

**2014 No.**

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

**The Teachers' Pension Scheme (Amendment) Regulations 2014**

*Made* - - - - \*\*\*  
*Laid before Parliament* \*\*\*  
*Coming into force* - - - \*\*\*

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 1(1)(a), (2)(d)(b), (3) and (4), 2(c), 3(1), (2), (3)(a) and (c) and (4), 4(1) and (3)(d), 5(1), (2) and (4)(e), 7(1) and (4)(f), 8(1)(a) and (2)(a), 14, 18(1), (2), (4)(b) and (5) to (9)(g) and paragraph (c) of the definition of “employer” in section 37, and paragraph 4 of Schedule 1, paragraph 4(a) of Schedule 2, Schedule 3, paragraph 18 of Schedule 5, paragraph 6 of Schedule 6, and paragraphs 1(2)(ii), 2(2)(ii) and 5 of Schedule 7 to the Public Service Pensions Act 2013(h).

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

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

**Amendment of the Teachers' Pension Scheme Regulations 2014**

1. The Teachers' Pension Scheme Regulations 2014 are amended as follows.

**Amendment to regulation 2 (Establishment of Teachers' Pension Scheme 2014)**

2. In regulation 2, in the heading and in paragraph (3), for “2014” substitute “2015”.

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- (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 18(2) of, and paragraph 18 of Schedule 5 to, the Act for the meaning of the existing scheme.  
(h) 2013 c.25.

### **Amendment to regulation 3 (Interpretation)**

3. In regulation 3—

- (a) omit ““appropriate factor”, in relation to a person, means a factor determined by the scheme actuary;”;
- (b) in the definition of “sending scheme”, for “which pays” substitute “ to which an application is made for payment of”.

### **Amendment to regulation 7 (Scheme manager)**

4. After regulation 7 insert—

“(3) The responsible authority may delegate any functions of the scheme manager under these Regulations, including this power to delegate.”

### **Amendment to regulation 9 (Membership of pension board)**

5. In regulation 9 paragraph (b), between “in” and “the”, insert “which”.

### **Amendment to regulation 19 (Eligibility for active membership)**

6. In regulation 19 paragraph (2) for “P is employed in an accepted school in which P has a financial interest” substitute—

- “(a) P is employed in an accepted school in which P has a financial interest;
- (b) P is a full protection member of the existing scheme;
- (c) P is a tapered protection member of the existing scheme; or
- (d) P satisfies the conditions in regulation 7(10) of TPR 2010.”

### **Amendment to regulation 31 (Opting out of this scheme before automatic enrolment date)**

7. In regulation 31 paragraph (4) for “earlier” substitute “earliest”.

### **Amendment to regulation 41 (Multiple employments including at least one irregular employment)**

8. In regulation 41 for paragraph (2) substitute—

“(2) P’s full-time equivalent annual rate of pensionable earnings is the higher of—

- (a) Figure 1, and
- (b) either--
  - (i) Figure 2, if P is in more than one regular employment, or
  - (ii) Figure 3, if P is only in one regular employment,

where—

Figure 1 is obtained by dividing the sum of the annual rates of each of P’s employments by the total number of P’s employments;

Figure 2 is the result of the calculation set out in regulation 40 for P’s regular employments, disregarding P’s irregular employment or employments; and

Figure 3 is the full-time equivalent rate of pensionable earnings for P’s sole regular employment.

(3) If Figure 1 and either Figure 2 or Figure 3 are the same amount, P’s annual rate of pensionable earnings is that amount.”

**Amendment to regulation 117 (Annual rate of incapacity pension)**

9. In regulation 117 paragraph (3) for “paragraph (b)” substitute “sub-paragraph (ii)”.

**Amendment to regulation 147 (Annual rate of additional (surviving adult) pension: short-term)**

10. In regulation 147 omit—

- (a) “or” in paragraph (2)(b)(ii), and
- (b) paragraph (2)(c).

**Amendment to regulation 150 (Annual rate of child pension: short term)**

11. In regulation 150 paragraph (2)(a) and (b) substitute for the definition of “*EC*”—  
“*EC* is the number of P’s eligible children;”

**Amendment to regulation 154 (Entitlement day for pension credit retirement pension)**

12. In regulation 154—

- (a) in paragraph (1) between “a” and “pension” insert “person’s (P’s)”; and
- (b) in sub-paragraph (1)(a) for “a person (P)” substitute “P”.

**Amendment of regulation 174 (Commutation: small pensions)**

13. In regulation 174—

- (a) in paragraph (2)(a) after “paragraph 7” insert “and 7A”;
- (b) for paragraph (5)(b) substitute “the lump sum is a trivial commutation lump sum death benefit as defined in paragraph 20 of Schedule 29 to FA 2004.”

**Amendment to regulation 185 (Members’ contributions)**

14. For regulation 185, substitute—

“**185.**—(1) For each eligible employment in respect of which an active member (P) is in pensionable service during a pay period, P must pay contributions (“members’ contributions”) on P’s pensionable earnings in that pay period at the rate determined under this regulation (“members’ contributions rate”).

(2) The members’ contributions rate for an eligible employment is the rate in Column 2 of the table which corresponds to the band which includes the salary for that employment in Column 1.

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

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

(5) The appropriate percentage for the tax year is the same percentage as the percentage increase in the consumer prices index.

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

**Table**

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

**Amendment to regulation 192 (Employers’ contributions)**

15. For regulation 192 substitute—

“**192.** The employer of a person (P) in pensionable service is to pay contributions at the following percentage rate of P’s pensionable earnings—

- (a) 14.1% from 1<sup>st</sup> April 2015 until 31st August 2015 inclusive;
- (b) 16.4% from 1<sup>st</sup> September 2015;
- (c) at the rate determined in each successive valuation report with effect from a date to be notified by the scheme manager.”

**Amendment to regulation 196 (Payment by employers to scheme manager)**

16. In regulation 196 paragraph (2), after subparagraph (b), insert—

“ and

- (c) an administrative costs levy of such percentage of P’s pensionable earnings for the pay period as is notified from time to time by the scheme manager.”

**Amendment to regulation 200 (Application of this Section)**

17. In regulation 200, in paragraph (1)(c), for “75” substitute “normal pension age”.

**Amendment to regulation 220 (Information and documents)**

18. In regulation 220 paragraph (2), after “P”, insert “or, if P is deceased, P’s personal representatives”.

**Amendment to regulation 223**

19. In Regulation 223 paragraph (7) for “are to be construed” substitute “is to be construed”.

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(a) 2007 c.18.

### **Amendment to Schedule 1 (Eligible employment)**

**20.** In Schedule 1—

- (a) in paragraph 5 for sub-paragraph (5) substitute “P ceases to be an accepted member from the date P ceases to satisfy paragraph (4).”;
- (b) in paragraph 25 for sub-paragraph (a) substitute “(a) service in the employment is pensionable under the scheme constituted in the Public Service (Civil Servants and Others) Pensions Regulations 2014 or one of its connected schemes”;
- (c) after paragraph 34, insert—  
“(35) Teacher employed in the Lycee Français Charles de Gaulle de Londres.”.

### **Amendment to paragraph 1 (Interpretation) of Schedule 3 (Transitional provisions)**

**21.** In paragraph 1 of Schedule 3—

- (a) after “In this Schedule” insert—  
““TPR 1997” means the Teachers’ Pensions Regulations 1997(a);  
“TPR 2010” means the Teachers’ Pensions Regulations 2010(b);”;
- (b) in the definition of “transition date”, in both sub-paragraphs (a) and (b), for “an existing scheme” substitute “the existing scheme”.

### **Amendment to paragraph 11 of Schedule 3 (Exceptions for Fair Deal full protection member during protection period)**

**22.** In paragraph 11 of Schedule 3, in sub-paragraph (2)(b), omit “time”.

### **Amendment to paragraphs 14, 15 and 16 of Schedule 3**

**23.** In paragraphs 14(c), 15(d) and 16(3) of Schedule 3, for “1st September 2025,” in each place where these words occur, substitute “30th September 2025”.

### **Amendment to paragraph 21 of Schedule 3 (Active members of the existing scheme)**

**24.** In paragraph 21 of Schedule 3, in sub-paragraph (b), after “transition date”, omit “and” and sub-paragraph (c).

### **Amendment to paragraph 22 of Schedule 3 (Fair Deal members)**

**25.** In paragraph 22 of Schedule 3—

- (a) in sub-paragraph (1) omit “sub-”;
- (b) in sub-paragraph (3) after “P would reach normal pension age under” substitute “the existing scheme on or after 1st October 2025.”.

### **Amendment to paragraph 32 of Schedule 3 (Determination of final salary)**

**26.** In paragraph 32 of Schedule 3, in sub-paragraph (1) after “TPR 2010” insert “and Schedule 7 to the Act”.

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(a) S.I. 1997/3001; relevant amending instrument is S.I. 2010/990.

(b) S.I. 2010/990; relevant amending instruments are S.I. 2011/614, S.I. 2012/673, S.I. 2012/2270, S.I. 2013/275, S.I. 2014/424 and S.I. [OCTOBER 2014 AMENDING INSTRUMENT].

**Amendment to paragraph 39 of Schedule 3 (Entitlement to payment of total incapacity pension)**

27. In paragraph 39 of Schedule 3, in sub-paragraph (2) for “regulations” substitute “rules”.

**Insertion of new paragraphs 39A and 39B of Schedule 3**

28. After paragraph 39, insert—

**“Calculation of retirement benefits after ill health pension ceases to be payable including reduction: modification**

**39A.**—(1) This paragraph applies to a transition member (P), if -

- (a) P is entitled to receive benefits payable under this scheme, and
- (b) P was in receipt of a previous ill-health pension following an application which was received by the Secretary of State before 6th January 2007.

(2) When this paragraph applies, regulation 71 of TPR 2010 applies with the modification in regulation 71(2)(a)(i) that after the words “pensionable employment of a person (P)” is inserted “including pensionable service under the Teachers’ Pension Scheme Regulations 2014”.

**Reduction of ill-health pension and total incapacity pension**

**39B.**—(1) This paragraph applies to a transition member (P), if—

- (a) P is entitled to receive benefits payable under this scheme, including total incapacity pension, and
- (b) P was in receipt of a previous ill-health pension following an application which was received by the Secretary of State before 6th January 2007.

(2) When this paragraph applies, the scheme manager may determine after taking advice from the scheme actuary that either or both of the following benefits are reduced—

- (a) P’s total incapacity benefits in this scheme,
- (b) part of P’s ill health benefits under regulation 71 of TRP 2010 (including by reference to paragraph 39A).”

**Amendment to paragraph 40 of Schedule 3 (Entitlement to payment of a short-service serious ill-health grant)**

29. In paragraph 40 of Schedule 3, in sub-paragraph (2), for “regulations” substitute “rules”.

**Amendment to paragraph 41 of Schedule 3 (Application for payment of a surviving adult pension)**

30. In paragraph 41 of Schedule 3 omit sub-paragraph (2).

**Insertion of new paragraphs 41A to 41C of Schedule 3**

31. After paragraph 41 of Schedule 4 insert—

**“ Calculation of a surviving adult pension of a surviving adult of a transition member**

**41A.**—(1) This paragraph applies to a surviving adult pension payment to a surviving adult of a transition member.

(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.

**Long-term rate of a surviving adult pension of a surviving adult of a transition member**

**41B.** The rate of a surviving adult pension of a surviving adult (S) of a transition member is the sum of—

- (a) The surviving adult pension under this scheme,
- (b) The adult pension under the existing scheme,
- (c) any enhancement S is entitled to under regulation 145 of these regulations, and
- (d) any enhancement S is entitled to under Part 3 of schedule 9 of TPR 2010.

**Reduction of surviving adult pension**

**41C.**—(1) This paragraph applies if the surviving adult (S) of a transition member applies—

- (a) for payment of a surviving adult pension under this scheme, and
- (b) for payment of an adult pension under the existing scheme.

(2) When this paragraph applies, the scheme manager may determine after taking advice from the scheme actuary that either or both of the following enhancements of surviving adult pension benefits are reduced—

- (a) S’s enhancement of a surviving adult pension under regulation 145 of these Regulations;
- (b) S’s enhancement of a surviving adult pension under Part 3 of Schedule 9 to the existing scheme benefits.”

**Amendment to paragraph 43 of Schedule 3 (Application for payment of a child pension)**

- 32. In paragraph 43 of Schedule 3 omit sub-paragraph (2).

**Insertion of new paragraphs 43A to 43C of Schedule 3**

- 33. After paragraph 43 of Schedule 3 insert—

**“Calculation of a child pension of an eligible child of a transition member**

**43A.**—(1) This paragraph applies to a child pension payment to a child of a transition member.

(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.

**Rate of a child pension of an eligible child of a transition member**

**43B.** The long-term rate of a child pension of an eligible child (C) of a transition member is the sum of—

- (a) The child pension under this scheme,
- (b) The child pension under the existing scheme,
- (c) any enhancement C is entitled to under regulation 152 of these regulations, and
- (d) any enhancement C is entitled to under Part 3 of schedule 9 of TPR 2010.

### **Reduction of child pension**

**43C.**—(1) This paragraph applies if the eligible child (C) of a transition member applies—

- (a) for payment of a child pension under this scheme, and
- (b) for payment of a child pension under the existing scheme.

(2) When this paragraph applies, the scheme manager may determine after taking advice from the scheme actuary that either or both of the following enhancement of child pension benefits are reduced—

- (a) C’s enhancement of a child pension under regulation 152 of these Regulations;
- (b) C’s enhancement of a child pension under Part 3 of Schedule 9 to the existing scheme benefits.”

### **Amendment to paragraph 44 of Schedule 3 (Application for payment of a death in service grant)**

**34.** In paragraph 44 of Schedule 3 at the end of sub-paragraph (2) insert “other than one already recovered”.

### **Amendment to paragraph 45 of Schedule 3 (Application for payment of a death out of service grant)**

**35.** In paragraph 45 of Schedule 3 at the end of sub-paragraph (2) insert “other than one already recovered”.

### **Amendment to paragraph 51 of Schedule 3 (Residential emoluments)**

**36.** In paragraph 51 of Schedule 3, omit the words “Transfer payments in respect of the existing scheme” and insert these as the heading to paragraph 52.

### **Insertion of new paragraph 55 in Schedule 3 (Commutation: small pensions)**

**37.** In Schedule 3, after paragraph 54, insert—

#### **“Commutation: small pensions**

**55.** An application by a transition member under regulation 162 (application for payment of benefits) for a commutation under regulation 174 (commutation: small pensions) also has effect as an application for any commutation due to P under regulation 119 (commutation: small pensions) of TPR 2010.”

### **Insertion of new Schedule 4**

**38.** After Schedule 3, insert—

## **“SCHEDULE 4**

### **Valuations and employer cost cap**

#### **Valuation report**

**1.** The scheme manager must commission the scheme actuary to carry out a valuation of this scheme (“scheme valuation”) and any connected scheme, and to prepare a valuation report, in accordance with, and by reference to the effective dates set out in, Treasury directions made under sections 11(2) and 12(3) of the Act.



## Employer cost cap

2.—(1) The employer cost cap for this scheme is 10.9% of pensionable earnings of members of this scheme.

(2) If the scheme actuary reports in a valuation report that the cost cap cost of the scheme, calculated following a valuation in accordance with Treasury directions under section 11 of the Act, has gone beyond the margins specified in Treasury regulations<sup>(a)</sup> of 2 percentage points above or below the employer cost cap for this scheme, paragraph 3 applies.

3.—(1) Where this paragraph applies, the responsible authority must request the Teachers' Pension Scheme Advisory Board to consider and report, within six months of the request, whether there is agreement between the board representatives of the scheme manager, employers and members on a procedure for aligning the cost cap cost of the scheme with the employer cost cap.

(2) On receipt of the Teachers' Pension Scheme Advisory Board's report, the responsible authority must review any recommendation put forward in that report and—

(a) take advice from the scheme actuary, and

(b) consult with such persons as the responsible authority considers appropriate.

(3) The responsible authority must take such steps as have been agreed, or, if agreement is not reached, such change to the standard accrual rate as is necessary, to bring the cost cap cost of the scheme into line with the employer cost cap.

(4) Any change to the scheme provisions in accordance with sub-paragraph (3) is to take effect within four years of the effective date as at which the cost cap cost of the scheme was evaluated in the report referred to in paragraph 2(2)."

Date *Name*  
Minister of State  
Department for Education

We consent

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

## EXPLANATORY NOTE

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

These Regulations, which come into force on 1st April 2015, amend the Teachers' Pensions Regulations 2014.

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

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(a) S.I. 2014/575.