
STATUTORY RULES OF NORTHERN IRELAND

2010 No. 136

**The Teachers' (Compensation for Redundancy and
Premature Retirement) Regulations (Northern Ireland) 2010**

PART 6

ADJUSTMENTS

Termination payments

16.—(1) This regulation applies to a credited teacher who receives a termination payment.

(2) A termination payment is the aggregate of any lump sum payments made to him by his former employer which—

- (a) are made in consequence of, or as compensation for, the loss of his former employment;
- (b) are made in pursuance of any contract or arrangement or any provision contained in, or made under, any enactment, whenever made or enacted; and
- (c) are not made by way of compensation under regulation 7 or 12 or by way of an excepted payment.

(3) The excepted payments are—

- (a) a redundancy payment in respect of the cessation of his former employment, disregarding any reduction under the Contracts of Employment and Redundancy Payments (Pensions) Regulations (Northern Ireland) 1965(1);
- (b) so much of any payment in lieu of notice of termination of that employment as does not exceed the remuneration he would, but for its termination, have received for the three months following the material date; and
- (c) compensation paid under regulation 5.

(4) If his lump sum compensation under regulation 12 would exceed the termination payment, it is to be reduced by the amount of the termination payment.

(5) If his lump sum compensation under regulation 12 would equal the termination payment, it is not to be paid.

(6) If his lump sum compensation under regulation 12 would be less than the termination payment—

- (a) it is not to be paid; and
- (b) his annual compensation under regulation 12 is to be reduced by the difference.

(7) If lump sum compensation was paid under regulation 12 before the termination payment became payable, his annual compensation under regulation 12 is to be reduced by the amount of the termination payment.

(8) Reductions of annual compensation payable under regulation 12 under paragraphs (6)(b) and (7) are reductions of the total amount payable, and accordingly payment is to be suspended until the full reduction has been achieved.

Periodic payments

17.—(1) This regulation applies where—

(a) relevant periodic payments are payable to a credited teacher or to a person to whom compensation is payable under regulation 13 (short-term compensation on death) or 14 (long-term compensation on death).

(2) Relevant periodic payments are payments made by the credited teacher's former employer which—

(a) are in respect neither of a lump sum nor of a return of contributions;

(b) are made as mentioned in regulation 16(2); and

(c) are not made under regulation 10 (short-term family benefits).

(3) If the relevant periodic payments in respect of any period equal or exceed the annual or other compensation that would be payable in respect of that period, excluding any compensation paid under regulation 7 or 10, the compensation is not to be paid.

(4) If the relevant periodic payments in respect of any period are less than the compensation referred to in paragraph (3) that compensation is to be reduced by the amount of those payments.

New employment

18.—(1) This regulation applies while a credited teacher is in employment falling within regulation E14(1)(a) or (b) ("new employment"); but if he is concurrently both in employment falling within regulation E14(1)(a) and in other new employment it applies only in respect of the former.

(2) Where this regulation applies—

(a) if the amount of the person's salary in the employment during a tax year equals or exceeds (B+C-D) no compensation under regulation 12 shall be paid in that tax year; and

(b) in any other case the compensation to which the person is entitled under regulation 12 in any tax year shall be reduced if necessary so as to secure that the compensation paid during that tax year does not exceed

$$\frac{A \times T}{U}$$

where—

A, B, C and D are the same as in regulation E14(3);

T is the full annual rate of the person's compensation under regulation 12 as increased under the 1971 Act; and

U is the total of—

(i) the full annual rate of the person's assumed retirement pension,

(ii) the full annual rate of compensation payable under regulation 7, and

(iii) the full annual rate of all compensation payable under regulation 12,

for the tax year in question as increased under the 1971 Act (or, if appropriate, in the case of the assumed retirement pension, as it would be increased under that Act).

(3) Regulation 8(3) and (4) shall apply to the payment of compensation under regulation 12 which has been reduced under paragraph (2) (taking the reference in regulation 8(3) to paragraph (2)(b) as a reference to paragraph (2)(b) and the reference in regulation 8(4) to paragraph (2) as a reference to paragraph (2)).

- (4) For the purposes of paragraph (3)—
- (a) regulation E14(3) is in every case to be construed as if the former employment were pensionable employment; and
 - (b) if the credited teacher has more than one entitlement to annual compensation payable under regulation 12, T comprises his total annual compensation payable under regulation 12 but each component is to be reduced under paragraph (3)(b) only in the proportion which it bears to that total.
- (5) References in this regulation to regulation E14 are references to regulation E14 of the Superannuation Regulations.

Cessation of new employment

- 19.—(1) This regulation applies where—
- (a) a credited teacher has ceased to be in new employment, other than employment in comparable British service; and
 - (b) the condition in paragraph (2) is satisfied.
- (2) The condition is that $A+B+(C-D)+E$ exceeds F, where—
- A is his effective service,
- B is any period, after the material date and before the earlier of the cessation of the new employment and his 65th birthday, which he is entitled, or would have been entitled if the new employment had been pensionable employment, to count as reckonable service,
- C is the credited period,
- D is any period by reference to which a previous reduction was calculated under paragraph (3),
- E is any period of additional service, or increase in his period of service, falling within paragraph 1 of Part 3 of Schedule 1, and
- F is what his effective reckonable service would be on the assumption that his former employment was pensionable employment and continued until his 65th birthday.

- (3) The full rate of his annual compensation payable under regulation 12 is to be reduced by—
- $$\frac{G \times H}{100}$$
- where—

G is whichever is the shortest of B, or (C-D), or the excess of $A+B+(C-D)+E$ over F, and

H is the smaller of his average salary in his former employment and the amount specified in paragraph (4).

- (4) The amount is—
- $$J - \frac{K}{100}$$
- where—

J is his average salary in his new employment, and

K is the amount by which an official pension within the meaning of the 1971 Act would, by the day after the cessation of the new employment, have been increased if it had begun, and first qualified for increases under that Act, on the day after the material date and had then been payable at an annual rate of £100.

- (5) For the purposes of paragraph (3) the full rate of his annual compensation payable under regulation 12 is the rate at which it would be payable if no account were taken of any suspension or reduction under regulation 16 (termination payments) or 17 (periodic payments), and any reduction required by a previous application of this regulation.

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(6) For the purposes of paragraphs (3) and (4) regulation E31 of the Superannuation Regulations (average salary) is in every case to be construed as if the former employment and the new employment were pensionable employment.

(7) The total amount of annual compensation payable under regulation 12 is to be reduced by three times the reduction under paragraph (3) in its full rate, and payment is to be suspended until the reduction required by this paragraph has been achieved.