
STATUTORY INSTRUMENTS

1998 No. 2256

EDUCATION, ENGLAND AND WALES

**The Teachers (Compensation for Redundancy and
Premature Retirement) (Amendment) Regulations 1998**

<i>Made</i>	- - - -	<i>23rd September 1998</i>
<i>Laid before Parliament</i>		<i>2nd October 1998</i>
<i>Coming into force</i>	- -	<i>1st November 1998</i>

The Secretary of State for Education and Employment, in exercise of the powers conferred by section 24 of the Superannuation Act 1972(1) with the consent of the Treasury(2) hereby makes the following regulations:

Citation, commencement and interpretation

1.—(1) These regulations may be cited as the Teachers (Compensation for Redundancy and Premature Retirement) (Amendment) Regulations 1998 and shall come into force on 1st November 1998, but—

- (a) regulations 3, 4(a) and (c), 8, 15, 18, regulation 2 insofar as it relates to those regulations and regulations 20 and 21 shall have effect from 1st September 1998; and
- (b) regulation 19 and regulation 2 insofar as it relates to that regulation shall have effect from 3rd February 1998.

(2) In these regulations “the Principal Regulations” means the Teachers (Compensation for Redundancy and Premature Retirement) Regulations 1997(3).

Amendment of Principal Regulations

- 2. The Principal Regulations shall be amended in accordance with regulations 3 to 19.
- 3. In regulation 2(2)—
 - (a) for the definition of “the Superannuation Regulations” there shall be substituted the following definition—

(1) 1972 c. 11.
(2) See S.I.1981/1670.
(3) S.I. 1997/311.

- “the Pensions Regulations” means the Teachers' Pensions Regulations 1997(4).”
- (b) after the definition of “credited teacher” there shall be substituted the following definition—
- “Education Action Forum” means a body corporate such as is referred to in section 11 of the School Standards and Framework Act 1998(5);”
- (c) after the definition of “relevant employment” there shall be inserted the following definition—
- “tax year” means the 12 months beginning with 6th April in any year;”.
4. In regulation 3—
- (a) for paragraph (3) there shall be substituted the following paragraph—
- “(3) In any other case, subject to paragraphs (4) to (6), relevant employment is employment falling within paragraphs 1, 1A, 3, 4, 6, 7 or 25 of Schedule 2 to the Pensions Regulations(6).”;
- (b) in paragraph (5) for “5 or 5A” substitute “6 or 7”;
- (c) in paragraph (7) after sub-paragraph (a) there shall be inserted the following sub-paragraph—
- “(aa) category AA comprises relevant employment where the teacher is employed by an Education Action Forum other than employment where the teacher is employed by the Forum by virtue of its discharging functions of the governing body of the school under section 12(2)(b) of the School Standards and Framework Act 1998.”.
5. In regulation 4—
- (a) in paragraph (7)(b)(i) and (iii) for “the Superannuation Regulations” there shall be substituted “the Pensions Regulations”;
- (b) in paragraph (7)(b)(ii) for “regulation B6 of the Superannuation Regulations” there shall be substituted “regulation B5 of the Pensions Regulations”;
- (c) in paragraph (7)(c) for “Case E in regulation E4(6)” there shall be substituted “Case C in regulation E4(4)”;
- (d) in paragraph (7)(e)(ii) for “Case F in regulation E4(7) of the Superannuation Regulations” there shall be substituted “Case D in regulation E4(5) of the Pensions Regulations”.
6. In regulation 6(2)—
- (a) in sub-paragraph (a) of the definition of “qualifying employment”, for “the Local Government Pension Scheme Regulations 1995 (“the 1995 Regulations”)” there shall be substituted “the Local Government Pension Scheme Regulations 1997(7) (“the 1997 Regulations”)”;
- (b) in sub-paragraph (b) of that definition for “the Superannuation Regulations” there shall be substituted “the Pensions Regulations”.
- (c) for sub-paragraph (f) of the definition of “relevant disqualification” there shall be substituted the following sub-paragraph—

(4) S.I. 1997/3001 as amended by S.I. 1998/2255.

(5) 1998 c. 31.

(6) Paragraph 1A of Schedule 2 was inserted by regulation 13 of S.I. 1998/2255.

(7) S.I. 1997/1612.

- “(f) the fact that the person was not eligible to be a member of the Scheme under regulation B2(2) of the Local Government Pension Scheme Regulations 1995(8),”
- (d) in the definition of “the Scheme” for “the 1995 Regulations” there shall be substituted “the 1997 Regulations”.
7. In regulation 7–
- (a) in paragraph (1) for “Case F in regulation E4(7) of the Superannuation Regulations” there shall be substituted “Case D in regulation E4(5) of the Pensions Regulations” and for “E5(5)” there shall be substituted “E5(3),”
- (b) in paragraph (2) for “the Superannuation Regulations” there shall be substituted “the Pensions Regulations”;
- (c) in paragraph (3) for “the Superannuation Regulations” there shall be substituted “the Pensions Regulations” and for “E5(5)” there shall be substituted “E5(3);”
- (d) in paragraph (4)–
- (i) for “the Superannuation Regulations” (in both places where that expression occurs) there shall be substituted “the Pensions Regulations”, and
- (ii) for “E5(3)” in both places where it occurs there shall be substituted “E5(5)”.
8. For regulation 8 there shall be substituted the following regulation–

“Abatement of annual compensation during further employment

8.—(1) This regulation applies where the amount of retirement pension paid to a person is reduced under regulation E14 of the Pensions Regulations.

(2) Where this regulation applies–

- (a) where by virtue of regulation E14(3)(a) of the Pensions Regulations(9) no retirement pension is paid during a tax year, no compensation shall be paid in that tax year; and
- (b) in any other case the compensation to which the person is entitled under regulation 7 in any tax year shall be reduced if necessary so as to secure that the compensation paid during that tax year does not exceed

$$A \times \frac{R}{S}$$

where–

A has the same meaning as in regulation E14 of the Pensions Regulations,
R is the full annual rate of the person’s compensation under regulation 7 during the tax year in question as increased under the Pensions Increase Act 1971(10), and

S is the total of–

- (a) the full annual rate of the person’s retirement pension;
- (b) the full annual rate of compensation payable under regulation 7; and
- (c) the full annual rate of all compensation payable under regulation 12,

(8) S.I. 1995/1019.

(9) Regulation E14 was amended by regulation 8 of S.I.1998/2255.

(10) 1971 c. 56.

for the tax year in question as increased under the Pensions Increase Act 1971.

(3) Where compensation falls to be reduced under paragraph (2)(b) in any tax year the compensating authority shall pay the compensation in accordance with regulation 26 at the rate which is appropriate without taking account of the reduction until the amount to which the compensation is to be reduced (on the assumption that the person will remain in employment at the same salary for the remainder of the tax year) has been paid.

(4) Once the appropriate amount of compensation has been paid as mentioned in paragraph (3) no further payment shall be made during that tax year unless the person ceases to be in the employment or is in employment at a lower salary in which case the compensating authority shall pay compensation during the remainder of the tax year to the person of such amount and at such times as is necessary in order to secure the result described in paragraph (2).”.

9. For regulation 9 there shall be substituted the following regulation–

“Supplementary Death Grants

9. Where regulation E21 of the Pensions Regulations (“regulation E21”) applies and by virtue of regulation E21(2) or (3) a supplementary death grant equal to the deficiency referred to in those paragraphs multiplied by the appropriate factor may be paid under regulation E21, a supplementary death grant may be paid by the compensating authority to the person entitled under regulation E21 equal to the deficiency referred to in regulation E21(2) or (3) less the amount of supplementary death grant that may be paid under regulation E21.”

10. In regulation 10–

- (a) in paragraph (1) for “E23 of the Superannuation Regulations” there shall be substituted “E24 of the Pensions Regulations” and for “E24(4)” there shall be substituted “E25(4)”;
- (b) in paragraph (2) for “E23” there shall be substituted “E24”.

11. In regulation 12–

- (a) the word “and” shall be inserted at the end of paragraph (4)(a) and paragraph (4)(b) shall be omitted.
- (b) in paragraphs (4)(c) and (5) (in both places where they occur) for “E5(5) or E6(3) of the Superannuation Regulations” there shall be substituted “E5(3) or E6(3) of the Pensions Regulations”;
- (c) in paragraph (10) for “the Superannuation Regulations” in both places where they occur there shall be substituted “the Pensions Regulations” and for “regulation E29” there shall be substituted “regulation E31”.

12. In regulation 13–

- (a) in paragraphs (1) and (2) (in both places where they occur) for “the Superannuation Regulations” there shall be substituted “the Pensions Regulations”;
- (b) in paragraph (3) for “E5(5) of the Superannuation Regulations” there shall be substituted “E5(3) of the Pensions Regulations”;
- (c) in paragraph (5) for “the Superannuation Regulations” there shall be substituted “the Pensions Regulations” and for “E4(7)” there shall be substituted “E4(5)”;
- (d) in paragraph (6)(a) for “E5(5) of the Superannuation Regulations” there shall be substituted “E5(3) of the Pensions Regulations”.

13. In regulation 14–

- (a) in paragraph (1)(a) for “E23 of the Superannuation Regulations” there shall be substituted “E24 of the Pensions Regulations”;
- (b) in paragraph (1)(b) for “B6” there shall be substituted “B5”.

14. In regulation 15–

- (a) in paragraph (1)(a) for “regulation E25 of the Superannuation Regulations” there shall be substituted “regulation E26 of the Pensions Regulations”;
- (b) in paragraph (1)(b) for “B6” there shall be substituted “B5”.

15. In regulation 20–

- (a) in paragraph (1) for “the Superannuation Regulations” there shall be substituted “the Pensions Regulations;”
- (b) for paragraphs (3) and (4) there shall be substituted the following paragraphs–

“(3) 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

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

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 Pensions Increase Act 1971; and

U is the total of–

- (a) the full annual rate of the person’s assumed retirement pension,
- (b) the full annual rate of compensation payable under regulation 7, and
- (c) the full annual rate of all compensation payable under regulation 12,

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

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

(5) 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.”

16. In regulation 21(6) for “E29 of the Superannuation Regulations” there shall be substituted “E31 of the Pensions Regulations”.

17. In regulation 22 after paragraph (6) there shall be inserted the following paragraph–

“(6A) Where the former employment fell within category AA the Education Action Forum shall pay to the Secretary of State on receipt of a written demand a sum equal to the actuarial value of the total compensation payable.”

18. In Schedule 1 after the entry for employment category A there shall be inserted (in the three respective columns)–

“AA	Education Action Forum	Secretary of State”.
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19. In paragraph 1 of Schedule 2 for “paragraph 29A of Part IV Schedule 10 (admitted service) to the Superannuation Regulations” there shall be substituted “paragraph 28A of Part IV of Schedule 10 (admitted service) to the Pensions Regulations(11)”.

Transitional provisions

20. In relation to the period starting on 1st September 1998 and ending on 5th April 1999 regulation 8 of the Principal Regulations as substituted by regulation 8 above shall have effect with the following modifications–

- (a) in paragraph (2)(a) for “during a tax year” there shall be substituted “during the period from 1st September 1998 to 5th April 1999 (“the initial period”)” and for “in that tax year” there shall be substituted “in the initial period”;
- (b) in paragraph (2)(b)–
 - (i) for “in any tax year” there shall be substituted “in the initial period” and for “during the tax year” there shall be substituted “during the initial period”, and
 - (ii) R and S shall be 7/12 of the values of R and S given in paragraph (2)(b),
- (c) in paragraph (3) for “in any tax year” there shall be substituted “in the initial period” and for “the tax year” there shall be substituted “the initial period”;
- (d) in paragraph (4) for “that tax year” there shall be substituted “the initial period” and for “the tax year” there shall be substituted “the initial period”.

21. In relation to the period starting on 1st September 1998 and ending on 5th April 1999 regulation 20 of the Principal Regulations as amended by regulation 15 above shall have effect with the following modifications–

- (a) in paragraph (3)(a) for “during a tax year” there shall be substituted “during the period from 1st September 1998 to 5th April 1999 (“the initial period”)” and for “in that tax year” there shall be substituted “in the initial period”;
- (b) in paragraph (3)(b)–
 - (i) for “in any tax year” there shall be substituted “in the initial period” and for “during that tax year” there shall be substituted “during the initial period”,
 - (ii) T and U shall be 7/12 of the values of T and U given in paragraph (3)(b).

(11) Paragraph 29A of Part II of Schedule 10 was inserted by regulation 14 of S.I. [1998/2255](#).

21st September 1998

Charles Clarke
Parliamentary Under Secretary of State,
Department for Education and Employment

We consent

23rd September 1998

Jim Dowd
Bob Ainsworth
Two of the Lords Commissioners of Her
Majesty's Treasury

Status: This is the original version (as it was originally made). UK
Statutory Instruments are not carried in their revised form on this site.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These regulations amend the Teachers (Compensation for Redundancy and Premature Retirement) Regulations 1997.

Provision is made for compensation where a person was employed by an Education Action Forum (regulations 4, 17 and 18). These provisions have effect from 1st September 1998.

Regulations 8 and 15 amend the provisions for reduction of compensation where a person who is entitled to compensation is in certain types of employment. These provisions again have effect from 1st September 1998 and regulations 16 20 and 21 make special provisions for the period from 1st September 1998 to 1st April 1999.

The remaining regulations are consequential on the amendments referred to above, consequential on the repeal of the Teachers' Superannuation (Consolidation) Regulations 1988 and their re-enactment with modifications by the Teachers' Pensions Regulations 1997, or on subsequent amendments to those Regulations, or consequential on changes to the Local Government Pension Scheme.