SCOTTISH STATUTORY INSTRUMENTS

2014 No. 217

The Teachers' Pension Scheme (Scotland) Regulations 2014

PART 9

Contributions

CHAPTER 1

Interpretation of Part

Pensionable earnings for a pay period

178.—(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 25 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

179.—(1) In each pay period an active member (P) must pay contributions for standard earned pension ("standard contributions") at a rate determined in accordance with regulations ("standard contributions rate").

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

Contributions under Schedule 2

180. Schedule 2 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

181.—(1) This regulation applies if—

(a) an election under regulation 25 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 2 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(**1**) ("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)

182. 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

183.—(1) A person (P) is entitled to a repayment of the balance of contributions calculated in accordance with regulation 185 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 184 for the repayment; and

(c) paragraph (2) does not apply.

(2) This paragraph applies if—

(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(**2**).

(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(**3**).

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

(**1**) 1951 c.65.

(**2**) See regulation 121 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.

(**3**) 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).

(5) This regulation is subject to regulation 177.

Application for repayment of balance of contributions

184.—(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

185.—(1) The balance of contributions referred to in regulation 183(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 183; 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

186. The employer of a person in pensionable service (P) is to pay contributions at a percentage rate of P's pensionable earnings determined in accordance with regulations.

CHAPTER 5

Deduction and payment of contributions

Deduction of contributions from pensionable earnings

187.—(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 190(2)).

(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

188.—(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 187; and

(c) despite regulation 190, 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 187 should have been made.

Recovery of unpaid contributions from benefits

189.—(1) If the scheme manager makes a demand under regulation 188 but regulation 23 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.

Payment by employers to scheme manager

190.—(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 186;

(b) the contributions required to be deducted from P's pensionable earnings under regulation 187 (whether or not such amounts were deducted); 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.

(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.