conflict of interest

9.—(1) The scheme manager must be satisfied that any person to be appointed as a member of the Teachers' Pension Scheme Pension Board does not have a conflict of interest(b).

(2) The scheme manager must be satisfied from time to time that none of the members of the Teachers' Pension Scheme Pension Board has a conflict of interest.

(3) A person who is to be appointed as a member of the Teachers' Pension Scheme Pension Board must provide the scheme manager with such information as the scheme manager reasonably requires for the purposes of paragraph (1).

(4) A person who is a member of the Teachers' Pension Scheme Pension Board must provide the scheme manager with such information as the scheme manager reasonably requires for the purposes of paragraph (2).

Establishment of scheme advisory board

10.—(1) A scheme advisory board ("the Teachers' Pension Scheme Advisory Board") is established.

(2) The Teachers' Pension Scheme Advisory Board is responsible for providing advice to the scheme manager, at the scheme manager's request, on the desirability of changes to this scheme.

(3) The scheme manager is to determine the process by which the Teachers' Pension Scheme Advisory Board discharges its functions.

Membership of scheme advisory board

11. The scheme manager may determine—

- (a) the membership of the Teachers' Pension Scheme Advisory Board;
- (b) the manner in which members of the Teachers' Pension Scheme Advisory Board may be appointed and removed; and
- (c) the terms of appointment of the members of the Teachers' Pension Scheme Advisory Board.

Conflict of interest

12.—(1) The scheme manager must be satisfied that any person to be appointed as a member of the Teachers' Pension Scheme Advisory Board does not have a conflict of interest.

(2) The scheme manager must be satisfied from time to time that none of the members of the Teachers' Pension Scheme Advisory Board has a conflict of interest.

(3) A person who is to be appointed as a member of the Teachers' Pension Scheme Advisory Board must provide the scheme manager with such information as the scheme manager reasonably requires for the purposes of paragraph (1).

(a) See section 37 of the Act for the meaning of "employer".

(b) See section 5(5) of the Act for the meaning of "conflict of interest".

(4) A person who is a member of the Teachers' Pension Scheme Advisory Board must provide the scheme manager with such information as the scheme manager reasonably requires for the purposes of paragraph (2).

PART 3

Scheme membership

CHAPTER 1

Interpretation

Meaning of “an eligible employment”

13. For the purpose of these Regulations, a person employed in a capacity mentioned in Schedule 1 is in an eligible employment.

Meaning of “P’s automatic enrolment date” and “P’s automatic re-enrolment date”

14. For the purpose of this Part—

- (a) “P’s automatic enrolment date” is the date on which section 3 of PA 2008 applies to a person (P) in relation to P’s eligible employment; and
- (b) “P’s automatic re-enrolment date” is a date determined under regulation 12 of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010(a) in relation to P’s eligible employment.

Meaning of “full-time” and “part-time” employment

15. For the purpose of these Regulations—

- (a) an employment is “full-time” if the contract of employment describes it as full-time (whether in those terms or otherwise); and
- (b) an employment is “part-time” if the contract of employment describes it as part-time (whether in those terms or otherwise).

Meaning of “election to opt in” and “election to opt out”

16. For the purpose of these Regulations—

- (a) “election to opt out”, in relation to service in an eligible employment, means an election under regulation 26 or 29; and
- (b) “election to opt in”, in relation to service in an eligible employment, means an election under regulation 27 or 30.

CHAPTER 2

Membership

Eligibility for active membership

17.—(1) A person (P) is eligible to be an active member of this scheme if—

- (a) P is in an eligible employment; and
- (b) P has reached the age of 16 and has not reached the age of 75.

(a) S.I. 2010/772.

(2) P is not eligible to be an active member of this scheme if P is employed in an accepted school in which P has a financial interest.

(3) In this regulation—

“a financial interest” does not include the right to receive a salary; and

“accepted school” has the meaning given in paragraph 2 of Schedule 1.

More than one employment

18. A person may be an active member of this scheme in relation to more than one employment.

Dual capacity membership

19.—(1) A person is a dual capacity member of this scheme if the person is a member in 2 or more of the following capacities—

(a) an active member;

(b) a deferred member;

(c) a pensioner member.

(2) In determining whether a person who is an active member is also a pensioner member, the fact that the person is an active member and the person’s rights in that capacity are to be disregarded.

(3) In determining whether a person who is an active member or a pensioner member is also a deferred member, the fact that the person is an active member or a pensioner member and the person’s rights in that capacity are to be disregarded.

Payment of retirement benefits to dual capacity members

20. Retirement benefits under this scheme are payable to a dual capacity member as if the member were 2 or more members and the amounts payable are determined accordingly^(a).

CHAPTER 3

Pensionable service

SECTION 1

General provisions

Service not pensionable unless member is entitled to pay

21.—(1) A person (P) in an eligible employment is not in pensionable service in relation to that employment unless P is entitled to be paid—

(a) P’s salary in respect of that employment; or

(b) if P is on sick leave, adoption leave, maternity leave, parental leave, paternity leave or additional paternity leave—

(i) at least half P’s salary in respect of that employment; or

(ii) statutory pay.

(2) P is not in pensionable service in relation to an employment during a period of non-pensionable family leave, non-pensionable sick leave or unpaid leave from that employment.

(a) The result is that 2 or more pensions or lump sums may be payable in respect of the one member.

Service not pensionable unless standard contributions are paid

22.—(1) The scheme manager may decide that a period of service in respect of which a member’s standard contributions are not paid is not a period of pensionable service if—

- (a) the scheme manager has sent the member a demand under regulation 190 (“the demand”) in respect of those contributions; and
- (b) within 3 years after the date of the demand, the member has not paid the whole of the amount and interest stated in the demand.

(2) The period of service is not a period of pensionable service if the scheme manager—

- (a) gives the member written notice to that effect; and
- (b) repays the member any amount paid in part satisfaction of the demand.

SECTION 2

Service in Her Majesty’s armed forces

Pensionable service – armed forces service

23. For the purpose of these Regulations, a person is in pensionable service during any period of permanent service in the armed forces in respect of which an election under regulation 24 has effect or is taken to have effect.

Election for armed forces service to be pensionable

24.—(1) This regulation applies in relation to an active member (P) who is called out, or recalled, for permanent service in Her Majesty’s armed forces under a call-out notice served, or a call-out or recall order made, under the Reserve Forces Act 1996(a).

(2) P may by written notice to the scheme manager elect to treat the period of permanent service as pensionable service.

(3) For the purpose of these Regulations, P leaves all pensionable service from the beginning of the period of permanent service if P does not make an election within 6 months after the period of permanent service ends.

(4) If P makes an election, the scheme manager must give P a written notice setting out the contributions payable in respect of the period of permanent service.

(5) The election has effect from the beginning of the period of permanent service if—

- (a) P pays the contributions by lump sum within 3 months after receiving the notice; or
- (b) P pays contributions by monthly payments in accordance with regulation 183 in respect of the whole period.

(6) If P only pays contributions in respect of part of the period of permanent service, the election has effect only in respect of that part of the period.

(7) In this regulation, a period of permanent service begins when P is called out or recalled and ends on whichever is the earlier of—

- (a) the day on which P’s permanent service ends, or
- (b) the day on which P begins to accrue benefits under the Armed Forces Pension Scheme or any other occupational pension scheme in respect of P’s permanent service.

(8) If P dies while in permanent service and P has not made an election—

- (a) P is taken to have made an election;
- (b) any contributions payable are to be deducted from any benefits payable under these Regulations; and
- (c) the election is taken to have effect from the beginning of the period of permanent service.

(a) 1996 c.14.

SECTION 3

Pensionable service on or after automatic enrolment date

Pensionable service on or after automatic enrolment date

- 25.**—(1) This Section applies in relation to a person (P) who—
- (a) is eligible to be an active member of this scheme; and
 - (b) is in an eligible employment on or after P’s automatic enrolment date for that employment.
- (2) P is in pensionable service in relation to that employment if—
- (a) P is employed in a capacity mentioned in Part 2 of Schedule 1 and an election to opt out under this Section does not have effect in relation to service in that employment;
 - (b) P is employed in a capacity mentioned in Part 3 or 4 of Schedule 1 and—
 - (i) P’s employer has made arrangements for P to become an active member of this scheme in relation to that employment; and
 - (ii) an election to opt out under this Section does not have effect in relation to service in that employment; or
 - (c) P is employed in a capacity mentioned in Part 3 or 4 of Schedule 1 and—
 - (i) immediately before P’s automatic enrolment date for that employment an election to opt in under Section 4 had effect in relation to service in that employment; and
 - (ii) an election to opt out under this Section does not have effect in relation to service in that employment.

Election to opt out

- 26.**—(1) This regulation applies to service by a person (P) in an eligible employment on or after P’s automatic enrolment date for that employment.
- (2) P may by written notice to the scheme manager elect that service in that employment is not pensionable service (“election to opt out”).
- (3) An election to opt out, in relation to service in an employment, has effect as follows—
- (a) if P makes the election within 3 months after P enters the employment — from the first day of the employment;
 - (b) if paragraph (a) does not apply and P makes the election within 3 months after P’s automatic enrolment date for the employment — from the automatic enrolment date;
 - (c) if neither paragraph (a) nor (b) applies and P makes the election within 3 months after P’s automatic re-enrolment date — from P’s automatic re-enrolment date;
 - (d) otherwise — from the first day of the month after the month in which P makes the election.
- (4) An election to opt out, in relation to service in an employment, ceases to have effect from the earliest of—
- (a) the date on which P revokes the election;
 - (b) the date on which a subsequent election to opt in has effect in relation to service in that employment; and
 - (c) P’s automatic enrolment date for that employment.
- (5) A revocation must be by written notice to the scheme manager.

Election to opt in

- 27.**—(1) This regulation applies to service by a person (P) in an eligible employment on or after P’s automatic enrolment date for that employment if—

- (a) P is employed in a capacity mentioned in Part 2 of Schedule 1; and
 - (b) an election to opt out has effect in relation to service in that employment.
- (2) P may by written notice to the scheme manager elect that service in that employment is pensionable service (“election to opt in”).
- (3) An election to opt in, in relation to service in an employment, has effect as follows—
- (a) if P makes the election within 3 months after P enters the employment — from the first day of the employment;
 - (b) otherwise — from the first day of the month after the month in which P makes the election.
- (4) An election to opt in, in relation to service in an employment, ceases to have effect from—
- (a) the date on which P revokes the election; or
 - (b) the date on which a subsequent election to opt out has effect in relation to service in the employment.
- (5) A revocation must be by written notice to the scheme manager.

SECTION 4

Pensionable service before automatic enrolment date

Pensionable service before automatic enrolment date

- 28.**—(1) This Section applies in relation to a person (P) who—
- (a) is eligible to be an active member of this scheme; and
 - (b) is in an eligible employment before P’s automatic enrolment date for that employment.
- (2) P is in pensionable service in relation to that employment if—
- (a) P is employed in a capacity mentioned in Part 2 of Schedule 1 and an election to opt out under this Section does not have effect in relation to service in that employment; or
 - (b) P is employed in a capacity mentioned in Part 3 or 4 of Schedule 1 and an election to opt in under this Section has effect in relation to service in that employment.

Election to opt out (before automatic enrolment date)

- 29.**—(1) This regulation applies to service by a person (P) in an eligible employment before P’s automatic enrolment date for that employment.
- (2) P may by written notice to the scheme manager elect that service in that employment is not pensionable service (“election to opt out”).
- (3) An election to opt out, in relation to service in an employment, has effect—
- (a) if P makes the election not later than 3 months after P enters the employment — from the first day of the employment; or
 - (b) otherwise — from the first day of the month after the month in which P makes the election.
- (4) An election to opt out, in relation to service in an employment, ceases to have effect from the earliest of—
- (a) the date on which P revokes the election;
 - (b) the date on which a subsequent election to opt in has effect in relation to service in that employment; and
 - (c) P’s automatic enrolment date for that employment.
- (5) A revocation must be by written notice to the scheme manager.

Election to opt in (before automatic enrolment date)

30.—(1) This regulation applies to service by a person (P) in an eligible employment before P’s automatic enrolment date for that employment.

(2) P may by written notice to the scheme manager elect that service in that employment is pensionable service (“election to opt in”) if—

- (a) P is employed in a capacity mentioned in Part 2 of Schedule 1 and an election to opt out has effect in relation to service in that employment;
- (b) P is employed in or is about to be employed in a capacity mentioned in Part 3 of Schedule 1 ; or
- (c) P is employed in or is about to be employed in a capacity mentioned in Part 4 of Schedule 1 and P has obtained the consent of the employer.

(3) An election to opt in, in relation to service in an employment, has effect—

- (a) from the first day of the employment if P makes the election not later than 3 months after P enters the employment; or
- (b) from the first day of the month after the month in which P makes the election if—
 - (i) P is employed in a capacity mentioned in Part 2 or 3 of Schedule 1; and
 - (ii) P makes the election more than 3 months after P enters the employment; or
- (c) if P is employed in a capacity mentioned in Part 4 of Schedule 1 but paragraph (a) does not apply, from the later of—
 - (i) the first day of the month after the month in which P makes the election; and
 - (ii) the first day of the month after the month in which P’s employer consents to the election being made.

(4) An election to opt in, in relation to service in an employment, ceases to have effect from—

- (a) the date on which P revokes the election; or
- (b) the date on which a subsequent election to opt out has effect in relation to service in that employment.

(5) A revocation must be by written notice to the scheme manager.

CHAPTER 4

Pensionable earnings

Interpretation

31. In this Chapter—

“notional pensionable earnings” means the amount by which a member’s pensionable earnings are reduced during—

- (a) a period of sick leave (other than a period of non-pensionable sick leave); or
- (b) a period of adoption leave, maternity leave, parental leave, paternity leave or additional paternity leave (other than a period of non-pensionable family leave);

“notional salary”, in relation to a period of permanent service in respect of which an election under regulation 24 has effect or is taken to have effect, means P’s pensionable earnings for the pay period immediately before the period of permanent service began, increased by—

- (a) the amount (if any) of any standard increase applied in relation to P’s eligible employment during P’s period of permanent service; and
- (b) the amount (if any) by which those pensionable earnings together with any standard increase would have been increased if they had been an official pension within the meaning of section 5(1) of PIA 1971 beginning, and first qualifying for increases under that Act, on the day after the day on which the period of permanent service began;

“residential accommodation” means residential accommodation provided to a person (P) in connection with P’s employment;

“residential benefits in kind” means—

- (a) any residential accommodation provided to a person (P);
- (b) any heat, lighting or water provided free in respect of residential accommodation; and
- (c) any council tax paid on P’s behalf in respect of residential accommodation;

“salary sacrifice arrangement” means—

- (a) if a person (P) is a school teacher, an arrangement specified in a pay order under which P gives up the right to receive part of P’s salary in return for P’s employer agreeing to provide P with benefits in kind as specified in the pay order;
- (b) if P is not a school teacher, an arrangement of the type mentioned in sub-paragraph (a) in which P’s employer agrees to provide P with benefits in kind of an identical description to those specified in a pay order;

“school teacher” means a school teacher for the purpose of section 122 of EA 2002; and

“standard increase” means an increase in pensionable earnings that—

- (a) is applied generally to employees in P’s position under a pay order or by P’s employer; and
- (b) is unrelated to any change in P’s duties or hours of work or otherwise to the particular circumstances of P’s case.

Meaning of “regular employment” and “irregular employment”

32. For the purpose of this Chapter—

- (a) an employment is a regular employment if the contract of employment entitles the employee to remuneration at a rate which is expressed as a proportion of the annual rate for a comparable full-time employment; and
- (b) an employment is an irregular employment if it is not a regular employment.

Pensionable earnings for school teachers

33.—(1) This regulation applies to an active member (P) who is a school teacher.

(2) P’s pensionable earnings for any pay period are the sum of the following amounts paid in that pay period to P by P’s employer in respect of P’s pensionable service—

- (a) all salary and allowances paid for the performance of P’s contractual duties in accordance with a pay order;
- (b) the amount of any payment in respect of overtime;
- (c) any salary or statutory pay paid while P is on sick leave, maternity leave, paternity leave, additional paternity leave, parental leave or adoption leave;
- (d) an amount equal to any part of P’s salary which P has given up the right to receive under a salary sacrifice arrangement.

(3) P’s pensionable earnings do not include any amounts mentioned in regulation 35.

Pensionable earnings for other members

34.—(1) This regulation applies to an active member (P) who is not a school teacher.

(2) P’s pensionable earnings for any pay period are the sum of the amounts set out in paragraph (3) paid in that pay period to P for P’s own use by P’s employer in respect of P’s pensionable service.

(3) The amounts are—

- (a) the amount of salary, wages, fees and other payments paid under a contract of employment;
 - (b) the amounts mentioned in regulation 33(2)(b) to (d);
 - (c) the amount of any payment made to P by way of bonus under a pay settlement that applies to all employees (or all employees of a particular class or description) at the institution where P is employed; and
 - (d) the amount of any payment made to P that is calculated by reference to any of the following—
 - (i) P's performance;
 - (ii) the performance of all employees at the institution where P is employed; or
 - (iii) the performance of that institution.
- (4) P's pensionable earnings do not include any amounts mentioned in regulation 35.

Amounts not forming part of pensionable earnings

35.—(1) This regulation applies to any active member (P).

(2) P's pensionable earnings do not include any of the following amounts paid to P by P's employer—

- (a) any benefit in kind, or the money value of such a benefit, excluding—
 - (i) any residential benefits in kind; or
 - (ii) a benefit in kind under a salary sacrifice arrangement;
- (b) any bonus other than a payment under regulation 34(3)(c);
- (c) any allowance paid for travelling or other expenses;
- (d) any amount paid for the performance of duties that are not carried out in P's capacity as a teacher;
- (e) any payment in consideration for the loss of, or the agreement to give up the right to, paid leave under P's contract of employment;
- (f) any payment in lieu of notice to terminate P's contract of employment;
- (g) if P is employed in the capacity mentioned in paragraph 15 of Schedule 1 (teacher in a European school), any amount not payable by, or money value of a benefit in kind not attributable to, the Secretary of State.

Application for residential benefits in kind to form part of pensionable earnings

36.—(1) This regulation applies to a person (P) who receives residential benefits in kind.

(2) P's employer (E) may apply in writing to the scheme manager asking for the money value of those residential benefits in kind to form part of P's pensionable earnings.

(3) The application must be made within 3 months after the later of—

- (a) the first day of P's employment; or
- (b) the first day on which residential accommodation is provided to P.

(4) The application must be accompanied by a statement certifying that E will—

- (a) review the value of the residential benefits in kind at the times mentioned in paragraph (5); and
- (b) inform the scheme manager in writing of the results of each review.

(5) E must review the money value of the residential benefits in kind as follows—

- (a) the first review must be carried out within 2 years after the later of—
 - (i) the first day of P's employment; or
 - (ii) the first day on which residential accommodation is provided to P; and

- (b) each subsequent review must be carried out within 2 years after the previous review.

Money value of residential benefits in kind to form part of pensionable earnings

37.—(1) The scheme manager, if satisfied that it is reasonable for residential accommodation to be provided to P in connection with P's employment, may decide that the money value of residential benefits in kind forms part of P's pensionable earnings from—

- (a) the first day of P's employment; or
- (b) if later, the first day on which residential accommodation is provided to P.

(2) If the money value of the residential accommodation exceeds 1/6th of the aggregate of the amounts mentioned in regulation 33(2) or 34(3)(a) and (b), the excess does not form part of P's pensionable earnings.

(3) The scheme manager may revoke a decision that the money value of residential benefits in kind forms part of P's pensionable earnings if E does not—

- (a) carry out the reviews in accordance with regulation 36; or
- (b) inform the scheme manager of the results of those reviews within a reasonable time.

(4) If paragraph (3) applies, the scheme manager is to—

- (a) calculate the amount attributable to the overpayment of contributions; and
- (b) repay that amount to E together with interest applied in accordance with paragraph (6).

(5) The amount attributable to the overpayment of contributions is the difference between—

- (a) the sum of the amount of standard contributions, any faster accrual contributions and any buy-out contributions E deducted from P's pensionable earnings^(a) during the period in which the residential benefits in kind formed part of P's pensionable earnings; and
- (b) the sum of the amount of standard contributions, any faster accrual contributions and any buy-out contributions which E would have deducted from P's pensionable earnings during that period had the residential benefits in kind not formed part of P's pensionable earnings.

(6) Interest is applied at the rate of 3% each year, compounded with yearly rests—

- (a) from the first day of the financial year following the year in which the contributions were first deducted;
- (b) until the day on which the amount attributable to the overpayment of contributions is repaid.

Pensionable earnings for the purpose of accruing benefits

38. For the purpose of calculating the amount of earned pension for a pay period, a member's pensionable earnings for that period—

- (a) for a member (P) whose pensionable earnings are reduced during sick leave, adoption leave, maternity leave, parental leave, paternity leave or additional paternity leave — include P's notional pensionable earnings; and
- (b) if an election under regulation 24 has effect or is taken to have effect for that period — are an amount equal to P's notional salary.

Calculation of full-time equivalent annual rate of pensionable earnings — one regular employment

39.—(1) This regulation applies if—

- (a) a person (P) is in pensionable service in relation to one part-time employment only; and

(a) Contributions are deducted under Part 9.

(b) that employment is a regular employment.

(2) If this regulation applies, the full-time equivalent annual rate of pensionable earnings for that employment is calculated as if P were in one full-time employment only.

Calculation of full-time equivalent annual rate of pensionable earnings — one irregular employment

40.—(1) This regulation applies if—

- (a) a person P is in pensionable service in relation to one part-time employment only; and
- (b) that employment is an irregular employment.

(2) If this regulation applies, the full-time equivalent annual rate of pensionable earnings for that employment is the annual amount of pensionable earnings for that employment.

Calculation of full-time equivalent annual rate of pensionable earnings — more than one regular employment

41.—(1) This regulation applies if—

- (a) a person (P) is in pensionable service in relation to more than one employment; and
- (b) each employment is a regular employment.

(2) If this regulation applies, the full-time equivalent annual rate of pensionable earnings for all P's employments is calculated as follows—

Step 1

For each full-time employment, find the annual amount of pensionable earnings for that employment (FT).

The A value for that employment is 1. If there is no full-time employment, disregard this step.

Step 2

For each part-time employment—

- (a) find the annual amount of pensionable earnings for that employment (PT);
- (b) find the annual amount of pensionable earnings that would have been payable if that employment were full-time (FT); and
- (c) divide PT by FT.

The result is the A value for that employment. If there is no part-time employment, disregard this step.

Step 3

Add the A values for each employment. The result is B.

Step 4

For each employment, divide the A value by B. The result is C.

Step 5

For each employment multiply FT by C. The result is the D value for that employment.

Step 6

Add the D values for each employment.

The result is the full-time equivalent annual rate of pensionable earnings for all P's employments.

Calculation of full-time equivalent annual rate of pensionable earnings — more than one employment including at least one irregular employment

42.—(1) This regulation applies if—

- (a) a person (P) is in pensionable service in relation to more than one employment; and

(b) at least one employment is an irregular employment.

(2) If this regulation applies, the full-time equivalent annual rate of pensionable earnings for all P's employments is calculated as follows—

Step 1

For each employment, find the annual rate of P's salary for that employment. The result is the A value for that employment.

Step 2

Add the A values for each employment. The result is B.

Step 3

Divide B by the number of P's employments.

The result is the full-time equivalent annual rate of pensionable earnings for all P's employments.

PART 4

Pension accounts

CHAPTER 1

Interpretation

Interpretation

43. In this Chapter—

“the leaving year” means the financial year in which the relevant last day falls;

“the relevant last day” means—

- (a) for a member who has made a phased retirement application, the day before the entitlement day for a phased retirement pension; and
- (b) otherwise, the last day of pensionable service.

Pensionable service

44. For the purpose of this Part, a person (P) who re-enters pensionable service after a gap in service not exceeding 5 years is taken to be in pensionable service during the gap.

Meaning of “leaver index adjustment”

45.—(1) For the purpose of this Part, the leaver index adjustment for an amount of accrued earned pension is an amount calculated as follows—

Step 1

Add 1.6 to the percentage specified in the Treasury order in relation to the leaving year.

Step 2

Multiply the result at Step 1 by A/B

where—

A is the number of complete months in the period between the beginning of the leaving year and the end of the relevant last day; and

B is 12.

The resulting percentage is the leaver index percentage.

Step 3

Multiply the amount of accrued earned pension by the leaver index percentage.

The resulting amount is the leaver index adjustment.

(2) In this regulation—

“complete month” includes an incomplete month that consists of at least 16 days; and

“the Treasury order” means an order under section 9(2) of the Act.

Meaning of “leaver PIA index adjustment”

46.—(1) The leaver PIA index adjustment for an amount of accrued additional pension is calculated in accordance with paragraph (2).

(2) The leaver PIA index adjustment is the amount by which the annual rate of a pension of an amount equal to the amount of accrued additional pension would have been increased in the leaving year under PIA 1971 if—

- (a) that pension were eligible to be so increased;
- (b) the beginning date for that pension were the day after the relevant last day.

CHAPTER 2

Calculation of accrued pension

Calculation of amount of accrued pension for purposes of retirement other than phased retirement

47.—(1) For the purpose of a retirement pension other than a phased retirement pension, the amount of accrued pension is calculated in accordance with this regulation.

(2) The amount of accrued earned pension is the sum of the following amounts specified in the active member’s account as at the end of the last day of pensionable service—

- (a) the opening balance of standard earned pension for the last active financial year and the index adjustment for that opening balance;
- (b) the amount of standard earned pension for the last active financial year;
- (c) the opening balance of faster accrual earned pension (if any) for the last active financial year and the index adjustment for that opening balance;
- (d) the amount of faster accrual earned pension (if any) for the last active financial year;
- (e) the opening balance of transferred pension for the last active financial year and the index adjustment for that opening balance; and
- (f) the amount of transferred pension for the last active financial year.

(3) The amount of accrued additional pension is—

- (a) the sum of the following amounts specified in the additional pension account as at the end of the last day of pensionable service—
 - (i) the opening balance of additional pension for the last active financial year; and
 - (ii) the PIA index adjustment (if any) for that opening balance; or
- (b) an amount determined by the scheme manager under Schedule 3.

(4) In these Regulations, “the last active financial year” means the financial year in which the last day of pensionable service falls.

Calculation of amount of accrued pension for purpose of phased retirement

48.—(1) For the purpose of a phased retirement pension, the amount of accrued pension is calculated in accordance with this regulation.

(2) The amount of accrued earned pension is the phased retirement proportion of the sum of the following amounts specified in the active member’s account as at the end of the relevant last day—

- (a) the opening balance of standard earned pension for the leaving year and the index adjustment for that opening balance;

- (b) the amount of standard earned pension for the leaving year;
 - (c) the opening balance of faster accrual earned pension (if any) for the leaving year and the index adjustment for that opening balance;
 - (d) the amount of faster accrual earned pension (if any) for the leaving year;
 - (e) the opening balance of transferred pension for the leaving year and the index adjustment for that opening balance; and
 - (f) the amount of transferred pension for the leaving year.
- (3) If a member claims payment of additional pension under regulation 92, the amount of accrued additional pension is—
- (a) the sum of the following amounts specified in the additional pension account as at the end of the relevant last day—
 - (i) the opening balance of additional pension for the leaving year; and
 - (ii) the PIA index adjustment (if any) for that opening balance; or
 - (b) an amount determined by the scheme manager under Schedule 3.

CHAPTER 3

Pension accounts: general

Establishment of pension accounts: general

49.—(1) The scheme manager must establish and maintain one or more pension accounts for each member of this scheme in accordance with this Part.

(2) A pension account—

- (a) may be kept in any form the scheme manager considers appropriate; and
- (b) must specify the details required by these Regulations.

(3) References in these Regulations to any amount specified in a pension account are references to the amount that is required by these Regulations to be so specified and not, if different, the amount actually so specified.

Closure of pension accounts on transfer out or repayment of balance of contributions

50. All pension accounts relating to a member (P) (other than a pension credit member's account) must be closed if—

- (a) a transfer value payment is made or a cash transfer sum is paid in respect of P's accrued rights under this scheme; or
- (b) P is repaid the balance of contributions under regulation 185.

CHAPTER 4

Active member's account

Establishment of active member's account

51.—(1) A pension account must be established for each active member ("the active member's account") from the first day of pensionable service under this scheme.

(2) If a person is an active member in relation to more than one employment, only one active member's account is to be opened.

(3) The active member's account must remain open until the member leaves all pensionable service under this scheme.

Account to specify amount of pension for a financial year

52.—(1) This regulation applies in relation to every financial year in which an active member's account is open.

- (2) The active member's account must specify—
- (a) the amount of standard earned pension (if any) for the financial year;
 - (b) the amount of faster accrual earned pension (if any) for the financial year; and
 - (c) the amount of transferred pension (if any) for the financial year.
- (3) The amount is—
- (a) for standard earned pension — $1/57$ th of the member's pensionable earnings for that year;
 - (b) for faster accrual earned pension — the fraction of the member's pensionable earnings for that year specified in a faster accrual election;
 - (c) for transferred pension — the amount which a member is entitled to count under Schedule 2 for that year.

Account to specify opening balance and index adjustment

53.—(1) This regulation applies in relation to every financial year in which an active member's account is open other than the financial year in which the account is established.

- (2) The active member's account must specify—
- (a) the opening balance of standard earned pension for the financial year and the index adjustment for that opening balance;
 - (b) the opening balance of faster accrual earned pension (if any) for the financial year and the index adjustment for that opening balance; and
 - (c) the opening balance of transferred pension (if any) for the financial year and the index adjustment for that opening balance.
- (3) The opening balance in relation to a description of pension—
- (a) for the financial year immediately following the financial year in which the active member's account is established is the amount of that pension for the previous financial year as at the end of the previous financial year;
 - (b) for any subsequent financial year, is the sum of the following amounts—
 - (i) the opening balance of that pension for the previous financial year and the index adjustment for that opening balance; and
 - (ii) the amount of that pension for the previous financial year as at the end of the previous financial year.
- (4) In this regulation, "a description of pension" means—
- (a) standard earned pension;
 - (b) faster accrual earned pension (if any);
 - (c) additional pension (if any); and
 - (d) transferred pension (if any).

Ill health pension ceases to be payable

54. If an ill health pension ceases to be payable to a person (P) under regulation 112 or 116 and P re-enters pensionable service—

- (a) the pensioner member's account must be closed;
- (b) the active member's account must be re-established and credited with an amount equal to the annual rate of pension payable immediately before the ill health pension ceased to be payable.

Phased retirement pension ceases to be payable

55. If a phased retirement pension ceases to be payable under regulation 95 and P re-enters pensionable service—

- (a) the pensioner member's account must be closed; and
- (b) the active member's account must be adjusted by increasing the amount of accrued earned pension by the phased retirement proportion.

CHAPTER 5

Additional pension account

Establishment of additional pension account

56.—(1) An additional pension account must be established for each active member (P) in respect of whom an additional pension election is made.

(2) If P is an active member in relation to more than one employment, only one additional pension account is to be opened.

(3) The additional pension account must remain open until—

- (a) an additional pension is paid in respect of P;
- (b) a transfer value payment is made or a cash transfer sum is paid in respect of P's rights to the accrued additional pension; or
- (c) all additional pension contributions are refunded under Schedule 3.

(4) Part 2 of Schedule 3 has effect in relation to the making of an additional pension election.

Account to specify amount of additional pension

57.—(1) This regulation applies in relation to every financial year in which an additional pension election is made.

(2) The additional pension account must specify in relation to any additional pension election made in that financial year an amount equal to the annual rate of additional (self only) pension specified in the additional pension election.

Account to specify opening balance and PIA index adjustment

58.—(1) This regulation applies in relation to every financial year in which an additional pension account is open other than the financial year in which the account is established.

(2) The account must specify the opening balance of additional pension for the financial year and the PIA index adjustment for that opening balance.

(3) The opening balance of additional pension—

- (a) for the financial year immediately following the financial year in which the additional pension account is established, means the amount of additional pension specified in the account as at the end of the previous financial year; and
- (b) for any subsequent financial year, means the sum of the following amounts—
 - (i) the opening balance of additional pension for the previous financial year; and
 - (ii) the PIA index adjustment (if any) for that opening balance.

Ill health pension ceases to be payable

59.—(1) This regulation applies if—

- (a) an additional pension is payable with an ill health pension; and
- (b) the ill health pension ceases to be payable under regulation 112 or 116.

(2) The additional pension account must be re-established and credited with an amount equal to the annual rate of additional (self only) pension.

Phased retirement pension ceases to be payable

60.—(1) This regulation applies if—

- (a) an additional pension is payable with a phased retirement pension; and
- (b) the phased retirement pension ceases to be payable regulation 95.

(2) The additional pension account must be re-established and credited with an amount equal to the annual rate of additional (self only) pension.

CHAPTER 6

Deferred member's account

Establishment of deferred member's account

61. When an active member leaves all pensionable service and becomes a deferred member—

- (a) the active member's account must be closed; and
- (b) a pension account for the deferred member must be established (“deferred member's account”).

Account to specify amount of accrued earned pension and leaver index adjustment

62. The deferred member's account must specify—

- (a) the amount of accrued earned pension; and
- (b) the leaver index adjustment for that amount.

Account closed when member re-enters pensionable service

63.—(1) When a deferred member re-enters pensionable service after a gap in service not exceeding 5 years—

- (a) the deferred member's account must be closed; and
- (b) the active member's account must be re-established.

(2) The active member's account—

- (a) must specify the amount of accrued earned pension as at the beginning of the gap in service; and
- (b) must be adjusted as if the member had continued as an active member during the gap in service but had received no pensionable earnings.

Account remains open after disqualifying break

64.—(1) If a deferred member re-enters pensionable service (“the further service”) following a disqualifying break in service—

- (a) the deferred member's account remains open; and
- (b) an active member's account must be established in respect of the further service.

(2) In this regulation, “a disqualifying break in service” means a period of more than 5 years during which a person is not in—

- (a) any pensionable service;
- (b) comparable United Kingdom service; or
- (c) comparable British service.

Account established after ill health pension ceases to be payable

65. If an ill health pension ceases to be payable to a person (P) under regulation 112 or 116 and P does not re-enter pensionable service—

- (a) a deferred member's account must be established; and
- (b) that account must be credited with an amount equal to the annual rate of pension payable immediately before the ill health pension ceased to be payable.

Account established after phased retirement pension ceases to be payable

66. If a phased retirement pension ceases to be payable under regulation 95 and P does not re-enter pensionable service—

- (a) a deferred member's account must be established; and
- (b) the scheme manager must increase the amount of accrued earned pension by the phased retirement proportion.

CHAPTER 7

Pensioner members' accounts

SECTION 1

Interpretation

Meaning of “full retirement earned pension”

67.—(1) The amount of full retirement earned pension is the sum of—

- (a) the amount of accrued earned pension calculated under regulation 47(2); and
- (b) the leaver index adjustment for that amount.

(2) In calculating the amount of full retirement earned pension, the leaver index adjustment is not applied to the amount of accrued earned pension if a transfer value payment is made or a cash transfer sum is paid in respect of the member's rights to that accrued pension before the end of the last active financial year.

Meaning of “full retirement additional pension”

68.—(1) The amount of full retirement additional pension is the sum of—

- (a) the amount of accrued additional pension calculated under regulation 47(3); and
- (b) the leaver PIA index adjustment for that amount.

(2) In calculating the amount of full retirement additional pension, the leaver PIA index adjustment is not applied to the amount of accrued additional pension if a transfer value payment is made or a cash transfer sum is paid in respect of the member's rights to that accrued pension before the end of the last active financial year.

Meaning of “phased retirement earned pension”

69. The amount of phased retirement earned pension is the sum of—

- (a) the amount of accrued earned pension calculated under regulation 48(2); and
- (b) the leaver index adjustment for that amount.

Meaning of “phased retirement additional pension”

70. The amount of phased retirement additional pension is the sum of—

- (a) the amount of accrued additional pension calculated under regulation 48(3); and
- (b) the leaver index adjustment for that amount.

Meaning of “standard reduction”

71.—(1) The standard reduction is 3% and applies in relation to a maximum of 3 years from age 65 to normal pension age.

(2) The standard reduction is applied when calculating the annual rate of pension payable to an active member who, on the entitlement day for a phased retirement pension, premature retirement pension or early retirement pension—

- (a) has reached 55; but
- (b) has not reached normal pension age.

Meaning of “actuarial adjustment”

72. In these Regulations, “actuarial adjustment” means the actuarial adjustment that is applied when calculating the annual rate of pension payable—

- (a) to a member who, on the entitlement day for a pension other than an age retirement pension or an ill health pension, has not reached normal pension age; or
- (b) to an active member who becomes a pensioner member after reaching normal pension age.

Meaning of “commutation amount”

73. In these Regulations, “commutation amount”, in relation to any pension, means the amount of pension exchanged for a lump sum under regulation 165, 168 or 171.

SECTION 2

Establishment of pensioner members’ accounts

Pension accounts for active or deferred members who become pensioner members

74.—(1) When an active member becomes entitled to payment of a retirement pension other than a phased retirement pension in respect of any pensionable service—

- (a) the active member’s account and any additional pension account must be closed; and
- (b) a pension account for the pensioner member must be established (“the pensioner member’s account”).

(2) When a deferred member becomes entitled to payment of a retirement pension other than a phased retirement pension in respect of any pensionable service—

- (a) the deferred member’s account and any additional pension account must be closed; and
- (b) a pension account for the pensioner member must be established (“the pensioner member’s account”).

(3) The pensioner member’s account must specify—

- (a) the amount of full retirement earned pension payable to the member, and for that amount—
 - (i) the standard reduction (if any);
 - (ii) the actuarial adjustment (if any); and
 - (iii) the commutation amount (if any); and
- (b) the amount of full retirement additional pension payable to the member, and for that amount—
 - (i) the actuarial adjustment (if any); and
 - (ii) the commutation amount (if any).

Pension accounts for phased retirement members

- 75.**—(1) On the entitlement day for a phased retirement pension—
- (a) a pensioner member’s account must be established for the member;
 - (b) if the member is an active member, the active member’s account must be adjusted by reducing the amount of accrued earned pension specified in that account by the phased retirement proportion;
 - (c) if the member is a deferred member, the deferred member’s account must be adjusted by reducing the amount of accrued earned pension specified in that account by the phased retirement proportion;
 - (d) after the adjustment, Chapters 2 and 3 apply in relation to the member as if the amount of accrued earned pension specified in the active member’s account or deferred member’s account had always been reduced by the phased retirement proportion; and
 - (e) if the member has applied under regulation 92 to receive additional pension with the phased retirement earned pension, the additional pension account must be closed.
- (2) The pensioner member’s account must specify—
- (a) the amount of phased retirement earned pension payable to the member, and for that amount—
 - (i) the standard reduction (if any);
 - (ii) the actuarial adjustment (if any); and
 - (iii) the commutation amount (if any); and
 - (b) the amount of phased retirement additional pension payable to the member, and for that amount—
 - (i) the actuarial adjustment (if any); and
 - (ii) the commutation amount (if any).

SECTION 3

Closure of accounts

Ill health pension ceases to be payable

76. If an ill health pension ceases to be payable under regulation 112 or 116, the pensioner member’s account must be closed.

Phased retirement pension ceases to be payable

77. If a phased retirement pension ceases to be payable under regulation 95, the pensioner member’s account must be closed.

CHAPTER 8

Pension accounts for pension credit members

Pension accounts for pension credit members

78.—(1) A pension account must be established for each pension credit member (“the pension credit member’s account”).

(2) The pension credit member’s account must specify the amount of credited pension and for that amount—

- (a) the actuarial adjustment (if any); and
- (b) the commutation amount (if any).

(3) In these Regulations, “amount of credited pension” means an amount equal to the pension credit calculated in accordance with regulations made under paragraph 5(b) of Schedule 5 to WRPA 1999.

Separate account for each capacity of membership

79.—(1) If a pension credit member is also an active member, deferred member or pensioner member, the pension credit member’s account is in addition to the other account or accounts to be established under this Part in respect of the member in the other capacity.

(2) If a pension credit member has rights under this scheme which are attributable, directly or indirectly, to pension credit derived from the rights of more than one pension debit member of this scheme, a separate account is to be established under this regulation in respect of the pension credit attributable to the rights of each such pension debit member.

PART 5

Retirement benefits for teachers

CHAPTER 1

Interpretation

Qualifying for retirement benefits

80.—(1) A person (P) is qualified for retirement benefits in respect of a period of pensionable service if—

- (a) P has at least 2 years’ qualifying service; or
- (b) after P enters pensionable service, a transfer value payment or cash transfer sum is accepted under Part 11 (transfers) in respect of P’s rights accrued under a personal pension scheme.

(2) In these Regulations, a period of qualifying service is the total of the following—

- (a) any period of pensionable service under this scheme (other than a period of post-benefit service);
- (b) if after P enters pensionable service under this scheme a transfer value payment or cash transfer sum has been accepted under Part 11 (transfers) in respect of rights accrued under another occupational pension scheme, a period equal to the person’s period as an active member in that scheme;
- (c) any period of comparable British service;
- (d) any period of comparable United Kingdom service;
- (e) for a transition member with continuity of service, any period of pensionable service under the existing scheme before the closing date.

(3) Any pensionable service in respect of which a person’s rights under this scheme or the existing scheme are extinguished^(a) is not qualifying service.

Re-qualifying for retirement benefits in respect of post-benefit service

81.—(1) A person (P) is re-qualified for retirement benefits under these Regulations if—

- (a) P has at least 12 months’ post-benefit qualifying service; or

(a) Regulation 185(4) provides for extinguishment of rights following the refund of the member’s contributions. Regulation 193(7) provides for extinguishment of rights following a transfer value payment.

- (b) after P enters a period of post-benefit service, a transfer value payment or cash transfer sum is accepted under Part 11 (transfers) in respect of P's rights accrued under a personal pension scheme.
- (2) In these Regulations, a period of post-benefit qualifying service is the total of the following—
- (a) any period of post-benefit service under this scheme;
 - (b) if after P enters a period of post-benefit service a transfer value payment or cash transfer sum has been accepted under Part 11 (transfers) in respect of rights accrued under another occupational pension scheme, a period equal to the person's period as an active member in that scheme;
 - (c) any period of comparable British service;
 - (d) any period of comparable United Kingdom service;
 - (e) for a transition member with continuity of service in respect of post-benefit service, any period of post-benefit service under the existing scheme before the closing date.
- (3) For the purpose of these Regulations, P enters a period of "post-benefit service" when—
- (a) P re-enters pensionable service—
 - (i) on or after reaching normal pension age; and
 - (ii) after a retirement pension (other than a phased retirement pension) or a short-service serious ill-health grant becomes payable; or
 - (b) P re-enters pensionable service—
 - (i) before reaching normal pension age; and
 - (ii) after a retirement pension (other than an ill health pension or phased retirement pension) or a short-service serious ill-health grant becomes payable.
- (4) For the purpose of these Regulations, P does not enter a period of "post-benefit service" if P re-enters pensionable service—
- (a) before reaching normal pension age; and
 - (b) after an ill-health pension or phased retirement pension becomes payable.
- (5) Any period of service in respect of which P's rights under this scheme or the existing scheme are extinguished is not included in a period of post-benefit service(a).

Payment of retirement benefits for post-benefit service

82. For the purpose of calculating benefits in respect of a period of post-benefit service, P is taken to enter pensionable service for the first time when P enters the period of post-benefit service.

CHAPTER 2

Age retirement

Meaning of "entitlement day" (age retirement pension)

83.—(1) The entitlement day for an age retirement pension is as follows.

- (2) If a person (P) is qualified for retirement benefits, the entitlement day is the earliest of the following—
- (a) if P is in pensionable service on the day on which P reaches normal pension age—
 - (i) the day after P leaves all pensionable service; or
 - (ii) the day on which P reaches 75; and

(a) Regulation 185(4) provides for extinguishment of rights following the refund of the member's contributions. Regulation 193(7) provides for extinguishment of rights following a transfer value payment.

- (b) if P is not in pensionable service on the day on which P reaches normal pension age, the day on which P reaches normal pension age.
- (3) If P is re-qualified for retirement benefits, the entitlement day is the earliest of the following—
- (a) if P is in pensionable service on the date of application, the day after P leaves all pensionable service;
 - (b) if P has left all pensionable service on the date of application, such day as P specifies in the application, which must be no earlier than 6 weeks after the date of application;
 - (c) the date of P's 75th birthday.
- (4) In this regulation, "date of application" means the day on which P applies for the payment of an age retirement pension.

Entitlement to age retirement pension

- 84.**—(1) A member (P) is entitled to payment of an age retirement pension from the entitlement day if—
- (a) P has reached normal pension age;
 - (b) P is qualified or re-qualified for retirement benefits;
 - (c) P has left all pensionable service; and
 - (d) P has applied under regulation 160 for the payment of an age retirement pension.
- (2) An age retirement pension is payable for life.

Annual rate of age retirement pension

- 85.**—(1) This regulation applies if an active member or a deferred member (P) becomes entitled to payment of an age retirement pension.
- (2) The annual rate of age retirement pension payable to P is found by—
- (a) taking the amount of full retirement earned pension specified in P's pensioner member's account;
 - (b) applying the actuarial adjustment (if any) specified in that account in relation to that amount;
 - (c) adding the amount of full retirement additional pension (if any) specified in that account; and
 - (d) subtracting the commutation amount (if any) specified in that account in relation to the sum of those amounts.

Arrears of pension payable to deferred member who becomes pensioner member after reaching normal pension age

- 86.** A deferred member (P) who becomes a pensioner member after reaching normal pension age is entitled to be paid the total of the following—
- (a) the amount found by multiplying the sum of the amount of full retirement earned pension and the amount of full retirement additional pension (if any) specified in P's pensioner member's account by the period (in years and fractions of a year) for which P was a deferred member after reaching normal pension age; and
 - (b) interest payable on that amount in accordance with regulation 174.

CHAPTER 3

Phased retirement

Interpretation of Chapter

87.—(1) In this Chapter—

“average annual rate”, in relation to pensionable earnings in a 6 month period, means the amount of pensionable earnings in that period multiplied by 2;

“increased annual rate”, in relation to pensionable earnings, has the meaning given in regulation 95(2);

“new employment” has the meaning given in regulation 89(2);

“new employment condition” has the meaning given in regulation 89;

“pensionable earnings”, for a person not in an eligible employment, means the amount which would be the person’s pensionable earnings if the employment were eligible employment;

“phased retirement application” means an application under regulation 160 for payment of a phased retirement pension;

“previous employment” has the meaning given in regulation 89(2);

“reduced annual rate”, in relation to pensionable earnings, has the meaning given in regulation 88(2);

“reduced annual rate condition” has the meaning given in regulation 88.

(2) When calculating the reduced annual rate or increased annual rate of a person’s pensionable earnings, any standard increase^(a) which takes effect on or after the entitlement day must be ignored.

The reduced annual rate condition

88.—(1) A person (P) meets the reduced annual rate condition if—

- (a) P is in one or more eligible employments;
- (b) the terms of employment change and as a result there is a reduction in the annual amount of P’s pensionable earnings; and
- (c) the reduced annual rate is not more than 80% of the average annual rate of P’s pensionable earnings for the 6 months of pensionable service immediately before the reduction.

(2) In this regulation, “reduced annual rate” means the annual amount of P’s pensionable earnings following the reduction.

The new employment condition

89.—(1) A person (P) meets the new employment condition if—

- (a) the reduced annual rate condition does not apply;
- (b) P leaves all eligible employment;
- (c) within 6 months after leaving all eligible employment, P enters a new employment; and
- (d) the annual amount of P’s pensionable earnings in the new employment does not exceed 80% of the average annual rate of P’s pensionable earnings for the last 6 months of the previous employment.

(2) In this regulation—

“a new employment” means—

(a) See the meaning of “standard increase” in Chapter 4 of Part 3.

- (a) one or more new eligible employments; or
- (b) one or more employments with an employer mentioned in any paragraph in Parts 2 to 4 of Schedule 1 that is not an eligible employment where—
 - (i) P’s normal duties in the employment include providing education or services ancillary to education (other than administrative services); and
 - (ii) if the employer is a function provider, P’s duties relate to functions or services in respect of which the function provider is accepted under paragraph 3 of Schedule 1; and

“previous employment” means one or more previous eligible employments.

Meaning of “entitlement day” (phased retirement pension)

90. The entitlement day for a phased retirement pension is—

- (a) if a person (P) meets the reduced annual rate condition, the day on which the reduced annual rate takes effect; or
- (b) if P meets the new employment condition, the day on which P enters a new employment.

Entitlement to phased retirement pension

91.—(1) A person (P) is entitled to payment of a phased retirement earned pension from the entitlement day if—

- (a) P has reached 55 but has not reached 75;
- (b) P is qualified or re-qualified for retirement benefits;
- (c) P meets the reduced annual rate condition or the new employment condition;
- (d) P has made a phased retirement application; and
- (e) P has not applied under regulation 160 for payment of any other retirement pension.

(2) P is entitled to payment of a phased retirement additional pension from the entitlement day if P has applied under regulation 92 to receive an additional pension with the phased retirement earned pension.

(3) Subject to regulation 95, a phased retirement pension is payable for life.

Phased retirement applications

92.—(1) For the purpose of regulation 91, a person (P) must make a phased retirement application within 3 months after the entitlement day.

(2) The application must—

- (a) be accompanied by a certificate from P’s current employer stating that P meets the reduced annual rate condition or the new employment condition; and
- (b) state whether P is applying to receive an additional pension with the phased retirement earned pension.

(3) A certificate is not required in relation to the new employment condition if the scheme manager is satisfied that P’s current employer has not received the necessary information about P’s previous employment from P’s previous employer.

Phased retirement proportion

93.—(1) A phased retirement application must specify the proportion of accrued earned pension for which payment is claimed (“phased retirement proportion”).

(2) The phased retirement proportion must not exceed 75%.

Annual rate of phased retirement pension

- 94.** The annual rate of phased retirement pension payable to a member (P) is found by—
- (a) taking the amount of phased retirement earned pension specified in P’s pensioner member’s account;
 - (b) applying the standard reduction (if any) and the actuarial adjustment (if any) specified in that account in relation to that amount;
 - (c) if P has applied to receive an additional pension with the phased retirement earned pension, adding the amount of phased retirement additional pension specified in that account;
 - (d) applying the actuarial adjustment (if any) specified in that account in relation to that amount; and
 - (e) subtracting the commutation amount (if any) specified in that account in relation to the sum of those amounts.

Cessation of phased retirement pension

- 95.—**(1) A phased retirement pension ceases to be payable to a member (P) if—
- (a) in the 12 months after the entitlement day, the annual rate of P’s pensionable earnings increases; and
 - (b) as a result, the increased annual rate is more than 80% of the average annual rate of P’s pensionable earnings in—
 - (i) if P met the reduced annual rate condition — the 6 months of pensionable service immediately before the reduced annual rate took effect; or
 - (ii) if P met the new employment condition — the last 6 months of the previous employment.

(2) In this regulation, “increased annual rate” means the annual rate of P’s pensionable earnings in the 12 months after the entitlement day.

Subsequent phased retirement applications

- 96.—**(1) P may make a subsequent phased retirement application if—
- (a) a phased retirement pension ceases to be payable under regulation 95 but P once more meets the reduced annual rate condition or the new employment condition; or
 - (b) while P is receiving a phased retirement pension, the terms of P’s employment change or P enters a new employment and P once more meets the reduced annual rate condition or the new employment condition.
- (2) P may not make a subsequent phased retirement application if—
- (a) P has made 3 previous phased retirement applications; or
 - (b) P has not reached 60 and has made 2 previous phased retirement applications.
- (3) If P makes a subsequent phased retirement application after a phased retirement pension ceases to be payable—
- (a) the phased retirement proportion specified in that application must be the same as or greater than the phased retirement proportion specified in the original application;
 - (b) if P applied under regulation 92 to receive an additional pension as part of the original pension, P must apply under that regulation to receive an additional pension as part of the new phased retirement pension (“the new pension”); and
 - (c) if P received a lump sum under regulation 165 in place of part of the original pension (“original lump sum”)—
 - (i) P must apply under that regulation to receive a lump sum in place of part of the new pension (“new lump sum”);

- (ii) the amount of the new lump sum must be the same as or greater than the amount of the original lump sum; and
 - (iii) the amount of lump sum payable is the amount of the new lump sum less the amount of the original lump sum.
- (4) Any subsequent phased retirement application must be made in accordance with regulation 92.
- (5) In this regulation—
- “original application” means P’s application under regulation 160 for payment of the original pension;
 - “original pension” means a phased retirement pension that ceases to be payable under regulation 95;
 - “previous phased retirement application” includes the original application.

CHAPTER 4

Premature retirement

Interpretation — pensionable service

97. For the purpose of this Chapter, a person in respect of whom an election under regulation 24 has effect is not treated as being in pensionable service.

Meaning of “entitlement day” (premature retirement pension)

98. The entitlement day for a premature retirement pension is the day after a person leaves all eligible employment.

Entitlement to premature retirement pension

99.—(1) A person (P) is entitled to payment of a premature retirement pension from the entitlement day if—

- (a) P has reached 55 but has not reached normal pension age;
- (b) P is qualified or re-qualified for retirement benefits;
- (c) P’s pensionable service in relation to an employment is terminated by reason of P’s redundancy or in the interests of the efficient discharge of the functions of P’s employer;
- (d) P’s employer gives written notice to the scheme manager stating that—
 - (i) P’s pensionable service was terminated by reason of P’s redundancy or in the interests of the efficient discharge of the employer’s functions; and
 - (ii) the employer agrees that a premature retirement pension should become payable to P;
- (e) P receives no compensation as a result of P’s pensionable service being terminated;
- (f) P has left all eligible employment;
- (g) P has applied under regulation 160 for payment of a premature retirement pension; and
- (h) P has not applied under that regulation for payment of any other retirement pension.

(2) P is not entitled to payment of a premature retirement pension in respect of any pensionable service after P reaches normal pension age.

(3) If the employer is not the local authority, the local authority must give the notice under subparagraph (1)(d) if—

- (a) P's pensionable service was in relation to an employment that falls within category A (as defined by regulation 3(7)(a) of the Teachers (Compensation for Redundancy and Premature Retirement) Regulations 1997^(a)); and
 - (b) the governing body of the school or institution mentioned in that provision asks the local authority to do so.
- (4) A premature retirement pension is payable for life.

Annual rate of premature retirement pension

100. The annual rate of premature retirement pension payable to a person (P) is found by—

- (a) taking the amount of full retirement earned pension specified in P's pensioner member's account;
- (b) applying the standard reduction (if any) and the actuarial adjustment (if any) specified in that account in relation to that amount;
- (c) adding the amount of full retirement additional pension (if any) specified in that account;
- (d) applying the actuarial adjustment (if any) specified in that account in relation to that amount; and
- (e) subtracting the commutation amount (if any) specified in that account in relation to the sum of those amounts.

CHAPTER 5

Early retirement

Meaning of "entitlement day" (early retirement pension)

101.—(1) The entitlement day for an early retirement pension is as follows.

(2) If a person (P) is not in eligible employment when P applies under regulation 160 for payment of the pension, the entitlement day is a day specified in P's application which is at least 6 weeks after the day on which the application is made.

(3) If P is in eligible employment when P applies under regulation 160 for payment of the pension and P's employer agrees that an early retirement pension should become payable to P, the entitlement day is the day after P leaves all eligible employment.

(4) If P is in eligible employment when P applies under regulation 160 for payment of the pension and P's employer does not agree that an early retirement pension should become payable to P—

- (a) if P continues in eligible employment for at least 6 months after the date on which P asks P's employer to agree — the entitlement day is the day after P leaves all eligible employment;
- (b) if P leaves all eligible employment before the end of 6 months after the date on which P asks P's employer to agree — the entitlement day is a day specified in P's application which is at least 6 weeks after the day on which the application is made.

(5) Despite sub-paragraphs (2) to (4), the entitlement day must not be before the day on which P—

- (a) reaches 55; or
- (b) leaves all eligible employment.

(a) S.I. 1997/311.

Entitlement to early retirement pension

102.—(1) A person (P) is entitled to payment of an early retirement pension from the entitlement day if—

- (a) P has reached 55 but has not reached normal pension age;
- (b) P is qualified or re-qualified for retirement benefits;
- (c) P has left all eligible employment;
- (d) P has applied under regulation 160 for the payment of an early retirement pension; and
- (e) P has not applied under that regulation for payment of any other retirement pension.

(2) P is not entitled to payment of an early retirement pension in respect of any pensionable service after P reaches normal pension age.

(3) An early retirement pension is payable for life.

Annual rate of early retirement pension

103. The annual rate of the early retirement pension payable to a person (P) is found by—

- (a) taking the amount of full retirement earned pension specified in P's pensioner member's account;
- (b) applying the standard reduction (if any) and the actuarial adjustment (if any) specified in that account in relation to that amount;
- (c) adding the amount of full retirement additional pension (if any) specified in that account;
- (d) applying the actuarial adjustment (if any) specified in that account in relation to that amount; and
- (e) subtracting the commutation amount (if any) specified in that account in relation to the sum of those amounts.

CHAPTER 6

Ill health retirement

SECTION 1

General

Interpretation

104. In this Chapter—

“ill health application” means an application under regulation 160 for payment of—

- (a) an ill health pension; and
- (b) if applicable, a total incapacity pension;

“medical report” means a medical report accompanying an ill health application.

Incapacity definitions

105. In this Chapter, a person (P)—

- (a) is incapacitated if, as a result of illness or injury, P is unfit to be in eligible employment despite appropriate medical treatment;
- (b) meets the incapacity condition if—
 - (i) P is incapacitated; and
 - (ii) P is likely to be incapacitated permanently; and
- (c) meets the total incapacity condition if—
 - (i) P is incapacitated; and

- (ii) P's ability to carry out any work is impaired by more than 90% and is likely to be impaired by more than 90% permanently.

Ill-health applications

- 106.**—(1) An ill health application made by a person (P)—
- (a) must be accompanied by all the medical evidence necessary for the scheme manager to determine that P is entitled to the payment of an ill health pension or a total incapacity pension; and
 - (b) must be signed by P's employer unless—
 - (i) P left all eligible employment for a reason other than because P was incapacitated; or
 - (ii) P made the ill health application more than 2 years after the last day of pensionable service.
- (2) The medical evidence must include a medical report containing evidence that P meets—
- (a) the incapacity condition; and
 - (b) if applicable, the total incapacity condition.
- (3) An application for a total incapacity pension will not be granted unless it is made—
- (a) before P leaves all eligible employment; or
 - (b) within 2 years after the last day of pensionable service.

SECTION 2

Ill health pension

Entitlement day for ill health pension

- 107.**—(1) The entitlement day for an ill health pension is the latest of the following—
- (a) the day specified in the medical report as the day on which a person (P) first met the incapacity condition or, if applicable, the total incapacity condition;
 - (b) the day which occurs 6 months before the date of a medical report following consideration of which the scheme manager is satisfied that P meets the incapacity condition or, if applicable, the total incapacity condition;
 - (c) the day after P leaves all eligible employment.
- (2) The entitlement day must not be before the date of any medical report following consideration of which the scheme manager was not satisfied that P met the incapacity condition or, if applicable, the total incapacity condition.

Entitlement to ill-health pension

- 108.**—(1) A member (P) is entitled to payment of an ill-health pension from the entitlement day if—
- (a) P is qualified or re-qualified for retirement benefits;
 - (b) P has not reached normal pension age;
 - (c) P has left all eligible employment;
 - (d) P has applied under regulation 160 for payment of an ill health pension;
 - (e) P has not applied under that regulation for payment of any other retirement pension; and
 - (f) the scheme manager is satisfied after consideration of a medical report that—
 - (i) if paragraph (2) applies — P meets the incapacity condition and the total incapacity condition; or
 - (ii) if paragraph (3) applies — P meets the incapacity condition.
- (2) This paragraph applies if—

- (a) P left all eligible employment for a reason other than because P was incapacitated; or
 - (b) P made the ill health application more than 2 years after the last day of pensionable service.
- (3) This paragraph applies if—
- (a) P left all eligible employment because P was incapacitated; and
 - (b) P made the ill health application—
 - (i) before leaving all eligible employment; or
 - (ii) within 2 years after the last day of pensionable service.
- (4) Except as provided in regulation 112, an ill-health pension is payable for life.

No entitlement to ill-health pension

109.—(1) A member (P) is not entitled to payment of an ill-health pension—

- (a) in respect of any pensionable service after P reaches normal pension age; or
- (b) if paragraph (2) applies.

(2) This paragraph applies if—

- (a) a direction under section 142 of EA 2002 given on a ground mentioned in subsection (4)(a), (b) or (c) of that section has effect in respect of P,
- (b) the Secretary of State is considering giving such a direction in respect of P,
- (c) P is included, or is being considered for inclusion, in any of the lists mentioned in paragraph (4), or
- (d) the General Teaching Council for Wales^(a) or the Secretary of State has made, or the General Teaching Council for Wales or the Secretary of State makes, or is considering making, a prohibition order in relation to P on the grounds of unacceptable professional conduct or that P has been convicted of a relevant offence.

(3) But paragraph (2) does not apply if the Secretary of State determines that the only reason for the direction or the direction being considered, for including, or considering including, P in any of the lists; or for making, or considering making, a prohibition order is unrelated to P's culpable behaviour.

(4) The lists are—

- (a) the children's barred list (established under section 2(1)(a) of SVGA 2006);
- (b) a list maintained under the law of Scotland or Northern Ireland which the Secretary of State specifies by order under section 3(2)(b) of SVGA 2006 as corresponding to the children's barred list;
- (c) the adults' barred list (established under section 2(1)(b) of SVGA 2006);
- (d) a list maintained under the law of Scotland or Northern Ireland which the Secretary of State specifies by order under section 3(3)(b) of SVGA 2006 as corresponding to the adults' barred list.

(5) In this regulation—

“prohibition order”, “relevant offence” and “unacceptable professional conduct” have the same meanings as in Schedule 2 to the Teaching and Higher Education Act 1998^(b); and
“SVGA 2006” means the Safeguarding Vulnerable Groups Act 2006^(c).

(a) The General Teaching Council for Wales was established pursuant to section 8 of the Teaching and Higher Education Act 1998 c. 30 and S.I. 1998/2940.

(b) 1998 c. 30.

(c) 2006 c.47.

When ill health pension does not become payable

110.—(1) If an ill health pension does not become payable before the death of a member (D), a death grant is payable in respect of the member.

(2) For the purpose of paragraph (1)—

- (a) an ill health pension does not become payable before D’s death unless the initial payment of the pension is made before D’s death; and
- (b) an ill health pension that becomes payable before D’s death but ceases to be payable under regulation 112 or 116 is taken not to become payable before D’s death.

Annual rate of ill health pension

111. The annual rate of ill health pension payable to a person (P) is found by—

- (a) taking the amount of full retirement earned pension specified in P’s pensioner member’s account;
- (b) adding the amount of full retirement additional pension (if any) specified in that account; and
- (c) subtracting the commutation amount (if any) specified in that account in relation to the sum of those amounts.

When ill-health pension ceases to be payable

112.—(1) An ill health pension ceases to be payable on the earlier of the following dates—

- (a) the date on which a person (P) re-enters eligible employment;
- (b) the date on which P engages in any work as a teacher which is not an eligible employment.

(2) An ill-health pension does not cease to be payable on that date if P has reached normal pension age.

SECTION 3

Total incapacity pension

Meaning of “entitlement day” (total incapacity pension)

113. The entitlement day for a total incapacity pension payable with an ill health pension is the same as the entitlement day for the ill health pension.

Entitlement to total incapacity pension

114.—(1) A total incapacity pension is payable to a person (P) from the entitlement day if—

- (a) P is entitled to an ill health pension because the scheme manager is satisfied that P meets the incapacity condition;
- (b) P has applied under regulation 160 for payment of an ill health pension and a total incapacity pension; and
- (c) the scheme manager is satisfied after consideration of a medical report that P meets the total incapacity condition.

(2) A total incapacity pension is not payable to P if—

- (a) P left an eligible employment for a reason other than because P was incapacitated; or
- (b) P made the ill health application—
 - (i) after leaving all eligible employment; and
 - (ii) more than 2 years after the last day of pensionable service.

(3) Except as provided in regulation 116, the total incapacity pension is payable for life.

Annual rate of total incapacity pension

115.—(1) The annual rate of total incapacity pension payable to a person (P) is the amount found by multiplying half P’s prospective service (in years and fractions of a year) by 1/57th of P’s annual rate of pensionable earnings—

- (a) as at the last day of pensionable service; or
- (b) if paragraph (2) applies, as at the day before P’s annual rate of pensionable earnings is reduced.

(2) This paragraph applies if—

- (a) P is in one or more eligible employments;
- (b) an employer agrees to change the terms of P’s employment wholly or partly because of P’s ill health;
- (c) as a result of the changed terms of employment (“stepped-down employment”), P’s annual rate of pensionable earnings is reduced;
- (d) P applies for a total incapacity pension while in the stepped-down employment; and
- (e) the scheme manager is satisfied that P’s total incapacity is wholly or partly related to the ill health which led to the change in terms of employment.

(3) For the purpose of paragraph (1)(b), P’s annual rate of pensionable earnings is increased by the amount (if any) by which it would have been increased if it had been an official pension within the meaning of section 5(1) of PIA 1971—

- (a) beginning, and first qualifying for increases under that Act, on the day after the day on which P’s annual rate of pensionable earnings is reduced; and
- (b) ending on the day on which the scheme manager receives P’s application for the total incapacity pension.

(4) In this regulation, “P’s prospective service” means the period (in years and fractions of a year) beginning with the day after the entitlement day and ending on the day on which P would have reached prospective normal pension age.

Cessation of total incapacity pension

116.—(1) A total incapacity pension ceases to be payable to a person (P) on the date on which P’s ability to carry out any work ceases to be impaired by more than 90%.

(2) For the purpose of paragraph (1), P’s ability to carry out any work ceases to be impaired by more than 90% on the earliest of the following dates—

- (a) the date on which P re-enters eligible employment;
- (b) the date on which P engages in any work as a teacher which is not an eligible employment;
- (c) the date on which P engages in any other form of work unless—
 - (i) P provides the scheme manager with a certificate from a registered medical practitioner stating that, in the opinion of the practitioner, P continues to meet the total incapacity condition despite engaging in such work, and
 - (ii) the scheme manager is satisfied that P continues to meet that condition despite engaging in such work.

(3) A total incapacity pension does not cease to be payable on that date if P has reached normal pension age.

CHAPTER 7

Short-service serious ill health grant

Application for payment of grant

117.—(1) An application made by a person (P) under regulation 160 for payment of a short-service serious ill-health grant—

- (a) must be accompanied by all the medical evidence necessary for the scheme manager to determine that P is entitled to the payment; and
 - (b) must be signed by P's employer.
- (2) The medical evidence must include a medical report containing evidence that P—
- (a) meets the incapacity condition; and
 - (b) has a life expectancy of less than a year.
- (3) An application will not be granted unless it is made—
- (a) before P leaves all eligible employment; or
 - (b) within 6 months after the last day of pensionable service.

Meaning of “entitlement day” (short-service serious ill-health grant)

118. The entitlement day for a short-service serious ill-health grant is the day after a person (P) leaves all eligible employment because P is incapacitated.

Entitlement to short-service serious ill-health grant

119.—(1) A person (P) is entitled to payment of a short-service serious ill-health grant on the entitlement day if—

- (a) P was in pensionable service (other than post-benefit service) for at least 12 months;
- (b) P leaves all eligible employment because P is incapacitated;
- (c) P is not qualified for retirement benefits;
- (d) P has not reached 75;
- (e) P has applied under regulation 160 for payment of the grant; and
- (f) the scheme manager is satisfied after consideration of the medical report that—
 - (i) P meets the incapacity condition; and
 - (ii) P has a life expectancy of less than a year.

(2) This regulation does not apply if P is in a period of post-benefit service immediately before the entitlement day.

Amount of grant

120. The amount of the grant is 1/6th of the member's annual rate of pensionable earnings as at the last day of pensionable service.

CHAPTER 8

Short-service annuity for post-benefit service

Meaning of “entitlement day” (short-service annuity)

121. The entitlement day for a short-service annuity is the date specified in an application under regulation 160 for payment of the annuity, which must be no earlier than 6 weeks after the day on which the application is made.

Entitlement to short-service annuity

122.—(1) A person (P) is entitled to payment from the entitlement day of a short-service annuity in respect of post-benefit service if—

- (a) P enters a period of post-benefit service;
- (b) P is not re-qualified for retirement benefits in respect of that service;
- (c) P leaves all eligible employment; and
- (d) P has applied under regulation 160 for payment of the annuity.

(2) A short-service annuity is payable for life.

Annual rate of short-service annuity

123. The annual rate of a short-service annuity is the actuarial equivalent of the sum of—

- (a) all of the member’s standard contributions, faster accrual contributions (if any) and additional pension contributions (if any) in respect of a period of post-benefit service paid up to the date of receipt of the application under regulation 160; and
- (b) interest to the date of payment at 3% per year, compounded with yearly rests on those contributions from the first day of the financial year following that in which they were paid.

PART 6

Survivor’s benefits

CHAPTER 1

General interpretation

General

124. In this Part—

“member” means a member other than a pension credit member;

“survivor’s benefits” means any of the following—

- (a) a death grant;
- (b) a survivor’s pension;

“survivor’s pension” means a surviving adult pension, additional (surviving adult) pension or child pension.

When a retirement pension becomes payable

125. For the purpose of this Part—

- (a) an ill health pension does not become payable before D’s death unless the initial payment of the pension is made before D’s death;
- (b) an ill health pension that does become payable before D’s death but ceases to be payable under regulation 112 or 116 is taken not to become payable before D’s death; and
- (c) a phased retirement pension that does become payable before D’s death but ceases to be payable under regulation 95 does not become payable before D’s death.

Meaning of “dies in service”

126.—(1) A member (D) dies in service for the purpose of survivor’s benefits if—

- (a) D dies while in pensionable service;

- (b) D dies while on non-pensionable family leave immediately following a period of pensionable service;
 - (c) as at the date of D's death, an election under regulation 24 has effect or is taken to have effect; or
 - (d) paragraph (2) applies.
- (2) This paragraph applies if—
- (a) D dies within 12 months after leaving pensionable service in all eligible employment because P was incapacitated; and
 - (b) a retirement pension other than a phased retirement pension does not become payable in relation to that service before D's death.

Meaning of “dies out of service”

- 127.** A member (D) dies out of service for the purpose of survivor's benefits if—
- (a) D does not die in service; or
 - (b) D does not die as a pensioner member.

Meaning of “dies as a pensioner member”

128. In this Part, a member (D) dies as a pensioner member if a retirement pension becomes payable before D's death.

Payment of survivor benefits for post-benefit service

129. For the purpose of calculating survivor benefits in respect of a member's period of post-benefit service, the member (D) is taken to have entered pensionable service for the first time when D entered the period of post-benefit service.

Death of a dual capacity member

130. The annual rate of a survivor's pension applies to the surviving adult or eligible child of a dual capacity member in relation to each of the member's capacities.

CHAPTER 2

Specific interpretation

Meaning of “death grant beneficiary”

- 131.—**(1) For the purpose of a death grant, a person (P) is a “death grant beneficiary” if—
- (a) P is an individual;
 - (b) the member has nominated P to receive a death grant or a share of a death grant on the member's death; and
 - (c) at the date of the member's death, the nomination has effect.
- (2) A member may nominate P by giving written notice to the scheme manager.
- (3) The nomination ceases to have effect if—
- (a) the member revokes the nomination by giving written notice to the scheme manager,
 - (b) the member subsequently nominates a different person in place of P, or
 - (c) P dies.
- (4) If a member nominates more than one death grant beneficiary, the notice must state—
- (a) the share of the death grant to be paid to each beneficiary; and
 - (b) whether, if a beneficiary dies before the member, the beneficiary's share must be paid—

- (i) to the surviving beneficiaries in accordance with paragraph (5), or
- (ii) to the member's personal representatives as part of the member's estate.

(5) If a beneficiary's share is to be paid to the surviving beneficiaries it is to be paid to them in shares such that the proportion which each surviving beneficiary's share bears to each of the other surviving beneficiaries' shares is the same as it was in the nomination.

Meaning of “surviving adult”

132.—(1) For the purpose of a death grant, the “surviving adult” of a member who has died means the member's—

- (a) surviving spouse;
- (b) surviving civil partner; or
- (c) surviving nominated partner.

(2) For the purpose of a survivor's pension, the “surviving adult” of a member who has died means the member's—

- (a) surviving spouse;
- (b) surviving civil partner;
- (c) surviving nominated partner; or
- (d) surviving nominated beneficiary.

Meaning of “surviving nominated partner”

133.—(1) For the purpose of a survivor's pension, a member's partner (P) is a “surviving nominated partner” if—

- (a) the member has nominated P to receive a pension on the member's death; and
- (b) at the date of the member's death—
 - (i) the nomination has effect; and
 - (ii) the condition in paragraph (3) was satisfied for a continuous period of at least 2 years ending on that date.

(2) A member may nominate P by giving the scheme manager a written declaration signed by both the member and P stating that the condition in paragraph (3) is satisfied.

(3) The condition is that—

- (a) the member is able to marry or form a civil partnership with P;
- (b) the member and P are living with each other as if they were a married couple or civil partners;
- (c) neither the member nor P is living with a third person as if they were a married couple or civil partners; and
- (d) the member and P are financially interdependent or P is financially dependent on the member.

(4) A nomination ceases to have effect if—

- (a) the member or P revokes the nomination by giving written notice to the scheme manager;
- (b) the member makes a subsequent nomination under this regulation;
- (c) the condition in paragraph (3) ceases to be satisfied; or
- (d) P dies.

Meaning of “surviving nominated beneficiary”

134.—(1) For the purpose of a survivor's pension, a person (P) is a member's “surviving nominated beneficiary” if—

- (a) the member has nominated P to receive a pension on the member's death; and
 - (b) at the date of the member's death—
 - (i) the nomination has effect; and
 - (ii) the conditions in paragraph (3) are satisfied.
- (2) A member may nominate P by giving the scheme manager a written notice signed by both the member and P stating that the conditions in paragraph (3) are satisfied.
- (3) The conditions are that—
- (a) a retirement pension (other than phased retirement pension) has not become payable to the member;
 - (b) P is an individual;
 - (c) neither the member nor P is married nor in a civil partnership;
 - (d) P is not living with another person as if they were a married couple or civil partners;
 - (e) P is not an eligible child of the member;
 - (f) if P is the member's parent, brother or sister—
 - (i) P has never married nor formed a civil partnership; or
 - (ii) P is widowed or a surviving civil partner;
 - (g) if P is the member's step-parent, P is widowed or a surviving civil partner; and
 - (h) P is wholly or mainly financially dependent on the member.
- (4) A nomination ceases to have effect if—
- (a) the member or P gives written notice of revocation to the scheme manager;
 - (b) any condition in paragraph (3) ceases to be satisfied;
 - (c) the member makes a subsequent nomination under this regulation; or
 - (d) P dies.

Meaning of “eligible child”

- 135.**—(1) In these Regulations, a person is the “eligible child” of a member who dies (D) if—
- (a) the person—
 - (i) is D's child and was born before D died or within 12 months after D's death,
 - (ii) was adopted by D, or
 - (iii) was accepted by D as a member of D's family and was wholly or mainly financially dependent on D at the date of D's death;
 - (b) the person has never married or formed a civil partnership; and
 - (c) the person meets Condition 1, 2 or 3.
- (2) Condition 1 is that the person is under 17.
- (3) Condition 2 is that the person—
- (a) is 17 or over and under 23;
 - (b) is receiving full-time education; and
 - (c) since reaching the age of 17, has received full-time education without a break.
- (4) Condition 3 is that the person—
- (a) is incapable of earning a livelihood by reason of physical or mental impairment;
 - (b) because of that impairment, was dependent on D at the date of the D's death; and
 - (c) is not wholly maintained out of money provided by Parliament or raised by council tax by a local authority (including a non-metropolitan district council for an area for which there is a county council).

- (5) For the purpose of Condition 2—
- (a) a person is receiving full-time education if the person attends a full-time vocational training course which runs for a period of at least 2 years;
 - (b) a person does not cease to receive full-time education if the person takes a single break of up to a year (or such longer period as the scheme manager may determine in the circumstances of the particular case); and
 - (c) a person who ceases to receive full-time education is taken to receive it up to and including the week which includes whichever of the following days occurs first after the end of the term in which the person ceases to receive it—
 - (i) the first Monday in January,
 - (ii) the first Monday after Easter Monday,
 - (iii) the first Monday in September.

CHAPTER 3

Death grant

SECTION 1

General

Payment of death grant

136. On the death of a member (D), a death grant is payable as follows—

- (a) to D's death grant beneficiary;
- (b) if there is more than one death grant beneficiary, to those beneficiaries in the shares determined in accordance with regulation 131(4) and (5); or
- (c) if there is no death grant beneficiary—
 - (i) to D's surviving adult; or
 - (ii) if there is no surviving adult, to D's personal representatives as part of D's estate.

SECTION 2

Death in service

Death in service grant

137.—(1) A death grant is payable under this regulation if a member (D) dies in service ("death in service grant").

(2) A death in service grant is not payable if—

- (a) D dies while in pensionable service that is not post-benefit service and a retirement pension other than a phased retirement pension becomes payable before D's death; or
- (b) D dies while in a period of post-benefit service and a retirement pension in respect of that period becomes payable before D's death.

(3) If D dies while in pensionable service that is not post-benefit service, the amount of the death in service grant is found by—

- (a) multiplying D's annual rate of pensionable earnings as at the date of D's death by 3; and
- (b) deducting the following amounts previously paid to D in respect of pensionable service under this scheme—
 - (i) any part of a lump sum under regulation 165;
 - (ii) any short-service serious ill-health grant.

(4) If D dies while in a period of post-benefit service, the amount of the death in service grant is found by—

- (a) multiplying D's annual rate of pensionable earnings as at the date of D's death by 3; and

- (b) deducting the following amounts previously payable to D under this scheme in respect of both the period of post-benefit service and any previous period of pensionable service—
 - (i) any lump sum under regulation 165;
 - (ii) any short-service serious ill-health grant.

SECTION 3

Death out of service

Death out of service grant

138.—(1) A death grant is payable under this regulation if a member (D) dies out of service (“death out of service grant”).

(2) A death out of service grant is not payable if a retirement pension other than a phased retirement pension becomes payable before D’s death.

(3) If a surviving adult pension becomes payable on D’s death, the amount of the death out of service grant is found by—

- (a) taking the amount of D’s accrued earned pension as at the date of D’s death;
- (b) multiplying that amount by 2.25; and
- (c) deducting the following amounts previously paid to D in respect of pensionable service under this scheme—
 - (i) any part of a lump sum under regulation 165;
 - (ii) any short-service serious ill-health grant.

(4) If a surviving adult pension does not become payable on D’s death, but D was qualified for retirement benefits, the amount of the death out of service grant is the greater of—

- (a) the amount calculated under paragraph (3); or
- (b) D’s balance of contributions.

(5) If at the date of D’s death D was not qualified for retirement benefits or a short-service serious ill-health grant had not become payable, the amount of the death out of service grant is an amount equal to D’s balance of contributions.

Supplementary death grant payable on death of pensioner member

139.—(1) A death grant is payable under this regulation (“supplementary death grant”) if—

- (a) a member (D) dies as a pensioner member; and
- (b) AR is greater than AP.

(2) The amount of the death grant is AR-AP, where—

AR is 5 x D’s annual rate of retirement pension payable as at the date of D’s death; and

AP is the total amount of pension which was payable to D up until D’s death.

CHAPTER 4

Surviving adult pensions

Surviving adult pensions

140.—(1) This regulation applies on the death of a person (D) if D is qualified or re-qualified for retirement benefits.

(2) A surviving adult pension becomes payable to D’s surviving adult from the day after the date of D’s death.

(3) A surviving adult pension is payable for life.

(4) The annual rate of the pension is to be calculated in accordance with regulations 141 and 142.

Annual rate of surviving adult pension: short-term

141.—(1) The short-term rate of surviving adult pension—

- (a) applies if a member (D) dies in service or dies as a pensioner member; and
- (b) is payable for the first 3 months after D's death.

(2) The short-term rate is calculated as follows—

- (a) if D dies in service — D's annual rate of pensionable earnings as at the date of D's death (disregarding any reduction by reason of sick leave, maternity leave, paternity leave, additional paternity leave or adoption leave);
- (b) if D dies as a pensioner member — D's annual rate of retirement pension as at the date of D's death; or
- (c) if the rate calculated under sub-paragraph (a) or (b) is smaller than the annual rate calculated in accordance with regulation 142 ("long-term rate") — the same as the long-term rate.

(3) In this regulation, "annual rate of retirement pension" means annual rate of phased retirement earned pension or annual rate of full retirement earned pension.

Annual rate of surviving adult pension: long-term

142.—(1) The long-term rate of surviving adult pension applies—

- (a) if a member (D) dies out of service; or
- (b) otherwise, when the short-term rate ceases to be payable.

(2) The long-term rate of surviving adult pension is 37.5% of D's full retirement earned pension as at the date of D's death.

(3) If a pension-sharing order has taken effect, the long-term rate must be reduced by the same proportion by which D's annual rate of retirement pension as at the date of D's death was reduced or would have been reduced by that pension sharing order.

Enhancement of surviving adult pension

143.—(1) This regulation applies if a member (D) has not reached prospective normal pension age and—

- (a) dies in service; or
- (b) dies as a pensioner member after an ill health pension and a total incapacity pension become payable to D.

(2) If this regulation applies, the long-term rate of surviving adult pension is 37.5% of the sum of the following amounts—

- (a) the amount of D's accrued earned pension as at the date of D's death; and
- (b) the amount found by multiplying half D's prospective service (in years and fractions of a year) by 1/57th of D's annual rate of pensionable earnings as at the date of D's death.

(3) In this regulation, "D's prospective service" means the period (in years and fractions of a year) beginning with the day after the date of D's death and ending on the day on which D would have reached prospective normal pension age.

CHAPTER 5

Additional (surviving adult) pensions

Additional pensions for surviving adults

144.—(1) This regulation applies on the death of a member (D) if—

- (a) D is qualified or re-qualified for retirement benefits;

- (b) the scheme manager accepted an election for an additional (self only) pension and an additional (surviving adult) pension in respect of D;
 - (c) an additional pension account was established in respect of D; and
 - (d) that account specified an amount of additional pension immediately before D's death.
- (2) From the day after D's death, an additional (surviving adult) pension becomes payable to D's surviving adult.
- (3) An additional (surviving adult) pension is payable for life.

Annual rate of additional (surviving adult) pension: short-term

- 145.**—(1) The short-term rate of additional (surviving adult) pension—
- (a) applies if a member (D) dies in service or dies as a pensioner member; and
 - (b) is payable for the first 3 months after D's death.
- (2) The short-term rate is calculated as follows—
- (a) if D dies in service — the annual rate of additional (self only) pension payable as at D's death;
 - (b) if D dies as a pensioner member—
 - (i) where a phased retirement pension became payable before D's death — the annual rate of additional (self only) pension which would have been payable as at D's death if D had applied under regulation 92 to receive additional pension with the phased retirement earned pension; and
 - (ii) where a retirement pension other than a phased retirement pension became payable before D's death — the annual rate of additional (self only) pension payable as at D's death; or
 - (c) if the rate calculated under sub-paragraph (a) or (b) is smaller than the annual rate calculated in accordance with regulation 142 ("long-term rate") — the same as the long-term rate.
- (3) Part 2 of Schedule 3 makes further provision in relation to payment of additional pension in respect of a member who dies in service.

Annual rate of additional (surviving adult) pension: long-term

- 146.**—(1) The long-term rate of additional (surviving adult) pension applies—
- (a) if a member (D) dies out of service; or
 - (b) otherwise, when the short-term rate ceases to be payable.
- (2) The long-term rate of additional (surviving adult) pension is half the annual rate of additional (self only) pension payable as at the date of D's death.
- (3) If a pension-sharing order has taken effect, the long-term rate must be reduced by the same proportion by which D's annual rate of retirement pension as at the date of D's death was reduced or would have been reduced by that pension sharing order.

CHAPTER 6

Child pensions

Entitlement to child pension

- 147.**—(1) This regulation applies on the death of a person (D) if D is qualified or re-qualified for retirement benefits.
- (2) A child pension becomes payable to an eligible child of D from the day after the date of D's death.
- (3) If a child is an eligible child of more than 2 members who die—

- (a) the child is only entitled to payment of a child pension in respect of 2 of those members; and
 - (b) the 2 highest child pensions are payable.
- (4) A child pension is not payable while an eligible child—
- (a) is on a break from receiving full-time education; or
 - (b) attends a full-time vocational training course in respect of which the eligible child is paid at a rate which equals or exceeds the annual rate at which an official pension within the meaning of section 5(1) of PIA 1971 would be payable if the pension had begun, and first qualified for increases under that Act, on 1st April 2014 and had then been payable at an annual rate of [£2,965].
- (5) A child pension ceases to be payable when the person to whom it was payable ceases to be an eligible child.
- (6) If D dies in service or dies as a pensioner member, paragraphs (4) and (5) do not apply while the short-term rate of child pension is payable.
- (7) The annual rate of a child pension is to be calculated in accordance with regulations 148 and 149.

Annual rate of child pension: short-term

148.—(1) The short-term rate of child pension—

- (a) applies if a member (D) dies in service or dies as a pensioner member; and
 - (b) is payable as follows—
 - (i) if a surviving adult pension does not become payable on D’s death — for the first 6 months after D’s death;
 - (ii) if a surviving adult pension becomes payable on D’s death and continues to be payable for the first 3 months after D’s death — for those 3 months; or
 - (iii) if a surviving adult pension becomes payable on D’s death but ceases to be payable before the end of the first 3 months after D’s death — for those 3 months plus the number of months for which the surviving adult pension was not payable under sub-paragraph (ii).
- (2) The short term rate of child pension is calculated as follows—
- (a) if D dies in service — D’s annual rate of pensionable earnings as at the date of D’s death (disregarding any reduction by reason of sick leave, maternity leave, paternity leave, additional paternity leave or adoption leave) divided by the number of D’s eligible children to whom a pension is payable;
 - (b) if D dies as a pensioner member — D’s annual rate of retirement pension payable as at the date of D’s death (disregarding any reduction by virtue of a pension-sharing order) divided by the number of D’s eligible children to whom a pension is payable; or
 - (c) if the rate calculated under sub-paragraph (a) or (b) is smaller than the annual rate calculated in accordance with regulation 149 (“long-term rate”) — the same as the long-term rate.

(3) In this regulation, “annual rate of retirement pension” means annual rate of phased retirement earned pension or annual rate of full retirement earned pension.

Annual rate of child pension: long-term

149.—(1) The long-term rate of child pension applies—

- (a) if a member (D) dies out of service; or
- (b) otherwise, when the short-term rate ceases to be payable.

(2) The long-term rate of child pension is $R \times D$ ’s accrued earned pension as at the date of D’s death/EC, where—

R is—

- (a) if a surviving adult pension is payable — 37.5%;
- (b) if a surviving adult pension is not payable or has ceased to be payable — 50%; and

EC is—

- (a) if a child pension is payable to no more than 2 eligible children — 2; or
- (b) if a child pension is payable to more than 2 eligible children — the number of eligible children.

Enhancement of child pension

150.—(1) This regulation applies if a member (D)—

- (a) dies in service; or
- (b) dies as a pensioner member after an ill health pension and a total incapacity pension become payable to D.

(2) If this regulation applies, the long-term rate of child pension is $R \times S/EC$, where—

R is—

- (a) if a surviving adult pension is payable — 37.5%;
- (b) if a surviving adult pension is not payable or has ceased to be payable — 50%;

S is the sum of the following amounts—

- (a) the amount of D's accrued earned pension as at the date of D's death; and
- (b) the amount found by multiplying half D's prospective service (in years and fractions of a year) by 1/57th of D's annual rate of pensionable earnings as at the date of D's death;

EC is—

- (a) if a child pension is payable to no more than 2 eligible children — 2; or
- (b) if a child pension is payable to more than 2 eligible children — the number of eligible children; and

“D's prospective service” means the period (in years and fractions of a year) beginning with the day after the date of D's death and ending on the day on which D would have reached prospective normal pension age.

PART 7

Benefits for pension credit members

CHAPTER 1

General

Interpretation of Part

151. In this Part—

“pension credit” means a credit under section 29(1)(b) of the WRPA 1999 as against the scheme manager as the person responsible for this scheme;

“pension credit member” means a person entitled to a pension credit;

“pension credit retirement pension” means a pension payable under regulation 153(1);

“pension debit member” means, in relation to a pension credit member, the person whose rights under these Regulations become subject to a debt under section 29(1)(a) of WRPA 1999 when the pension credit member becomes entitled to a pension credit.

CHAPTER 2

Pension credit retirement pension

Entitlement day for pension credit retirement pension

- 152.**—(1) The entitlement day for a pension credit retirement pension is—
- (a) the day on which a person (P) reaches normal pension age; or
 - (b) if P has reached 55 but has not reached normal pension age, a day specified in P’s application under regulation 160 for payment of the pension which is at least 6 weeks after the day on which the application is made.
- (2) The entitlement day must not be before the transfer day.

Entitlement to pension credit retirement pension

- 153.**—(1) A pension credit member (P) is entitled to payment of a pension credit retirement pension from the entitlement day if P has applied under regulation 160 for payment of the pension.
- (2) If P is entitled to 2 or more pension credits—
- (a) benefits are payable to P under this scheme as if P were 2 or more members, each being entitled to one of the pension credits; and
 - (b) the amounts payable are determined accordingly.
- (3) A pension credit retirement pension is payable for life.

Annual rate of pension credit retirement pension

- 154.** The annual rate of a pension credit retirement pension is found by—
- (a) taking the amount of credited pension specified in the pension credit member’s account;
 - (b) applying the actuarial adjustment (if any) specified in the account in relation to that amount; and
 - (c) subtracting the commutation amount (if any) specified in that account in relation to that amount.

CHAPTER 3

Death grant

Meaning of death grant beneficiary

- 155.**—(1) A person (P) is a “death grant beneficiary” of a pension credit member if—
- (a) the member has nominated P to receive a death grant or a share of a death grant on the member’s death; and
 - (b) at the date of the member’s death, the nomination has effect.
- (2) A member may nominate P by giving written notice to the scheme manager.
- (3) The nomination ceases to have effect if—
- (a) the member revokes the nomination by giving written notice to the scheme manager,
 - (b) the member subsequently nominates a different person in place of P, or
 - (c) P dies.
- (4) If a member nominates more than one death grant beneficiary, the notice must state—
- (a) the share of the death grant to be paid to each beneficiary; and
 - (b) whether, if a beneficiary dies before the member, the beneficiary’s share must be paid—
 - (i) to the surviving beneficiaries in accordance with paragraph (5), or

(ii) to the member's personal representatives as part of the member's estate.

(5) If a beneficiary's share is to be paid to the surviving beneficiaries it is to be paid to them in shares such that the proportion which each surviving beneficiary's share bears to each of the other surviving beneficiaries' shares is the same as it was in the nomination.

(6) A death grant beneficiary must be an individual.

Death grant: death of pension credit member before pension becomes payable

156.—(1) A death grant is payable under this regulation on the death of a pension credit member (D) who dies before a pension credit retirement pension becomes payable to D under regulation 153.

(2) The amount of the death grant is found by—

- (a) taking the amount of credited pension which would have become payable to D at the date of D's death if D had reached normal pension age; and
- (b) multiplying that amount by 2.25.

Death grant: death of pension credit member after benefits payable

157.—(1) A death grant is payable under this regulation on the death of a pension credit member (D) if—

- (a) a pension credit retirement pension became payable before D's death, and
- (b) AR is greater than AP.

(2) The amount of the death grant is AR-AP.

(3) In this regulation—

“AR” is 5 times the annual rate of the pension credit retirement pension payable as at the date of D's death;

“AP” is the total amount of that pension payable up until D's death.

Payment of death grant

158. On the death of a pension credit member, the death grant must be paid to—

- (a) the death grant beneficiary;
- (b) if there is more than one death grant beneficiary, to those beneficiaries in the shares determined in accordance with regulation 155(4) and (5); or
- (c) if there is no death grant beneficiary, to—
 - (i) the member's surviving spouse or surviving civil partner; or,
 - (ii) if there is no such person, to the member's personal representatives as part of the member's estate.

PART 8

Payment of benefits

CHAPTER 1

Application for payment of benefits

Benefits payable by the scheme manager

159.—(1) Benefits under these Regulations are payable by the scheme manager.

(2) Benefits are not payable to or in respect of a member unless the provisions of this Chapter are complied with.

Application for payment of benefits

160.—(1) A person (P) must apply in writing to the scheme manager for payment of benefits.

(2) P must satisfy a written request from the scheme manager to provide any information specified in the request.

(3) The information must be information—

- (a) in P's possession; or
- (b) which P can reasonably be expected to obtain.

CHAPTER 2

Payment of pensions

Monthly payment of pension

161.—(1) This regulation applies to the payment of a pension except where regulation 162 (quarterly payments) applies.

(2) An initial payment is to be made on the initial payment date.

(3) The amount of the initial payment is $DI/DM \times AR/12$, where—

DI is the number of days in the period beginning on the payable date and ending on the initial payment date and is 1 where the payable date falls on the initial payment date, and

DM is the number of days in the period beginning on the day which falls one month before the day after the initial payment date and ending on the initial payment date.

(4) Subsequent payments of $AR/12$ are to be made on the payment date in subsequent months.

(5) Where the cessation date does not fall on the payment date, a final payment is to be made on, or as soon as possible after, the cessation date.

(6) The amount of the final payment is $DF/DM \times AR/12$, where—

DF is the number of days in the period beginning on the day immediately following the last payment date before the cessation date and ending on the cessation date, and

DM is the number of days in the period beginning on the day immediately following the last payment date before the cessation date and ending on what would have been the next payment date if the pension had not ceased to be payable.

(7) In the case of a pension payable under Part 6, the payment date is the 28th day of the month.

(8) In the case of any other pension, the payment date is the day before the day of the month on which the person to whom the pension is payable was born, and—

- (a) where the person was born on the 1st day, it is the last day of the month;
- (b) where the person was born on the 30th day, for any month in which there is no 29th day it is the 28th day of the month; and
- (c) where the person was born on the 31st day, for any month in which there is no 30th day it is the last day of the month.

(9) In this regulation—

“AR” is the annual rate of the pension;

“cessation date” means the last day on which the pension is payable;

“initial payment date” means the first payment date which follows the payable date or, if the payable date falls on the payment date, the payable date;

“payable date” means the date on which the pension becomes payable;

“pension” includes an annuity.

Quarterly payment of pension

162.—(1) This regulation applies to the payment of a pension where a person’s application under regulation 160 includes a request that the pension be paid quarterly.

(2) An initial payment is to be made on the initial payment date.

(3) The amount of the initial payment is $DI/DQ \times AR/4$, where—

DI is the number of days in the period beginning on the payable date and ending on the initial payment date, and

DQ is the number of days in the period beginning on the day which falls 3 months before the day after the initial payment date and ending on the initial payment date.

(4) Subsequent payments of $AR/4$ are to be made on the payment date in every third month after the month in which the initial payment date falls.

(5) Where the cessation date does not fall on a day on which a payment under paragraph (4) is to be made, a final payment is to be made on, or as soon as possible after, the cessation date.

(6) The amount of the final payment is $DF/DQ \times AR/4$, where—

DF is the number of days in the period beginning on the day immediately following the last day on which a payment under paragraph (4) was to be made and ending on the cessation date, and

DQ is the number of days in the period beginning on the day immediately following the last day on which a payment under paragraph (4) was to be made and ending on what would have been the next such day if the pension had not ceased to be payable.

(7) In the case of a pension payable under Part 6, the payment date is the 28th day of the month.

(8) In the case of any other pension, the payment date is the day before the day of the month on which the person to whom the pension is payable was born, and—

(a) where the person was born on the 1st day, it is the last day of the month;

(b) where the person was born on the 30th day, for any month in which there is no 29th day it is the 28th day of the month;

(c) where the person was born on the 31st day, for any month in which there is no 30th day it is the last day of the month.

(9) In this regulation—

“AR” is the annual rate of the pension;

“cessation date” means the last day on which the pension is payable;

“initial payment date” means the third payment date which follows the payable date or, if the payable date falls on the payment date, the second payment date which follows the payable date;

“payable date” means the date on which the pension becomes payable;

“pension” includes an annuity.

Apportionment Act 1870 not to apply

163. The Apportionment Act 1870(a) being inconsistent with regulations 161 (monthly payment of pension) and 162 (quarterly payments) does not apply to benefits under these Regulations.

(a) 1870 c.35.

CHAPTER 3

Payment of lump sums

Member declaration

164.—(1) The scheme manager may not pay a member a lump sum under this Chapter unless the member declares in writing that, on payment of the lump sum, paragraph 3A of Schedule 29 to FA 2004(a) would not apply.

(2) The declaration must be—

- (a) signed by the member;
- (b) in a form specified by the scheme manager; and
- (c) provided by a date determined by the scheme manager.

Commutation of part of pension

165.—(1) The following members may apply to the scheme manager to receive a lump sum in place of part of a pension—

- (a) a member who is entitled to payment of a retirement pension;
- (b) a pension credit member who is entitled to payment of a pension credit retirement pension.

(2) Paragraph (1)(b) only applies if—

- (a) the member's pension credit is derived from rights attributable to the pensionable service of a pension debit member; and
- (b) a retirement pension does not become payable to the pension debit member before the transfer day in respect of that pensionable service.

(3) An application under this regulation must—

- (a) be in writing;
- (b) be made when the member applies under regulation 160 for payment of the pension; and
- (c) specify the amount of the lump sum which the member wishes to receive.

Amount of lump sum payable under regulation 165

166. The amount of a lump sum payable under regulation 165 must—

- (a) be a multiple of £12; and
- (b) not exceed P's permitted maximum.

Commutation amount for lump sum payable under regulation 165

167.—(1) For the purpose of calculating the annual rate of pension payable to a member (P) who receives a lump sum under regulation 165, the commutation amount is $1/12^{\text{th}}$ of the amount of the lump sum.

(2) If a retirement pension commuted under regulation 165 ceases to be payable under regulation 95 or 112, the commutation amount for any retirement pension that subsequently becomes payable to P is an amount determined by the scheme manager after consulting the scheme actuary.

(a) Paragraph 3A of Schedule 29 was inserted by section 159 of the Finance Act 2006 (c.25).

Commutation of whole pension (serious ill health)

168.—(1) This regulation applies to a member (P) who, on the entitlement day for a pension, has a life expectancy of less than a year.

- (2) P may apply to the scheme manager to receive a lump sum instead of the pension.
- (3) The application must—
 - (a) be in writing,
 - (b) be made when P applies under regulation 160 for payment of the pension, and
 - (c) be accompanied by all the medical evidence necessary for the scheme manager to determine that P is entitled to payment of the lump sum.
- (4) If P is eligible to apply under regulation 165 to receive a lump sum under that regulation—
 - (a) the largest permissible lump sum is to be paid under that regulation; and
 - (b) the commutation amount under that regulation is to be deducted when calculating the annual rate under regulation 169.
- (5) In this regulation, “pension” means—
 - (a) an age retirement pension and any phased retirement pension payable with it;
 - (b) an ill-health pension and a total incapacity pension or phased retirement pension payable with it; or
 - (c) a pension credit retirement pension.

Amount of lump sum payable under regulation 168 instead of retirement pension

169.—(1) This regulation applies to a member (P) who applies under regulation 168 to receive a lump sum instead of a retirement pension.

- (2) The amount of the lump sum payable to P is the total of—
 - (a) for an age retirement pension, ill health pension or total incapacity pension — a sum equal to 5 x the annual rate of the retirement pension, and
 - (b) for a phased retirement pension that is already in payment — a sum equal to $(A-B) \times$ the annual rate of the phased retirement pension where—
 - A is 5, and
 - B is the period (in years and fractions of a year) from the date on which the phased retirement pension was first paid until the date of the application^(a).

Amount of lump sum payable under regulation 168 instead of a pension credit retirement pension

170.—(1) This regulation applies to a member (P) who applies under regulation 168 to receive a lump sum instead of a pension credit retirement pension.

(2) The amount of the lump sum payable to P is an amount equal to 5 times the annual rate of the pension credit retirement pension.

Commutation: small pensions

171.—(1) If paragraph (2) applies, the scheme manager may, on the application of a member (P), commute a retirement pension by paying a lump sum to P.

(2) This paragraph applies if—

(a) Note: if this period is 5 years or more, no lump sum is payable in respect of the phased retirement pension.

- (a) the lump sum is a trivial commutation lump sum as defined in paragraph 7 of Schedule 29 to FA 2004 or falls within regulation 11 or 12 of the Registered Pension Schemes (Authorised Payments) Regulations 2009^(a);
 - (b) the application under paragraph (1) is made when P applies under regulation 160 for payment of the retirement pension;
 - (c) in the 3 years ending with the date of the application, a transfer value payment has not been made in respect of P;
 - (d) a transfer value payment or cash transfer sum has not been accepted under Part 11 (transfers) in respect of P's rights accrued under a personal pension scheme; and
 - (e) in the 5 years ending with the date of the application, a transfer value payment or cash transfer sum has not been accepted under Part 11 (transfers) in respect of rights accrued under another occupational pension scheme.
- (3) If a lump sum is paid under paragraph (1), benefits are not payable under Part 6 on P's death.
- (4) The scheme manager may, on the application of a pension credit member (P), commute a pension credit retirement pension by paying a lump sum to P if—
- (a) the lump sum is a trivial commutation lump sum as defined in paragraph 7 of Schedule 29 to FA 2004 or falls within regulation 11 or 12 of the Registered Pension Schemes (Authorised Payments) Regulations 2009;
 - (b) the application is made when P applies under regulation 160 for payment of the pension; and
 - (c) in the 3 years ending with the date of the application, a transfer value payment has not been made in respect of P.
- (5) The scheme manager may, on the application of a beneficiary to whom a pension is payable under Part 6, commute that pension by paying a lump sum to the beneficiary if—
- (a) the application is made when the beneficiary applies under regulation 160 for payment of the pension; and
 - (b) the lump sum does not exceed 1% of the standard lifetime allowance on the day that the lump sum would otherwise be paid.
- (6) A lump sum payable under this regulation is to be determined by the scheme manager after taking advice from the scheme actuary.

CHAPTER 4

Continuing entitlement to benefit

Evidence of continuing entitlement to benefit

172.—(1) Where a benefit is being paid to a person (P), the scheme manager may at any time require that evidence be provided, by such date as the scheme manager may specify, to establish—

- (a) the identity of P; and
- (b) P's continuing entitlement to the benefit.

(2) If the evidence is not provided by the date specified, the scheme manager may withhold the whole or any part of the benefit.

(3) If a benefit ceases to be payable because P ceases to meet the incapacity condition or ceases to meet the total incapacity condition, the power in paragraph (1)(b) may be exercised so as to require P to provide evidence that there has been no such cessation.

(a) S.I. 2009/1171.

Cessation of benefits where no entitlement

173.—(1) This regulation applies if after paying a benefit the scheme manager determines that there was no entitlement or there is no longer an entitlement to the benefit.

(2) The scheme manager may—

- (a) cease to pay the benefit;
- (b) withhold the whole or any part of the benefit; or
- (c) recover any payment made if there was no entitlement to the benefit.

CHAPTER 5

Miscellaneous

Interest on late payment of benefits

174.—(1) This regulation applies to a benefit except—

- (a) a phased retirement pension or a lump sum payable under regulation 165 in place of part of that pension; or
- (b) a total incapacity pension payable between the date on which the person to whom it is paid first engages in any other form of work as mentioned in regulation 116(2)(c) and the date on which the scheme manager is satisfied that the person continues to meet the total incapacity condition despite engaging in such work.

(2) Except as provided in paragraphs (8) and (9), where a benefit to which this regulation applies is not paid within one month after the due date, the scheme manager must pay interest on the amount unpaid at the Bank of England base rate compounded with 3-monthly rests from the due date to the date of payment.

(3) Where the benefit is a death grant, the due date is the day after the date on which the scheme manager became satisfied that payment may be made.

(4) Where the benefit is a lump sum under regulation 165, 168 or 171 or a grant other than a death grant, the due date is the day on which the benefit is payable.

(5) Where the benefit is a pension or annuity, the due date is—

- (a) in the case of a payment under regulation 161(2) or 162(2), the initial payment date (as defined in those regulations);
- (b) in the case of a payment under regulation 161(5) or 162(5), the cessation date (as defined in those regulations);
- (c) in any other case, the date on which payment is to be made under regulation 161(4) or 162(4).

(6) In determining the due date in accordance with paragraphs (4) and (5), no account is to be taken of the requirement to make an application for the benefit under regulation 160.

(7) In this regulation “Bank of England base rate” means—

- (a) the rate announced from time to time by the Monetary Policy Committee of the Bank of England as the official dealing rate, being the rate at which the Bank is willing to enter into transactions for providing short-term liquidity in the money markets, or
- (b) where an order under section 19 of the Bank of England Act 1998(a) is in force, any equivalent rate determined by the Treasury under that section.

(8) Where a payment to the scheme manager is received after the benefit to which it relates becomes payable, the scheme manager may determine that this regulation does not apply to the benefit until the payment is received.

(a) 1998 c.11.

(9) If paragraph (10) applies, the scheme manager may determine that this regulation does not apply to any benefit, either in respect of the whole period or any part of the period.

(10) This paragraph applies if—

- (a) a benefit is payable between the date specified under regulation 172(1) and the date on which the evidence required under that regulation is received by the scheme manager;
- (b) that evidence was not provided by the date specified but was provided later; and
- (c) it does not appear to the scheme manager that the delay in providing the evidence was due to circumstances outside the control of the person to whom the benefit is payable.

Payment of benefits in certain cases

175.—(1) Where a person (P) to whom a benefit is payable has not reached the age of 18 or is incapable by reason of infirmity of mind or body of managing P's affairs, the scheme manager may—

- (a) pay the benefit to any person having the care of P, or
- (b) apply it as the scheme manager thinks fit for the benefit of P or P's dependants.

(2) Where a benefit is payable to a widow and there is more than one widow, the benefit must be paid to the widows in equal shares.

(3) Where on the death of a person (D) the total of any sums due to D and any sums payable to D's personal representatives under these Regulations does not exceed the amount specified in any order made under section 6 of the Administration of Estates (Small Payments) Act 1965(a) which applies to D's death, the scheme manager may, without requiring the production of probate or other proof of title, pay the amount due—

- (a) to D's personal representatives, or
- (b) to the person, or to or among any one or more of any persons, appearing to the scheme manager to be beneficially entitled to D's estate.

Benefits not assignable

176.—(1) Where a benefit is payable to a person or a person has a right to a future benefit, the benefit or the right to the benefit must not be assigned in favour of the person's widow, widower, surviving civil partner or dependant, and an agreement to this effect is void.

(2) Section 91 of PA 1995 (inalienability of occupational pensions) prevents assignment in other circumstances.

Forfeiture of benefits

177.—(1) This regulation applies to a benefit payable to a person who is convicted of—

- (a) an offence of treason, or
- (b) one offence or more under the Official Secrets Acts 1911 to 1989(b) for which the person has been sentenced on the same occasion to a term of imprisonment of, or to 2 or more consecutive terms amounting in the aggregate to, at least 10 years,

where the offence was committed before the benefit became payable.

(2) This regulation also applies to retirement benefits or a pension credit retirement pension payable to a person convicted of an offence, committed before the benefit became payable, in connection with service as a public servant certified by the scheme manager to have been gravely injurious to the interests of the State or to be liable to lead to serious loss of confidence in the public service.

(a) 1965 c.32; the amount currently specified in S.I. 1984/539 is £5,000.

(b) 1911 c.28, 1920 c.75, 1939 c.121, 1989 c.6.

(3) This regulation also applies to a benefit payable on the death of a person (D) to any person convicted of the murder of D, the manslaughter of D or any other offence of which the unlawful killing of D is an element.

(4) The scheme manager may defer or suspend payment of a benefit to which this regulation applies for so long, or reduce its amount or rate by so much and for so long, as the scheme manager may determine.

Reduction of benefits: annual allowances and lifetime allowance charge

178.—(1) This regulation applies to the situations set out in paragraphs (2) and (3) and in this regulation “the charge” refers to either of the charges set out in those paragraphs.

(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 scheme manager 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 238A of that Act.

(4) The scheme manager 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 scheme manager is to determine, after taking advice from the scheme actuary.

General prohibition on unauthorised payments

179. Nothing in these Regulations requires or authorises the making of any payment which, if made, would be an unauthorised payment for the purpose of Part 4 of FA 2004 (see section 160(5) of that Act) unless the scheme manager determines otherwise (in the case of a particular payment).

PART 9

Contributions

CHAPTER 1

Interpretation of Part

Pensionable earnings for a pay period

180.—(1) In this Part, “pensionable earnings”, in relation to a pay period, has the following meaning.

(2) For any pay period falling within a period of sick leave in which the pensionable earnings of a member (P) are reduced, P’s pensionable earnings are the reduced amount of pensionable earnings paid to P.

(3) For a pay period falling within a period in which an election under regulation 24 has effect or is taken to have effect, P’s pensionable earnings are an amount equal to P’s notional salary.

(4) For a pay period falling within a period in which P is on maternity leave, adoption leave or paternity leave, P’s pensionable earnings include any statutory pay paid to P.

CHAPTER 2

Employees’ contributions

Contributions for standard earned pension

181.—(1) In each pay period an active member (P) must pay contributions for standard earned pension (“standard contributions”) at a rate determined under Schedule 4 (“standard contributions rate”).

(2) The standard contributions rate is a percentage of P’s pensionable earnings for a pay period.

[See the note in Schedule 4 in relation to providing for contribution rates.]

Contributions under Schedule 3

182. Schedule 3 has effect for the purpose of enabling—

- (a) payment of additional pension contributions by lump sum; and
- (b) monthly payments of—
 - (i) faster accrual contributions;
 - (ii) additional pension contributions; and
 - (iii) buy-out contributions.

Contributions payable during a period of permanent service in the armed forces

183.—(1) This regulation applies if—

- (a) an election under regulation 24 has effect in respect of a period of permanent service; and
- (b) the member (P) pays contributions by monthly payments.

(2) Unless paragraph (3) applies, the amount of P’s contributions in respect of any pay period that falls within the period of permanent service is the total of—

- (a) the amount of standard contributions payable in respect of P’s notional salary; and
- (b) any contributions under Schedule 3 payable monthly.

(3) This paragraph applies if during the period of permanent service, P’s permanent service pay, when aggregated with any payments under Part 5 of the Reserve and Auxiliary Forces (Protection of Civil Interests) Act 1951(a) (“aggregated pay”), is less than the amount of P’s notional salary for that period.

(4) If paragraph (3) applies—

- (a) the amount of P’s aggregated pay in a pay period is taken to be the amount of P’s pensionable earnings for that period; and
- (b) P’s contributions in that period are payable at the standard contributions rate.

CHAPTER 3

Repayment of contributions after short service

Meaning of “entitlement day” (repayment of balance of contributions)

184. The entitlement day for repayment of the balance of contributions is one month after the last day of pensionable service.

Entitlement to repayment of balance of contributions

185.—(1) A person (P) is entitled to a repayment of the balance of contributions calculated in accordance with regulation 187 on the entitlement day if—

- (a) P has left all pensionable service and does not re-enter pensionable service before the entitlement day;
- (b) P has applied under regulation 186 for the repayment; and
- (c) paragraph (2) does not apply.

(2) This paragraph applies if—

(a) 1951 c. 65.

- (a) P is qualified for retirement benefits;
- (b) a transfer value payment has been made in respect of P's pensionable service; or
- (c) P is in a period of post-benefit service immediately before the last day of pensionable service^(a).

(3) For the purpose of this regulation, P is in pensionable service while P is absent on maternity leave, paternity leave, additional paternity leave, parental leave or adoption leave if P is entitled to return from leave by virtue of Part 8 of the Employment Rights Act 1996^(b).

(4) If a repayment is made, P's rights under this scheme are extinguished.

(5) This regulation is subject to regulation 179 (general prohibition on unauthorised payments).

Application for repayment of balance of contributions

186.—(1) A person (P) must apply in writing to the scheme manager for a repayment of the balance of contributions.

(2) P must satisfy a written request from the scheme manager to provide any information in the request.

(3) The information must be information—

- (a) in P's possession; or
- (b) which P can reasonably be expected to obtain.

Calculation of balance of contributions

187.—(1) The balance of contributions referred to in regulation 185(1) is (A-B)-C, where—

A is the total of the amounts specified in paragraph (2);

B is the total of the deductions specified in paragraph (3); and

C is the amount of tax chargeable on (A-B) under section 205 of FA 2004.

(2) The amounts are—

- (a) all standard contributions and faster accrual contributions paid up to the date of receipt of the application for repayment, except any paid in respect of a period of pensionable service for which a short-service serious ill health grant has been paid; and
- (b) interest on those contributions from the first day of the financial year following that in which they were paid to the date of payment at 3% per year, compounded with yearly rests.

(3) The deductions are—

- (a) the amount of any previous repayment under regulation 185; and
- (b) if the scheme manager has paid a contributions equivalent premium, the amount recoverable by the scheme manager under sections 61 to 63 of PSA 1993.

CHAPTER 4

Employers' contributions

Employers' contributions

188. The employer of a person in pensionable service (P) is to pay contributions at a percentage rate of P's pensionable earnings for the time being, determined in accordance with Schedule 4.

(a) See regulation 122 for P's entitlement to a short service annuity if P is not re-qualified for retirement benefits in respect of a period of post-benefit service.

(b) 1996 c.18; Part 8 was amended by Schedule 4 to the Employment Relations Act 1999 (c.26) and sections 1 and 3 of the Employment Act 2002 (c. 22).

CHAPTER 5

Deduction and payment of contributions

Deduction of contributions from pensionable earnings

189.—(1) This regulation applies to any person (P) who is in pensionable service.

(2) In each pay period, P's employer must deduct the following contributions from P's pensionable earnings—

- (a) P's standard contributions;
- (b) any faster accrual contributions relating to that employment;
- (c) any additional pension contributions payable monthly (if P has nominated the employer to deduct those contributions);
- (d) any buy-out contributions (if P has nominated the employer to deduct those contributions).

(3) If P's employer does not deduct any contributions in the appropriate pay period, P's employer may deduct those contributions in any subsequent pay period (but this paragraph does not affect regulation 192(2) (payment by employers to scheme manager)).

(4) If P is in pensionable service in more than one employment—

- (a) any additional pension contributions or buy-out contributions must be deducted by the employer nominated by P; and
- (b) if in any pay period the contributions are more than the pensionable earnings paid to P by that employer, any remaining contributions must be deducted by the other employer (or, if there is more than one other employer, by whichever other employer is nominated by P).

Deductions not made before an employment ends

190.—(1) This paragraph applies if—

- (a) P ceases to be in an eligible employment;
- (b) P's employer has not made a deduction required by regulation 189; and
- (c) despite regulation 192, a corresponding amount has not been paid to the scheme manager under that regulation.

(2) On receipt of a written demand from the scheme manager, P must pay the scheme manager any amount remaining due, together with interest at the standard rate from the due date to the date of payment.

(3) The scheme manager may waive the payment of the whole or any part of that interest.

(4) In this regulation, "due date" is the 8th day after the end of the pay period in which a deduction under regulation 189 should have been made.

Recovery of unpaid contributions from benefits

191.—(1) If the scheme manager makes a demand under regulation 190 but regulation 22 does not apply, without prejudice to any other means of recovery the scheme manager may recover any sum payable by a person to the scheme manager under this Part by deducting it from the benefits payable to, or in respect of, that person under these Regulations.

(2) Nothing in this regulation affects section 91 of PA 1995 (inalienability of occupational pensions).

Payment by employers to scheme manager

192.—(1) This regulation applies in relation to any person (P) who is in pensionable service.

- (2) After the end of each pay period, P's employer is to pay to the scheme manager in respect of P's pensionable earnings for that pay period—
- (a) the contributions payable under regulation 188; and
 - (b) the contributions required to be deducted from P's pensionable earnings under regulation 189 (whether or not such amounts were deducted).
- (3) For the purpose of paragraph (1)—
- (a) pensionable earnings are payable in arrears, and
 - (b) any contribution arrears payable by reason of a retrospective increase in pensionable earnings are taken to become payable in the pay period in which they were paid.
- (4) A payment under paragraph (1) must be received by the scheme manager within 7 days after the end of each pay period and if the full amount of the payment is not so received—
- (a) interest is payable by the employer or the former employer on the amount outstanding at the standard rate from the 8th day after the end of the pay period to the date of payment, but the scheme manager may in any particular case waive the payment of the whole or any part of such interest, and
 - (b) if the scheme manager makes a written demand, the employer or former employer must pay to the scheme manager such further sum, not exceeding £100, as the scheme manager may specify in the demand.
- (5) The payment referred to in paragraph (4)(b) must be made within 14 days after the date of the demand.

PART 10

Actuarial valuations and employer cost cap

[Note: This Part will include details of how this scheme will be valued, and how the cost-cap will work. HM Treasury are in the process of finalising the overall arrangements for scheme valuations. We expect to consult further on the details for valuations of this scheme once those arrangements are finalised, and before including the details in this Part.]

PART 11

Transfers

Payment of transfer values

- 193.**—(1) On the application of a person (P), the scheme manager must make a transfer value payment in respect of P if—
- (a) P has left all pensionable service;
 - (b) P has become subject to another registered pension scheme (“the receiving scheme”); and
 - (c) a retirement pension (other than a phased retirement pension) or a short-service serious ill health grant has not become payable to P in respect of that pensionable service.
- (2) The application must be made—
- (a) in writing to the scheme manager; and
 - (b) within 12 months after the day on which P becomes subject to the receiving scheme.
- (3) Despite paragraph (2), the scheme manager must make a transfer value payment in respect of P if—
- (a) the service in the receiving scheme is comparable British service, and
 - (b) P entered that service immediately after leaving all pensionable service; and

(c) P has not applied under regulation 160 for payment of any benefit.

(4) For the purposes of paragraph (3)(c), if P has applied for payment of a phased retirement pension but the initial payment of that pension has not been made before P applies for the transfer value payment, P is not taken to have applied for the payment of any benefit.

(5) A transfer value payment in respect of any pension credit rights or pension credit benefits is not to be made under this regulation.

(6) Schedule 2 has effect for determining the amount of transfer values payable under this regulation.

(7) If a transfer value payment is made in respect of a person's rights under this scheme, those rights are extinguished.

(8) This regulation does not affect a person's entitlement to a cash equivalent under Chapter 4 of Part 4 of PSA 1993.

PART 12

Miscellaneous and supplemental

Employment records

194.—(1) This regulation applies to the employer of a person (P) in pensionable service.

(2) P's employer must record for the financial year—

- (a) the rate of P's salary;
- (b) the amount of P's pensionable earnings;
- (c) if P was in part-time employment for any part of the financial year, the amount which P's pensionable earnings would have been if P was in full-time employment throughout the year;
- (d) the contributions deducted under regulation 189;
- (e) the period of pensionable service;
- (f) the dates of any absence on sick leave, maternity leave, paternity leave, additional paternity leave, parental leave or adoption leave and the amount of any salary or statutory pay paid to P during it.

(3) P's employer must, within such time as the scheme manager may require—

- (a) make such reports and returns to the scheme manager as the scheme manager may require for the purpose of the scheme manager's functions under these Regulations; and
- (b) give the scheme manager such information and produce such documents as the scheme manager may require for the purpose of the scheme manager's functions under these Regulations.

Information and documents

195.—(1) This regulation applies to—

- (a) a person (P) who is or was in pensionable service; and
- (b) P's personal representatives.

(2) P must, within such time as the scheme manager may require, give the scheme manager such information and produce such documents as the scheme manager may require for the purpose of the scheme manager's functions under these Regulations.

Provision of benefit information statements to members

196. The scheme manager must provide an annual benefit information statement to each active member of this scheme in accordance with section 14 of the Act (information about benefits).

Extension of time

197. The scheme manager may in any particular case extend, or treat as extended, the time within which anything is required or authorised to be done under these Regulations.

Transitional provisions

198. Schedule 5 (transitional provisions) has effect.

Date *Name*
Secretary of State
Department for Education

We consent

Date *Name*
Name
Two of the Lords Commissioners of Her Majesty's Treasury

SCHEDULE 1 Regulations 2 and 13

Eligible employment

PART 1

General

Interpretation

1. In this Schedule—

“EA 1996” means the Education Act 1996(a);

“IA 1986” means the Insolvency Act 1986(b);

“NHS Act 2006” means the National Health Service Act 2006(c);

“NHSWA 2006” means the National Health Service (Wales) Act 2006(d);

“TPR 2010” means the Teachers’ Pensions Regulations 2010(e);

“TSAVCR 1994” means the Teachers’ Superannuation (Additional Voluntary Contributions) Regulations 1994(a);

(a) 1996 c.56.

(b) 1986 c. 45.

(c) 2006 c.41.

(d) 2006 c.42.

(e) S.I. 2010/990; relevant amending instruments are S.I. 2011/614, S.I. 2012/673, S.I. 2012/979, S.I. 2012/2270 and S.I. 2013/275.

“Academy” must be construed in accordance with section 579 of EA 1996;

“best value arrangement” means a contract or other arrangement made with a local authority for the provision of, or the making available of, services for the purposes of, or in connection with, the exercise of an education function of that local authority;

“COBIS” means the Council of British International Schools;

“education functions” must be construed in accordance with section 579 of EA 1996;

“European School” means an establishment satisfying article 2 of the European Communities (European Schools) Order 1972**(b)**;

“function provider” means a body corporate other than a local authority which—

- (a) is specified in a direction under section 497A(4) of EA 1996,
- (b) is nominated under section 497A(4A) of EA 1996 or section 15 of the Local Government Act 1999**(c)**, or
- (c) provides or makes available services under a best value arrangement;

“further education” has the meaning given in section 2(3) of EA 1996;

“guarantee” means—

- (a) in paragraph 2, a bond, guarantee or indemnity in a form and amount, and provided by a person, approved by the scheme manager in respect of sums due, under these Regulations and TSAVCR 1994, from the proprietor and from any other person by whom teachers are employed at the establishment;
- (b) in paragraph 3, a bond, guarantee or indemnity in a form and amount, and provided by a person, approved by the scheme manager in respect of sums due from the function provider under these Regulations and TSAVCR 1994;

“higher education” has the meaning given in section 120(1) of the Education Reform Act 1988**(d)**;

“non-profit-making body” means a body, the constitution of which—

- (a) requires any surplus income or gains to be invested,
- (b) prohibits the distribution of the assets of the body, in cash or kind, by way of dividend, bonus or otherwise by way of profit to any member of the body or to a third party (other than for charitable purposes), and
- (c) provides for any net assets on the dissolution of the body to be applied for charitable purposes or for the purposes for which the body existed before its dissolution;

“organiser” means a person who performs duties in connection with the provision of education or services ancillary to education other than administrative services;

“proprietor”, in relation to a school or other establishment, means the person or body of persons responsible for the management of the school or other establishment;

“special school” has the meaning given in section 337 of EA 1996; and

“supervisor” means a person employed in a capacity connected with education which to a substantial extent involves the control or supervision of teachers.

Meaning of “accepted school”

2.—(1) An establishment is an accepted school if—

- (a) immediately before 1st April 2015 it was an accepted school under regulation 13 of TPR 2010, or

(a) S.I. 1994/2494; as amended by S.I. 1997/3001, S.I. 2000/666, S.I. 2000/3028, S.I. 2001/3649, S.I. 2005/2198, S.I. 2006/736, S.I. 2006/3122, S.I. 2008/541, S.I. 2011/614 and S.I. 2013/472.

(b) S.I. 1972/1582.

(c) 1999 c. 27.

(d) 1988 c. 40.

- (b) the scheme manager accepts it for the purpose of this paragraph by giving its proprietor a written notice specifying the date on which it becomes an accepted school.
- (2) An establishment may be accepted only if—
- (a) it is an establishment mentioned in sub-paragraph (3),
 - (b) its proprietor applies in writing to the scheme manager, and
 - (c) a guarantee is provided to the scheme manager.
- (3) The establishments are—
- (a) an independent school (in England) registered under section 99 of the Education and Skills Act 2008^(a) or (in Wales) registered under section 161 of EA 2002;
 - (b) an establishment providing further education constituted by an amalgamation of establishments—
 - (i) which provided further education before the amalgamation; and
 - (ii) of which at least one was an accepted school;
 - (c) a school which is a member of COBIS and is located in a member State^(b) other than the United Kingdom;
 - (d) the establishment which, when teachers were employed there for the purpose of the Ministry of Defence, was known as Welbeck, the Defence Sixth Form College.
- (4) The date on which an establishment becomes an accepted school is a date agreed by the scheme manager and the proprietor as follows—
- (a) for an establishment mentioned in sub-paragraph (3)(a), (c) or (d), the first day of a month after the month in which the establishment applies to be an accepted school; or
 - (b) for an establishment mentioned in sub-paragraph (3)(b), the date of the amalgamation.
- (5) An establishment accepted by the scheme manager ceases to be an accepted school from the date specified in a written notice given to its proprietor by the scheme manager.
- (6) A notice under sub-paragraph (5) may be given if—
- (a) the proprietor of the establishment makes a written application to the scheme manager,
 - (b) the proprietor fails to comply with any provision of these Regulations or of TSAVCR 1994,
 - (c) the establishment ceases to be an establishment mentioned in sub-paragraph (3),
 - (d) where a guarantee was previously provided to the scheme manager, either the guarantee lapses, or because of a change in circumstances, the scheme manager considers that the guarantee is insufficient,
 - (e) where the proprietor of the establishment is an individual or a number of individuals, that individual or one of those individuals is an undischarged bankrupt or is the subject of a bankruptcy restrictions order or an interim order under Schedule 4A to IA 1986^(c), or
 - (f) where the proprietor of the establishment is a company—
 - (i) a proposal for a voluntary arrangement has been made or approved in relation to the company under Part 1 of IA 1986,
 - (ii) an administration application has been made or a notice of intention to appoint an administrator has been filed with the court or an administrator has been appointed for the company under Schedule B1 to IA 1986^(d),
 - (iii) a receiver, manager or administrative receiver has been appointed for the company under Part 3 of IA 1986,

(a) 2008 c.25

(b) See Part 2 of Schedule 1 of the European Communities Act 1972 (c. 68) for the meaning of “member State”.

(c) Schedule 4A was inserted by the Enterprise Act 2002 (c.40), Schedule 20.

(d) Schedule B1 was inserted by the Enterprise Act 2002, Schedule 16.

- (iv) a winding-up petition has been presented, a winding-up order has been made or a resolution for voluntary winding-up has been passed in relation to the company under Part 4 or 5 of IA 1986, or
- (v) notice has been received that the company may be struck off the register of companies or an application to strike it off has been made under Part 31 of the Companies Act 2006^(a).

(7) The proprietor of an accepted school must immediately give written notice to the scheme manager if—

- (a) there is a change of proprietor; or
- (b) any of the events mentioned in sub-paragraph (6)(e) or (f) occurs.

Accepted function providers

3.—(1) A function provider is accepted under this paragraph in respect of a function or service if the scheme manager gives it a written notice specifying—

- (a) that function or service, and the local authority to which the function or service relates, and
- (b) the date on which it becomes accepted in respect of that function or service, which must be a date agreed between the scheme manager and the function provider.

(2) A function provider may be accepted only if—

- (a) it makes a written application to the scheme manager specifying the function or service in respect of which it wishes to be accepted, and
- (b) a guarantee is provided to the scheme manager.

(3) The functions or services in respect of which a function provider may be accepted are—

- (a) a function which it performs on behalf of a local authority in accordance with a direction under section 497A(4)(b) of EA 1996;
- (b) an education function of a local authority which it is nominated to exercise under section 497A(4A)(c) of EA 1996 or section 15(6) of the Local Government Act 1999^(d);
- (c) a service which it provides or makes available under a best value arrangement for the purposes of, or in connection with, the exercise of an education function of a local authority.

(4) A function provider who immediately before 1st April 2015 was accepted under regulation 14 of TPR 2010 in respect of a function or service is treated as accepted under this paragraph in respect of that function or service.

(5) A function provider accepted under this paragraph ceases to be so accepted in respect of such functions and services, and from such date, as the scheme manager may specify in a written notice given to the function provider by the scheme manager.

(6) A notice under sub-paragraph (5) may be given if—

- (a) the function provider makes a written application to the scheme manager,
- (b) the function provider fails to comply with any provision of these Regulations or TSAVCR 1994,
- (c) where a guarantee was previously provided to the scheme manager, either the guarantee lapses or because of a change in circumstances the scheme manager considers that the guarantee is insufficient,

(a) 2006 c.46.

(b) Section 497A was inserted by section 8 of the School Standards and Framework Act 1998 (c.31).

(c) Subsection (4A) was inserted by section 60 of the Education Act 2002 (c. 32).

(d) 1999 c.27.

- (d) a proposal for a voluntary arrangement has been made or approved in relation to the function provider under Part 1 of IA 1986,
- (e) an administration application has been made, a notice of intention to appoint an administrator has been filed with the court or an administrator has been appointed for the function provider under Schedule B1 to IA 1986,
- (f) a receiver, manager or administrative receiver has been appointed for the function provider under Part 3 of IA 1986,
- (g) a winding-up petition has been presented, a winding-up order has been made or a resolution for voluntary winding-up has been passed in relation to the function provider under Part 4 or 5 of IA 1986, or
- (h) notice has been received that the function provider may be struck off the register of companies or an application to strike it off has been made under Part 31 of the Companies Act 2006^(a).

(7) A function provider accepted under this paragraph must give written notice to the scheme manager immediately if any of the events mentioned in sub-paragraph (6)(d) to (h) occurs.

PART 2

Service pensionable without election

4. Teacher employed by—

- (a) a local authority in connection with its education functions,
- (b) a local authority in a school which the authority maintains,
- (c) the governing body of a school maintained by a local authority, or
- (d) an institution providing further or higher education (or both) maintained by a local authority.

5. Teacher employed—

- (a) in an Academy, city technology college or a city college for the technology of the arts by the proprietor of such an establishment,
- (b) in a 16 to 19 Academy by the proprietor of the Academy,
- (c) by a Multi-Academy Trust, or
- (d) by the sponsor of a proposed Academy, and in this paragraph “sponsor of a proposed Academy” means any person who approaches the Secretary of State expressing an interest in establishing and maintaining an Academy with a view to creating a charitable company limited by guarantee and which company it is proposed will then enter into an Academy agreement as defined in section 1 of the Academies Act 2010^(b).

6. Teacher employed by the proprietor of, or anyone else concerned in the management of, an accepted school (other than a teacher employed at an accepted school which is a member of COBIS and is located in a member State other than the United Kingdom).

7. Teacher employed by a function provider in connection with the performance of a function or service in respect of which the function provider is accepted in accordance with paragraph 3 (accepted function providers).

8. Teacher employed by the proprietor of, or anyone else concerned in the management of, a special school that is not maintained by a local authority.

(a) 2006 c.46.
(b) 2010 c. 32.

9. Teacher employed by the governing body (as defined in section 90 of the Further and Higher Education Act 1992^(a)) of an institution—

- (a) which is within the further or the higher education sector (as defined in section 91 of that Act), and
- (b) to which grants are made by the Secretary of State or the Welsh Ministers, a body to which grants are made by the Secretary of State or the Welsh Ministers,

other than—

- (i) a university or a college of a university,
- (ii) the Royal College of Art, and
- (iii) the establishment which, when teachers were employed there for the purposes of the Ministry of Defence, was known as Welbeck, the Defence Sixth Form College.

10. Teacher employed by a university established on or after 6th May 1992 which, immediately before it became such fell within paragraph 9(a) or (b).

11. Teacher employed by the proprietor of—

- (a) a community home as defined in section 53 of the Children Act 1989^(b),
- (b) a voluntary home as defined in section 60^(c) of that Act, or
- (c) a home provided in pursuance of arrangements under section 82(5) of that Act.

12. Teacher employed by a local authority or by a voluntary organisation in an establishment which provides facilities under arrangements approved under section 66 of the Powers of Criminal Courts (Sentencing) Act 2000^(d).

13. Teacher employed by the Secretary of State or the Welsh Ministers in a special hospital provided by the Secretary of State or the Welsh Ministers under section 4 of NHS Act 2006 or section 4 of NHSWA 2006.

14. Teacher employed for the purpose of instructing, training or superintending the occupation of persons suffering from mental impairment, severe mental impairment, psychopathic disorder or mental illness—

- (a) by the Secretary of State or the Welsh Ministers in a hospital provided by the Secretary of State or the Welsh Ministers under NHS Act 2006 or NHSWA 2006,
- (b) by a voluntary organisation to which financial assistance is given by a local authority or facilities are made available under section 12 of NHS Act 2006 or section 10 of NHSWA 2006, or
- (c) by a local authority in the exercise of its functions under paragraph 2 of Schedule 20 to NHS Act 2006 or paragraph 2 of Schedule 16 to NHSWA 2006.

15. Teacher employed by the Secretary of State in a European School (that is to say an establishment such as is described in article 2 of the European Communities (European Schools) Order 1972^(e)).

16. Organiser employed as a youth and community worker by a local authority in the exercise of its functions under sections 15, 507A, 507B^(f) or 508 of EA 1996.

17. Teacher employed by the Field Studies Council.

(a) 1992 c. 13.

(b) 1989 c. 41.

(c) Section 60 was amended by paragraph 14(9) of Schedule 4 of the Care Standards Act 2000 (c.14).

(d) 2000 c. 6.

(e) S.I. 1972/1582.

(f) Section 507A and 507B were inserted by section 6(1) of the Education and Inspections Act 2006 (c.40).

PART 3

Service pensionable on election

18. Teacher employed by the proprietor of an institution for the further education and training of disabled persons.

19. Teacher, supervisor or youth worker employed for the purposes of the Ministry of Defence in service with, or for purposes connected with, the armed forces of the Crown unless—

- (a) service in the employment is pensionable under the Public Service (Civil Servants and Others) Pensions Regulations 2014; or
- (b) the teacher, supervisor or youth worker was engaged outside the United Kingdom and was not previously in eligible employment.

20. Organiser employed by—

- (a) a diocesan board of education established under the Diocesan Boards of Education Measure 1991^(a);
- (b) a body affiliated to the National Open College Network;
- (c) a Roman Catholic diocesan schools commission.
- (d) the Inspiring Futures Foundation;
- (e) the Royal National College for the Blind;
- (f) the Stapleford Centre.

PART 4

Service pensionable on election with employer consent

21. Teacher employed in, or in connection with, an establishment for providing social or physical training for which grants are made by the Secretary of State, Sport England, Sport Wales or UK Sport, whose principal duty is to attend the establishment and provide the training or supervise its provision.

22. Teacher employed by a person to whom grants are made by either the Secretary of State or a local authority in exercise of education functions in respect of expenditure incurred for the purpose for which the teacher is employed.

23. Organiser employed by—

- (a) Sport England,
- (b) Sport Wales,
- (c) UK Sport, or
- (d) any other person, other than a local authority, to whom grants—
 - (i) are made by any of those bodies or by a local authority in exercise of education functions, or
 - (ii) are or have been made by the Secretary of State or the Welsh Ministers,in respect of expenditure incurred for the purpose for which the organiser is employed.

24. Organiser employed as a youth and community worker by a body to which grants are made by a local authority in the exercise of its functions under sections 15 or 508 of EA 1996.

25. Organiser employed by—

- (a) Action for Blind People;

(a) 1991 No. 2.

- (b) the Association of Christian Teachers;
- (c) the Association of Business Schools;
- (d) the Assessment and Qualification Alliance;
- (e) the City and Guilds of London Institute;
- (f) the Catholic Education Service;
- (g) EMFEC;
- (h) the Field Studies Council;
- (i) Macmillan Cancer Support;
- (j) the North East Religious Learning Resources Centre Limited;
- (k) SCOPE.

26. Teacher employed by a university who was employed by an institution mentioned in paragraph 4(d) or 9 immediately before the institution became part of the university.

27. Teacher or organiser employed by a body formerly falling within paragraph 19, 20 or 21 which is a non-profit-making body whose principal source of funding is fees paid by a local authority.

28. Teacher employed by the proprietor of, or anyone else concerned in the management of, an accepted school which is a member of COBIS and located in a member State other than the United Kingdom.

[Note: This Schedule will be reviewed and updated before these Regulations are made to ensure it takes full account of new fair deal arrangements and the outcome of any changes to auto enrolment regulations that might result from a recent consultation by the Department for Work and Pensions. Please note that the new fair deal arrangements and any auto enrolment changes will extend, rather than reduce, access to this scheme. The fair deal arrangements are likely to be the subject of a separate consultation, with amendments to the existing scheme to be made as soon as possible so that members can benefit from the extended arrangements as early as possible.]

SCHEDULE 2

Regulation 193

Transferred pension

[Note: The Government has confirmed that the public service transfer club will continue to operate, as set out in the Proposed Final Agreement for this scheme. The club arrangements ensure that the treatment of pension savings is not a barrier to individuals moving across the public service. Discussions are on-going with HM Treasury and the other public service pension schemes on the detail of how the club can best operate in light of the reformed schemes. Once the details are known, these Regulations will be amended to make appropriate provision.

Amendments providing for transfers to other (private) pension schemes will be made at the same time. The arrangements for these will be in line with current arrangements although the method of calculation will change to take account of the career average arrangements.]

SCHEDULE 3 Regulations 56, 145, 182 and 183
Scheme flexibilities

PART 1

General

Interpretation of Schedule

1. In this Schedule—

- “additional pension contributions” means contributions for an additional pension;
- “additional pension election” means an election under Part 2 of this Schedule;
- “amount of accrued extra earned pension” means the amount of accrued earned pension attributable to a faster accrual election;
- “amount of extra pension” has the meaning given in paragraph 2;
- “buy-out contributions” means contributions to buy out the standard reduction;
- “buy-out election” means an election under Part 4 of this Schedule;
- “buy-out value” means an amount determined or re-determined by the scheme manager in accordance with Part 4 of this Schedule;
- “contributions” means—
- (a) additional pension contributions;
 - (b) faster accrual contributions; or
 - (c) buy-out contributions;
- “contributions payment period”, for contributions paid monthly, means the period beginning on the start date and ending with the date on which the final monthly payment is due;
- “election” means—
- (a) an additional pension election;
 - (b) a faster accrual election; or
 - (c) a buy-out election;
- “faster accrual contributions” means contributions for a faster accrual rate;
- “faster accrual election” means an election under Part 3 of this Schedule;
- “faster accrual rate”, in relation to P’s pensionable earnings, means 1/45th, 1/50th or 1/55th;
- “maximum” has the meaning given in Chapter 1 of Part 4 of this Schedule;
- “monthly payments”, in respect of an election, means contributions paid monthly;
- “overall amount” means the overall amount of extra pension as defined in paragraph 3;
- “refund period”, in relation to additional pension contributions, means the period ending one year after the start date;
- “start date”—
- (a) for contributions paid by lump sum, means the date on which the scheme manager receives the lump sum; and
 - (b) for monthly payments, means the first day of the second month after the month in which the election is accepted.

Meaning of “amount of extra pension”

2. The amount of extra pension at any given time is the sum of the following—

- (a) the amount of accrued extra earned pension (if any) at that time;
- (b) the amount of accrued additional pension (if any) at that time;
- (c) if P has elected to buy out the standard reduction — the buy-out value at that time.

Meaning of “overall amount of extra pension”

3.—(1) The overall amount of extra pension is—

- (a) for any financial year ending before 1st April 2016 — £6,500; and
- (b) for any financial year beginning after that date—
 - (i) the amount that the Treasury has determined for that financial year; or
 - (ii) otherwise — the amount calculated under paragraph (2).

(2) If the Treasury has not determined an overall amount for any financial year, the overall amount is the amount to which the annual rate of a pension of an amount equal to the overall amount for the previous financial year would have been increased under PIA 1971 if—

- (a) that pension were eligible to be so increased; and
- (b) the beginning date for that pension were the first day of the previous financial year.

(3) The Treasury—

- (a) must from time to time review the operation of this paragraph; and
- (b) as a result of a review, may determine the overall amount for any financial year.

Limit on elections

4.—(1) The scheme manager must not accept an additional pension election or a faster accrual election in relation to a member (P) at any time if—

- (a) the scheme manager has accepted a buy-out election from P; and
- (b) the buy-out value at that time exceeds the overall amount of extra pension at that time.

(2) The scheme manager must not accept an additional pension election or a faster accrual election that would result in the amount of extra pension exceeding the overall amount of extra pension.

Actuarial advice

5. The scheme manager must take advice from the scheme actuary before determining any amount under this Part.

PART 2

Additional pension election

CHAPTER 1

Making an additional pension election

Election to pay contributions for additional pension

6.—(1) A member (P), or P’s employer with the consent of P, may elect to pay contributions for an additional pension in respect of P (“additional pension election”).

(2) An additional pension election must—

- (a) state whether the election is for—
 - (i) an additional (self only) pension; or
 - (ii) an additional (self only) pension and an additional (surviving adult) pension; and

- (b) specify the annual rate of additional (self only) pension to be paid with P's retirement pension.

Annual rate of additional (self only) pension

7. The annual rate of additional (self only) pension specified in an additional pension election must be a multiple of—

- (a) £250; or
- (b) any other amount determined by the scheme manager.

Making an additional pension election

8.—(1) An additional pension election in relation to a member (P)—

- (a) must be made by written notice to the scheme manager; and
- (b) must be accompanied by a declaration by P that P is in normal health.

(2) When the election is made, P must be—

- (a) in pensionable service; and
- (b) under normal pension age.

(3) The notice must state whether additional pension contributions are to be paid—

- (a) as a lump sum, or
- (b) by monthly payments.

(4) An employer's contributions for additional pension must be made by lump sum.

(5) A member's additional pension contributions may be paid by lump sum or by monthly payments.

(6) If monthly payments are to be made, the notice must—

- (a) state the number of monthly payments, which must not be more than 240; and
- (b) if P is in pensionable service in relation to more than one employment — specify which employer is to deduct the contributions.

(7) The scheme manager may request further information to be provided.

Accepting an additional pension election

9.—(1) The scheme manager may accept an additional pension election by giving written notice to the person who made the election (P).

(2) An additional pension election is accepted when P receives notice that the scheme manager has accepted the election.

CHAPTER 2

Amount of additional pension contributions

Determination of contributions payable

10.—(1) The scheme manager must determine the amount to be paid as a lump sum or as a monthly payment.

(2) The amount of the lump sum or monthly payment must reflect the cost of paying an additional (self only) pension and any additional (surviving adult) pension.

(3) The scheme manager may determine different amounts of lump sum or monthly payment—

- (a) for different classes or descriptions of member; and
- (b) depending on whether the additional pension election is for—
 - (i) an additional (self only) pension; or

- (ii) an additional (self only) pension and an additional (surviving adult) pension.
- (4) The scheme manager—
- (a) may determine the amount of a monthly payment by reference to the length of the contributions payment period; and
 - (b) may exercise the functions under this paragraph so as to re-determine the amount of a monthly payment during the contributions payment period.
- (5) Unless the scheme manager re-determines the amount, monthly payments following a gap in service during which an ill health pension was payable are the same as before the gap.

CHAPTER 3

Additional pension contributions paid by lump sum

Lump sum contributions: payment of contributions and credit of additional pension

- 11.**—(1) This paragraph applies to a member—
- (a) in respect of whom an additional pension election is accepted; and
 - (b) whose notice of election states that contributions are to be paid by lump sum.
- (2) The member’s additional pension account is to be credited with an amount equal to the annual rate of additional (self only) pension stated in the notice of election (“the amount of additional pension”) if the lump sum contribution is paid within one month after the additional pension election is accepted.
- (3) The member’s additional pension account is not to be credited with the amount of additional pension unless the lump sum contribution is paid within that time.

Refund of lump sum contribution

- 12.**—(1) This paragraph applies if a member (P) has paid a lump sum contribution for additional pension.
- (2) The lump sum contribution must be refunded if, before the end of the refund period—
- (a) P dies;
 - (b) an ill-health pension becomes payable to P; or
 - (c) P leaves all pensionable service and P is neither qualified nor re-qualified for retirement benefits in respect of that service.

CHAPTER 4

Additional pension contributions by monthly payments

Application of Chapter

- 13.** This Chapter applies to a member (P)—
- (a) in respect of whom an additional pension election is accepted; and
 - (b) whose notice of election states that contributions are to be paid by monthly payments.

Payment of contributions

- 14.**—(1) P must—
- (a) make the first monthly payment within 2 months after the end of the month in which the additional pension election is accepted; and
 - (b) continue to make the monthly payments until the end of the contributions payment period.
- (2) The final monthly payment must be made before P reaches normal pension age.

(3) If the scheme manager re-determines the amount of the monthly payment during the contributions payment period, P must pay the re-determined amount from the beginning of the next financial year.

(4) P is taken to revoke an additional pension election if—

- (a) a monthly payment is missed; and
- (b) the payment is not made within 3 months after P receives a written demand from the scheme manager.

Member leaves all pensionable service before end of contributions payment period

15.—(1) This paragraph applies if P leaves all pensionable service before the end of the contributions payment period.

(2) If this paragraph applies—

- (a) monthly payments for additional pension cease to be payable at the end of the period of one month beginning with the last day of pensionable service (“the one-month period”); and
- (b) the amount of accrued additional pension as at the last day of pensionable service is an amount determined by the scheme manager.

(3) This paragraph does not apply if, within 2 months after the last day of pensionable service, P pays the scheme manager a lump sum of an amount determined by the scheme manager.

(4) For the purpose of this paragraph, P is not taken to have left all pensionable service if—

- (a) during the one-month period, P begins a period of non-pensionable sick leave; and
- (b) during the period of non-pensionable sick leave, an ill-health pension becomes payable to P.

Retirement pension (other than ill health pension) becomes payable before end of contributions payment period

16.—(1) This paragraph applies if any of the following retirement pensions becomes payable to a member (P) before the end of the contributions payment period—

- (a) an age retirement pension;
- (b) a phased retirement pension (if P has elected to receive additional pension with it);
- (c) a premature retirement pension;
- (d) an early retirement pension.

(2) If this paragraph applies—

- (a) monthly payments for additional pension cease to be payable on the entitlement day for that pension; and
- (b) the amount of accrued additional pension as at the relevant last day is an amount determined by the scheme manager.

CHAPTER 5

Revocation and refund

Revoking an additional pension election

17.—(1) P may revoke an additional pension election at any time before the end of the contributions payment period.

(2) P is taken to revoke an additional pension election if—

- (a) P leaves all pensionable service before the end of the contributions payment period; and
- (b) P is qualified or re-qualified for retirement benefits in respect of that service.

- (3) On the date of revocation—
 - (a) monthly payments for additional pension under that election cease to be payable; and
 - (b) the amount of accrued additional pension as at that date is an amount determined by the scheme manager.
- (4) A revocation must be by written notice to the scheme manager.
- (5) A revocation has effect from the date it is received by the scheme manager (“date of revocation”).

Ill health pension becomes payable before end of contributions payment period

18.—(1) This regulation applies if an ill-health pension becomes payable to a member (P) before the end of the contributions payment period for an additional pension election.

- (2) If an ill-health pension becomes payable to P before the end of the refund period—
 - (a) any monthly payments that have been made under that additional pension election must be refunded to P; and
 - (b) the amount of accrued additional pension as at the last day of pensionable service must be adjusted by deducting the amount of accrued additional pension attributable to that election.
- (3) If an ill-health pension becomes payable to P after the end of the refund period—
 - (a) the monthly payments under the additional pension election are treated as being paid until the earlier of—
 - (i) the end of the contributions payment period for that election; or
 - (ii) the day on which an ill health pension ceases to be payable under regulation 112; and
 - (b) for the purpose of calculating the annual rate of ill health pension, the amount of accrued additional pension is—
 - (i) if the declaration that accompanied the additional pension election was made in good faith — the amount of accrued additional pension calculated under regulation 47 or 48 as at the last day of pensionable service; or
 - (ii) if that declaration was not made in good faith — an amount determined by the scheme manager having regard to the contributions paid or treated as being paid; and
- (4) If P re-enters pensionable service when an ill health pension ceases to be payable under regulation 112, P may choose to resume the monthly payments.

Death in service before end of contributions payment period

- 19.**—(1) This paragraph applies on the death of a member (D)—
- (a) whose additional pension election is for an additional (self only) pension and an additional (surviving adult) pension;
 - (b) who dies in service within the meaning of Part 6 before the end of the contributions payment period for that election.
- (2) If D dies before the end of the refund period—
 - (a) the monthly payments must be refunded to D’s surviving adult; and
 - (b) the additional pension account must be closed.
 - (3) If D dies after the end of the refund period—
 - (a) the monthly payments cease to be payable as at the date of D’s death; and
 - (b) for the purpose of calculating a survivor’s pension, the amount of accrued additional pension is—

- (i) if the declaration that accompanied the additional pension election was made in good faith — the amount of accrued additional pension calculated under regulation 47 or 48 as at the day of D’s death; or
- (ii) if that declaration was not made in good faith — an amount determined by the scheme manager having regard to the contributions paid or treated as being paid.

Member leaves all pensionable service before qualifying for retirement benefits

20. If P leaves all pensionable service before P is qualified for retirement benefits in respect of that service—

- (a) any monthly payments made before the last day of pensionable service must be refunded to P; and
- (b) the additional pension account must be closed.

PART 3

Faster accrual election

CHAPTER 1

Making the election

Faster accrual election

21.—(1) A member (P) may elect, in relation to pensionable service in an eligible employment, to pay contributions to accrue earned pension at a faster accrual rate in a financial year (“faster accrual election”).

(2) A faster accrual election must state the faster accrual rate which is to apply to P’s pensionable earnings in that employment for that financial year.

(3) A faster accrual election—

- (a) must be made—
 - (i) in the financial year before the financial year to which it relates; or
 - (ii) if P is a new joiner, within one month after P enters pensionable service in relation to an employment;
- (b) has effect from—
 - (i) the start of the financial year to which it relates; or
 - (ii) if P is a new joiner, one month after the election is received by the scheme manager; and
- (c) ceases to have effect at the end of the financial year to which it relates unless it is revoked before then.

(4) When making a faster accrual election, P must be—

- (a) in pensionable service; and
- (b) under normal pension age.

Making a faster accrual election

22.—(1) A faster accrual election must be made by written notice to the scheme manager.

(2) The notice of election must specify—

- (a) if P is in more than one eligible employment, the name of the employer who is to deduct the contributions;
- (b) P’s name;

- (c) P's date of birth;
 - (d) P's annual rate of pensionable earnings.
- (3) The scheme manager may request further information to be provided.

Accepting a faster accrual election

23.—(1) The scheme manager may accept a faster accrual election by giving written notice to the person who made the election (P).

(2) A faster accrual election is accepted when P receives notice that the scheme manager has accepted the election.

CHAPTER 2

Payment of contributions

Determination of contributions payable

24. The scheme manager must determine the amount of the monthly payment to be paid in respect of a faster accrual election.

Payment of contributions

25.—(1) A member (P)—

- (a) must make the first monthly payment within 2 months after the end of the month in which the faster accrual election is accepted; and
- (b) must continue to make the monthly payments until the end of the contributions payment period.

(2) The final monthly payment is due in the last month of the financial year to which the faster accrual election relates.

(3) P is taken to revoke a faster accrual election if—

- (a) a monthly payment is missed; and
- (b) the payment is not made within 3 months after P receives a written demand from the scheme manager.

CHAPTER 3

Revocation and refund

Revoking a faster accrual election

26.—(1) A member (P) may revoke a faster accrual election at any time before the end of the contributions payment period.

(2) P is taken to revoke a faster accrual election if P leaves pensionable service in the employment to which the election relates before the end of the contributions payment period.

(3) If P revokes or is taken to revoke a faster accrual election and P is not entitled to be repaid the balance of contributions under regulation 185—

- (a) P's monthly payments cease to be payable on the date of revocation; and
- (b) P's active member's account (or if P has left all pensionable service, P's deferred member's account or pensioner member's account) must be credited with an amount determined by the scheme manager.

(4) If P revokes or is taken to revoke a faster accrual election and P is entitled to be repaid the balance of contributions under regulation 185—

- (a) P's monthly payments cease to be payable on the date of revocation; and
- (b) P's rights under this scheme are extinguished.

(5) A revocation must be by written notice to the scheme manager.

(6) A revocation has effect from the date it is received by the scheme manager (“date of revocation”).

Member leaves all pensionable service before qualifying for retirement benefits

27.—(1) This paragraph applies if P leaves all pensionable service before qualifying for retirement benefits in respect of that service.

(2) If this paragraph applies, any monthly payments made before the last day of pensionable service must be refunded to P.

PART 4

Election to buy out the standard reduction

CHAPTER 1

General

When the standard reduction applies

28.—(1) The standard reduction applies in respect of a member (P) to a maximum of 3 years from age 65 to P’s normal pension age (“the maximum”).

(2) If a retirement pension becomes payable to P on or after P reaches 65, the standard reduction applies to a proportion of the time left until P reaches normal pension age, as determined by the scheme manager.

Determination of the buy-out value

29.—(1) The buy-out value is an amount determined by the scheme manager.

(2) If an additional pension election or a faster accrual election is subsequently made in respect of P, the scheme manager may—

- (a) re-determine the buy-out value; and
- (b) send a written notice to P stating the re-determined buy-out value.

CHAPTER 2

Making a buy-out election

Eligible to make buy-out election

30.—(1) A member (P) who has a normal pension age over 65 may elect to pay contributions to buy out the standard reduction (“buy-out election”) for a period of up to 3 years.

(2) A buy-out election has effect from the day on which the scheme manager accepts the election.

(3) A buy-out election ceases to have effect when the earliest of the following occurs—

- (a) P reaches normal pension age;
- (b) a retirement pension other than a phased retirement pension becomes payable to P;
- (c) P revokes the election or is taken to revoke the election.

(4) A buy-out election may only be made within 6 months after P enters pensionable service under this scheme.

(5) When making a buy-out election, P must be—

- (a) in pensionable service; and

(b) under normal pension age.

(6) P may by written notice to the scheme manager vary a buy-out election if P's normal pension age changes before a retirement pension becomes payable to P.

Making a buy-out election

31.—(1) A buy-out election must state the number of years in respect of which the standard reduction is to be bought out.

(2) A buy-out election must be made by written notice to the scheme manager.

(3) The notice of election must specify—

(a) if P is in more than one eligible employment, the name of the employer who is to deduct the contributions;

(b) P's name;

(c) P's date of birth;

(d) P's normal pension age;

(e) the date on which P entered pensionable service;

(f) P's annual rate of pensionable earnings.

(4) The scheme manager may request further information to be provided.

Accepting a buy-out election

32.—(1) The scheme manager may accept a buy-out election by giving written notice to the person who made the election (P).

(2) The notice must state the buy-out value.

(3) A buy-out election is accepted when P receives notice that the scheme manager has accepted the election.

CHAPTER 3

Payment of buy-out contributions

Determination of contributions payable

33.—(1) The scheme manager must determine the amount of the monthly payments to be paid in respect of a buy-out election.

(2) The scheme manager—

(a) may determine the amount of the monthly payments by reference to the number of years stated in the buy-out election and the length of the contributions payment period; and

(b) may exercise the functions under this paragraph so as to re-determine the amount of the monthly payments during the contributions payment period.

(3) Unless the scheme manager re-determines the amount, monthly payments following a gap in service not exceeding 5 years are the same as before the gap.

Payment of buy-out contributions

34.—(1) P must—

(a) make the first monthly payment within 2 months after the end of the month in which a buy-out election is accepted; and

(b) continue to make the monthly payments until the end of the contributions payment period.

(2) The final monthly payment is due in the month before the buy-out period has effect.

(3) If the scheme manager re-determines the amount of the monthly payment during the contributions payment period, P must pay the re-determined amount from the beginning of the next financial year.

(4) P is taken to revoke a buy-out election if—

- (a) a monthly payment is missed; and
- (b) the payment is not made within 3 months after P receives a written demand from the scheme manager.

Monthly payments during gap in service

35.—(1) A member (P) who has a gap in service during the contributions payment period may choose to resume monthly payments on re-entering pensionable service.

(2) P is taken to revoke a buy-out election if P’s gap in service exceeds 5 years.

CHAPTER 4

Revocation and refund

Revoking a buy-out election

36.—(1) A member (P) may revoke a buy-out election at any time before the end of the contributions payment period.

(2) If P revokes a buy-out election or is taken to revoke a buy-out election—

- (a) P’s monthly payments cease to be payable on the date of revocation; and
- (b) when a retirement pension becomes payable to P, the standard reduction applies to a proportion of the maximum as determined by the scheme manager.

(3) In determining the proportion, the scheme manager must take into account—

- (a) the number of monthly payments made; and
- (b) the number of years stated in the buy-out election.

(4) If P revokes the election or is taken to revoke a buy-out election, P may not make a subsequent buy-out election.

(5) A revocation must be by written notice to the scheme manager.

(6) A revocation has effect from the date it is received by the scheme manager (“date of revocation”).

Member leaves all pensionable service before qualifying for retirement benefits

37.—(1) This paragraph applies if P leaves all pensionable service before qualifying for retirement benefits in respect of that service.

(2) If this paragraph applies, any monthly payments made before the last day of pensionable service must be refunded to P.

SCHEDULE 4

Regulations 181 and 188

Employees’ and employers’ contributions

[The level of contributions payable will be determined in line with the arrangements for scheme valuations. Those arrangements are yet to be finalised and will be the subject of amending Regulations.]

SCHEDULE 5

Transitional provisions

PART 1

Interpretation

Interpretation

1. In this Schedule—

“closing date”, in relation to a transition member, means—

- (a) for a member who is not a protected member, the scheme closing date; or
- (b) for a tapered protection member, the closing date for that member;

“exception” means an exception to section 18(1) of the Act;

“existing scheme rules” means the provisions of the existing scheme;

“full protection member”, in relation to the existing scheme, has the meaning given in Chapter 2;

“protected member” means a full protection member or tapered protection member;

“protection period”—

- (a) for a full protection member, has the meaning given in Part 2;
- (b) for a tapered protection member, has the meaning given in Part 3;

“public service scheme” means a scheme under section 1 of the Act;

“scheme closing date” means 31st March 2015;

“tapered protection member”, in relation to the existing scheme, has the meaning given in Chapter 3;

“transition date” means—

- (a) for a tapered protection member, the day after the closing date for that member; and
- (b) for a transition member who is not a protected member, the day after the scheme closing date;

“transition member” means a person—

- (a) who is a member of the existing scheme by virtue of his or her pensionable service under the existing scheme before the transition date; and
- (b) who is also a member of this scheme by virtue of his or her pensionable service under this scheme.

Meaning of “active member” of existing scheme

2.—(1) For the purpose of this Schedule, a person (P) is an active member of the existing scheme on a given date if on that date—

- (a) P is in pensionable service under the existing scheme; or
- (b) P is on a gap in service not exceeding 5 years.

(2) A person who is an active member of the existing scheme on the scheme closing date ceases to be an active member of that scheme on the earlier of—

- (a) the day on which a retirement pension (other than a phased retirement pension) becomes payable to P under the existing scheme; or
- (b) the day on which P begins a gap in service which—
 - (i) begins after the scheme closing date; and

- (ii) exceeds 5 years.

Meaning of “continuity of service”

3. A transition member (P) has continuity of service unless P has a gap in service exceeding 5 years which—

- (a) begins on or before the closing date; and
- (b) ends on the day on which P becomes an active member of this scheme.

Gap in service after scheme closing date

4. In relation to any period after the scheme closing date, a person (P) is not on a gap in service while P is in pensionable service under—

- (a) another public service scheme; or
- (b) a new public body scheme^(a).

Meaning of “closing date” for a tapered protection member

5.—(1) The closing date^(b) for a tapered protection member is a date between 30th June 2015 and 31st January 2022 (inclusive) determined by the scheme manager by reference to a table published for that purpose.

- (2) The closing date must fall on the last day of a month.

PART 2

Exceptions for full protection members

Meaning of “full protection member”

6.—(1) A person (P) is a full protection member of an existing scheme on the scheme closing date if—

- (a) on that date, P is an active member of the existing scheme;
- (b) on 31st March 2012, P was an active member of the existing scheme; and
- (c) unless P dies, P would reach normal pension age under the existing scheme before 2nd April 2022.

(2) P ceases to be a full protection member when P ceases to be an active member of the existing scheme.

Exception for full protection member during protection period

7.—(1) The protection period for a full protection member (P) is the period which—

- (a) begins on the day after the scheme closing date; and
- (b) ends when P ceases to be a full protection member.

(2) Section 18(1) of the Act does not apply to P during the protection period.

(3) During the protection period—

- (a) P’s pensionable service is pensionable service under the existing scheme; and
- (b) benefits are to be provided under that scheme to or in respect of P in relation to that pensionable service.

(a) See section 30(5) of the Act for the meaning of “new public body pension scheme”.

(b) See section 18(4) and (7) of the Act for the meaning of “closing date”.

Full protection member not eligible to join this scheme

8. While a person (P) is a full protection member, P is not eligible to be a member of this scheme.

PART 3

Exceptions for tapered protection members

Meaning of “tapered protection member”

9.—(1) A person (P) is a tapered protection member of an existing scheme on the scheme closing date if—

- (a) on that date, P is an active member of the existing scheme;
- (b) on 31st March 2012, P was an active member of the existing scheme; and
- (c) unless P dies, P would reach normal pension age under the existing scheme between 2nd April 2022 and 1st September 2025 (inclusive).

(2) P ceases to be a tapered protection member on whichever of the following days occurs first—

- (a) P’s closing date; or
- (b) the day on which P ceases to be an active member of the existing scheme.

Exception for tapered protection members during protection period

10.—(1) The protection period for a tapered protection member is the period which—

- (a) begins on the day after the scheme closing date; and
- (b) ends when P ceases to be a tapered protection member.

(2) Section 18(1) of the Act does not apply to P during the protection period.

(3) During the protection period—

- (a) P’s pensionable service is pensionable service under the existing scheme; and
- (b) benefits are to be provided under that scheme to or in respect of P in relation to that pensionable service.

Tapered protection member not eligible to join this scheme

11. While a person (P) is a tapered protection member, P is not eligible to be a member of this scheme.

PART 4

Transition members becoming active members of this scheme

Transition members with continuity of service

12. A transition member (P) who has continuity of service becomes an active member of this scheme—

- (a) if P is in pensionable service on the transition date — on that date; or
- (b) on re-entering pensionable service after the transition date.

Transition members without continuity of service

13. A transition member (P) who does not have continuity of service becomes an active member of this scheme when P re-enters pensionable service on or after the transition date.

PART 5

Payment of benefits to transition members

CHAPTER 1

General

Reaching normal pension age

14.—(1) If a transition member (P) who applies for payment of retirement benefits under both schemes has reached normal pension age under the existing scheme but has not reached normal pension age under this scheme, the benefits payable under this scheme are to be actuarially reduced.

(2) If P has not reached normal pension age under the existing scheme or under this scheme, the benefits payable under both schemes are to be actuarially reduced.

(3) If P has reached normal pension age—

- (a) under the existing scheme, the benefits payable under that scheme are to be actuarially enhanced under the existing scheme rules (if applicable); or
- (b) under both schemes, the benefits payable under both schemes are to be actuarially enhanced (if applicable).

Application of existing scheme rules

15.—(1) The existing scheme rules apply in relation to the calculation of benefits payable in respect of pensionable service under the existing scheme.

(2) The existing scheme rules apply in relation to the payment of additional pension with a retirement pension under the existing scheme.

Determination of final salary

16. For the purpose of calculating benefits payable under the existing scheme to or in respect of a transition member with continuity of service, the member's final salary is determined by reference to Schedule 7 to the Act.

Annual rate of pension

17. The annual rate of pension payable to a transition member is found by adding—

- (a) the annual rate of pension payable under the existing scheme; and
- (b) the annual rate of pension payable under this scheme.

CHAPTER 2

Application for payment of benefits

Application for payment of age retirement pension

18. When a transition member (P) applies for payment of an age retirement pension under this scheme, P must also apply under regulation 107 of the existing scheme for payment of retirement benefits in respect of pensionable service under that scheme.

Application for payment of phased retirement pension

19.—(1) When a transition member (P) makes a phased retirement application under this scheme, P may also elect under regulation 57 of the existing scheme to receive phased retirement benefits in respect of pensionable service under the existing scheme.

(2) P may elect to receive phased retirement benefits under the existing scheme without making a phased retirement application under this scheme.

(3) The phased retirement proportion specified in a phased retirement application under this scheme may be different from the fraction of reckonable service specified in an election under the existing scheme.

Application for payment of premature retirement pension

20. When a transition member (P) applies for payment of a premature retirement pension under this scheme, P must also apply under regulation 107 of the existing scheme for payment of retirement benefits in respect of pensionable service under that scheme.

Application for payment of early retirement pension

21. When a transition member (P) applies for payment of an early retirement pension under this scheme, P must also apply under regulation 107 of the existing scheme for payment of retirement benefits in respect of pensionable service under that scheme.

Application for payment of ill health pension

22. A transition member (P) who applies for payment of an ill health pension under this scheme is entitled to receive any benefits in respect of pensionable service in the existing scheme as part of the ill health pension payable under this scheme.

Entitlement to payment of total incapacity pension

23. A transition member who becomes entitled to payment of a total incapacity pension under this scheme is not entitled to payment of a total incapacity pension under regulation 65 of the existing scheme.

Entitlement to payment of a short-service serious ill health grant

24. A transition member who becomes entitled to payment of a short-service serious ill health grant under this scheme is not entitled to payment of a short-service serious ill health grant under regulation 79 of the existing scheme.

Application for payment of a surviving adult pension

25.—(1) When the surviving adult of a transition member applies for payment of a surviving adult pension under this scheme, the surviving adult must also apply under regulation 107 of the existing scheme for payment of an adult pension under that scheme.

(2) The short-term rate of surviving adult pension—

- (a) is payable under this scheme; but
- (b) is not payable under regulation 95 of the existing scheme.

(3) The enhancement of a surviving adult pension—

- (a) is applied under regulation 143 of these Regulations; but
- (b) is not applied under Schedule 9 of the existing scheme.

Application for payment of an additional (surviving adult) pension

26. When the surviving adult of a transition member applies for payment of an additional (surviving adult) pension under this scheme, the surviving adult must also apply under regulation 107 of the existing scheme for payment of an additional pension under that scheme.

Application for payment of a child pension

27.—(1) When the eligible child of a transition member applies for payment of a child pension under this scheme, the eligible child must also apply under regulation 107 of the existing scheme for payment of a child pension under that scheme.

(2) The short-term rate of child pension—

- (a) is payable under this scheme; but
- (b) is not payable under regulation 98 of the existing scheme.

(3) The enhancement of a child pension—

- (a) is applied under regulation 150 of these Regulations; but
- (b) is not applied under Schedule 9 of the existing scheme.

Application for payment of a death in service grant

28.—(1) The beneficiary of a transition member (D) who is entitled to a death in service grant under this scheme is not entitled to a death in service grant under regulation 83 or 84 of the existing scheme.

(2) The amount of the death in service grant paid under this scheme must be reduced by the amount of any retirement lump sum paid under regulation 60 of the existing scheme in respect of D's pensionable service under that scheme.

Application for payment of a death out of service grant

29.—(1) When the beneficiary of a transition member applies for payment of a death out of service grant under this scheme, the beneficiary must also apply under regulation 107 of the existing scheme for payment of a death out of service grant under that scheme.

(2) The amount of the death out of service grant paid under this scheme must be reduced by the amount of any retirement lump sum paid under regulation 60 of the existing scheme in respect of D's pensionable service under that scheme.

Application for supplementary death grant

30. The beneficiary of a transition member who is entitled to a supplementary death grant under this scheme is not entitled to a supplementary death grant under the existing scheme.

Application for payment of benefits for pension credit members

31.—(1) If a transition member (P) has not reached normal pension age under the existing scheme when P applies for payment of a pension credit retirement pension under this scheme, P must also apply for payment of benefits in respect of pensionable service under the existing scheme.

(2) If P has reached normal pension age under the existing scheme, P may apply for payment of a pension credit retirement pension in respect of pensionable service under—

- (a) either the existing scheme or this scheme; or
- (b) both the existing scheme and this scheme.

PART 6

Provision in relation to existing scheme

Election to opt out of existing scheme continues to have effect

32. A person (P) is taken to have opted out of this scheme in relation to an eligible employment if, on the scheme closing date—

- (a) P is not a protected member of the existing scheme; and
- (b) an election to opt out of the existing scheme in relation to that employment has effect.

Qualifying for retirement benefits under existing scheme

33. In determining whether a transition member with continuity of service is qualified for retirement benefits under the existing scheme, the member's qualifying service includes the total of—

- (a) the member's qualifying service under the existing scheme; and
- (b) the member's qualifying service under this scheme.

Nomination continues to have effect

34. A nomination under regulation 82 (death grant), 90 (surviving nominated partner) or 91 (surviving nominated beneficiary) of the existing scheme has effect as if made under Part 6 of these Regulations.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations establish a career average re-valued earnings scheme for the payment of pensions and other benefits to teachers in England and Wales. They provide for the following matters—

- (a) eligibility for membership of this scheme;
- (b) the payment of benefits under this scheme;
- (c) assignment of benefits;
- (d) forfeiture and suspension of benefits;
- (e) recovery of overpaid benefits;
- (f) the payment of contributions by members and employers;
- (g) the revaluation of an active member's pensionable earnings.