
SCOTTISH STATUTORY INSTRUMENTS

2014 No. 217

The Teachers' Pension Scheme (Scotland) Regulations 2014

PART 1

Preliminary

Citation, extent and commencement

1.—(1) These Regulations may be cited as the Teachers' Pension Scheme (Scotland) Regulations 2014 and extend to Scotland.

(2) These Regulations come into force as follows—

- (a) this Part and Part 2 come into force on 1st December 2014;
- (b) the remaining provisions come into force on 1st April 2015.

Establishment of Scottish 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 Scotland.

(2) For the purpose of these Regulations, a person in an eligible employment is a teacher.

(3) This scheme is to be known as the Scottish Teachers' Pension Scheme 2014.

Interpretation

3. In these Regulations—

“the Act” means the Public Service Pensions Act 2013;

“FA 2004” means the Finance Act 2004(1);

“PA 1995” means the Pensions Act 1995(2);

“PA 2008” means the Pensions Act 2008(3);

“PIA 1971” means the Pensions (Increase) Act 1971(4);

“PSA 1993” means the Pension Schemes Act 1993(5);

“WRPA 1999” means the Welfare Reform and Pensions Act 1999(6);

“the 2005 Regulations” means the Teachers' Superannuation (Scotland) Regulations 2005(7);

“accrued additional pension”—

(1) 2004 c.12.
(2) 1995 c.26.
(3) 2008 c.30.
(4) 1971 c.56.
(5) 1993 c.48.
(6) 1999 c.30.
(7) S.S.I. 2005/393.

- (a) for the purpose of a retirement pension other than a phased retirement pension, has the meaning given in regulation 44;
 - (b) for the purpose of a phased retirement pension, has the meaning given in regulation 45;
- “accrued club transfer earned pension”—
- (a) for the purpose of a full retirement pension, has the meaning given in regulation 44;
 - (b) for the purpose of an additional pension election, has the meaning given in regulation 45;
- “accrued earned pension”—
- (a) for the purpose of a retirement pension other than a phased retirement pension, has the meaning given in regulation 44;
 - (b) for the purpose of a phased retirement pension, has the meaning given in regulation 45;
- “accrued pension” means—
- (a) accrued earned pension;
 - (b) accrued club transfer earned pension (if any); and
 - (c) accrued additional pension (if any);
- “accrued rights” does not include a right to benefits attributable (directly or indirectly) to a pension credit;
- “active member” has the meaning given in section 124(1) of PA 1995;
- “active member’s account” has the meaning given in regulation 48;
- “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⁽⁸⁾;
- “additional pension” means—
- (a) additional (self only) pension; or
 - (b) additional (surviving adult) pension;
- “additional pension account” has the meaning given in regulation 55;
- “additional pension contributions” has the meaning given in Schedule 2;
- “additional pension election” has the meaning given in Schedule 2;
- “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⁽⁹⁾;
- “age retirement pension” means a pension payable under Chapter 2 of Part 5;
- “amount of credited pension” has the meaning given in regulation 77(3);
- “annual amount of pensionable earnings”, in relation to any year, means the amount of pensionable earnings payable in that year;
- “annual rate of pensionable earnings” means—

⁽⁸⁾ S.I. 2010/1055.

⁽⁹⁾ S.I. 2002/2788.

- (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;

"balance of contributions" means the amount of contributions repayable under regulation 183;

"buy-out contributions" has the meaning given in Part 1 of Schedule 2;

"child pension" means a pension payable under regulation 146;

"closing date", in relation to a transition member, has the meaning given in Schedule 3;

"club scheme" means a registered occupational pension scheme (other than a connected scheme) that has agreed to make and receive transfer value payments under the club transfer arrangements;

"club transfer" means a transfer to or from this scheme under the club transfer arrangements;

"club transfer arrangements" means arrangements approved by the scheme manager as providing reciprocal arrangements between this scheme and other registered occupational pension schemes for making and receiving transfer value payments;

"club transfer earned pension" means pension attributable to the receipt of a club transfer value;

"club transfer value", in relation to earned pension accrued under this scheme or under another club scheme, has the meaning given in Part 10;

"commutation amount" has the meaning given in regulation 72;

"continuity of service", in relation to a transition member, has the meaning given in Schedule 3;

"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 20;

"early retirement pension" means a pension payable under regulation 101;

"earned pension" means pension calculated by reference to a member's pensionable earnings;

"eligible child" has the meaning given in regulation 134;

"eligible employment" has the meaning given in Part 3;

"employed" means employed under a contract of employment;

"employment" means employment under a contract of employment;

"entitlement day" has the meaning given in Part 5;

"an existing club scheme" means a registered occupational pension scheme which belonged to the transfer club on the scheme closing date;

"an existing scheme" means an existing scheme as defined in section 18(2) of the Act;

"the existing scheme" means the scheme set out in the 2005 Regulations;

"faster accrual contributions" has the meaning given in Schedule 2;

"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 2;

- “financial year” means the 12 months ending with 31st March in any year;
- “full retirement additional pension” has the meaning given in regulation 67;
- “full retirement earned pension” has the meaning given in regulation 66;
- “full-time”, in relation to employment, has the meaning given in regulation 15(a);
- “GMP age” means 65 in the case of a man or 60 in the case of a woman;
- “guaranteed minimum” means a guaranteed minimum under section 14 of PSA 1993;
- “guaranteed minimum pension” has the meaning given in section 8(2) of PSA 1993;
- “ill-health pension” means a pension payable under regulation 107;
- “ill-health retirement benefits” means—
- (a) an ill-health pension; and
 - (b) a lump sum payable under regulation 162 in place of part of that pension;
- “incapacitated” has the meaning given in Chapter 6 of Part 5;
- “index adjustment” means—
- (a) in relation to the opening balance of earned pension for any financial year (other than the opening balance of club transfer earned pension), 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%;
 - (b) in relation to the opening balance of club transfer earned pension for any financial year, the adjustment that would apply to the opening balance of that amount of earned pension under the sending scheme for the previous financial year;
- “last active financial year” means the financial year in which the last day of pensionable service falls;
- “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;
- “maternity leave” means ordinary maternity leave or additional maternity leave within the meaning of the Maternity and Parental Leave etc. Regulations 1999⁽¹⁰⁾;
- “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;

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

“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 52;

“opening balance”, in relation to additional pension, has the meaning given in regulation 56;

“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(11);

“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;

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

“pension credit member’s account” has the meaning given in regulation 77;

“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 73;

“pension sharing order” means any provision or order specified in section 28 of WRPA 1999;

“period of permanent service”, in relation to service in the armed forces, has the meaning given in regulation 25;

“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 90;

“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 80(3);

“premature retirement pension” means a pension payable under regulation 98;

“prospective normal pension age”, in relation to a member’s prospective entitlement to benefits under this scheme, means the normal pension age that the scheme manager determines (by reference to Treasury directions made under section 11(2) of the Act) would apply in relation to those benefits;

“qualified”, in relation to retirement benefits payable under this scheme, has the meaning given in regulation 79;

“registered”, in relation to a pension scheme, means 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 80;

“retirement benefits” means—

- (a) a retirement pension; and
- (b) a lump sum payable under regulation 162 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;

“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 closing date” has the meaning given in Part 1 of Schedule 3;

“scheme manager” has the meaning given in Part 2;

“sending scheme” means a pension scheme to which an application is made for payment of a transfer value or club transfer value;

“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 179(1) for standard earned pension;

“standard contributions rate” has the meaning given in regulation 179(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(12); or
- (b) additional statutory paternity pay within the meaning given in regulation 2(1) of the Additional Statutory Paternity Pay (General) Regulations 2010(13);

(12) 1992 c.4.

(13) S.I. 2010/1056.

- “surviving adult” has the meaning given in regulation 131;
- “surviving adult pension” means a pension payable under regulation 139;
- “surviving civil partner” means a person who, at the time of a member’s death, was in a civil partnership **(14)** with the member;
- “surviving nominated beneficiary” has the meaning given in regulation 133;
- “surviving nominated partner” has the meaning given in regulation 132;
- “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 162 in place of part of that pension;
- “total incapacity pension” means a pension payable under regulation 113;
- “transfer club” means the club of registered occupational pension schemes which make and receive transfer value payments under the club transfer arrangements;
- “transfer day” means the day on which a pension sharing order takes effect;
- “transfer payment” means a transfer value payment or a cash transfer sum made or received by this scheme in relation to a member;
- “transfer value” in relation to accrued rights to earned pension accrued under this scheme or under another club scheme, has the meaning given in Part 10;
- “transfer value payment” means—
- (a) the payment of a transfer value or club transfer value under Part 10; or
 - (b) the payment of a transfer value under Chapter 4 of Part 4 of PSA 1993;
- “transferred pension” means pension attributable to the receipt of a transfer value payment;
- “transition member” has the meaning given in Schedule 3;
- “the Treasury order”, in relation to a given period, means the Treasury order made under section 9 (2) of the Act that specifies a percentage increase or decrease in prices in relation to that period;
- “TUPE transfer” means a transfer under the Transfer of Undertakings (Protection of Employment) Regulations 2006**(15)**.

Connected schemes

4. In these Regulations, “connected scheme” means another statutory pension scheme that is connected, within the meaning of section 4(6) of the Act, with this scheme.

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.

(14) See section 1 of the Civil Partnership Act 2004 (c.33) for the meaning of “civil partnership”.

(15) S.I. 2006/246.

- (2) For the purpose of these Regulations, P leaves pensionable service in relation to an eligible employment when—
- (a) P begins a period of non-pensionable family leave, non-pensionable sick leave or unpaid leave in relation to that employment;
 - (b) P opts out of this scheme in relation to that employment; or
 - (c) P leaves that employment.

Leaving eligible employment

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