
SCOTTISH STATUTORY INSTRUMENTS

2014 No. 217

The Teachers' Pension Scheme (Scotland) Regulations 2014

PART 4

Pension accounts

CHAPTER 7

Pensioner members' accounts

SECTION 5

Interpretation

Meaning of “full retirement earned pension”

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

- (a) the amount of accrued earned pension calculated under regulation 44(3); 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”

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

- (a) the amount of accrued additional pension calculated under regulation 44(4); 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”

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

- (a) the amount of accrued earned pension calculated under regulation 45(2); and
- (b) the leaver index adjustment for that amount.

Meaning of “phased retirement additional pension”

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

- (a) the amount of accrued additional pension calculated under regulation 45(3); and
- (b) the leaver index adjustment for that amount.

Meaning of “standard reduction”

70.—(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 a member (P) who—

- (a) was an active member immediately before the entitlement day for a phased retirement pension, premature retirement pension or early retirement pension; and
- (b) on the entitlement day for that pension—
 - (i) has reached normal minimum pension age; but
 - (ii) has not reached normal pension age.

(3) If a retirement pension becomes payable to P on or after the date on which P reaches 65, the standard reduction applies in relation to a proportion, determined by the scheme manager, of the time left until P reaches normal pension age.

Meaning of “actuarial adjustment”

71. 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”

72. In these Regulations, “commutation amount”, in relation to any pension, means the amount of pension exchanged for a lump sum under regulation 162, 165, 166 or 168.

SECTION 6

Establishment of pensioner members’ accounts

Pension accounts for active or deferred members who become pensioner members

73.—(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

- 74.—(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 91 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 7

Closure of accounts

Ill-health pension ceases to be payable

75. If an ill-health pension ceases to be payable under regulation 111 or 115, the pensioner member’s account must be closed.

Phased retirement pension ceases to be payable

76. If a phased retirement pension ceases to be payable under regulation 94, the pensioner member’s account must be closed.