
SCOTTISH STATUTORY INSTRUMENTS

2014 No. 292

**The Teachers' Pension Scheme
(Scotland) (No. 2) Regulations 2014**

PART 5

Retirement benefits for teachers

CHAPTER 1

Interpretation

Qualifying for retirement benefits

79.—(1) A person (P) is qualified for retirement benefits in respect of a period of pensionable service if—

- (a) P has at least 2 years' qualifying service; or
 - (b) after P enters pensionable service, a transfer value payment or cash transfer sum is accepted under Part 10 (transfers) in respect of P's rights accrued under a personal pension scheme.
- (2) In these Regulations, a period of qualifying service is the total of the following—
- (a) any period of pensionable service under this scheme (other than a period of post-benefit service);
 - (b) if after P enters pensionable service under this scheme a transfer value payment or cash transfer sum has been accepted under Part 10 in respect of rights accrued under another occupational pension scheme, a period equal to the person's period as an active member in that scheme;
 - (c) for a transition member with continuity of service, any period of pensionable service under the existing scheme before the closing date.

(3) Any pensionable service in respect of which a person's rights under this scheme or the existing scheme are extinguished is not qualifying service.

Re-qualifying for retirement benefits in respect of post-benefit service

80.—(1) A person (P) is re-qualified for retirement benefits under these Regulations if—

- (a) P has at least 12 months' post-benefit qualifying service; or
 - (b) a transfer payment otherwise than from another occupational pension scheme has been accepted in relation to P during P's post-benefit service.
- (2) In these Regulations, a period of post-benefit qualifying service is the total of the following—
- (a) any period of post-benefit service under this scheme;
 - (b) for a transition member in respect of post-benefit service, any period of post-benefit service under the existing scheme before the member's transition date;

- (c) if after P enters a period of post-benefit service a transfer payment has been accepted in respect of rights accrued under another occupational pension scheme, a period equal to the person's period of pensionable service under that scheme.
- (3) For the purpose of these Regulations, P enters a period of "post-benefit service" when—
 - (a) P re-enters pensionable service—
 - (i) on or after reaching normal pension age; and
 - (ii) after a retirement pension (other than a phased retirement pension) or a short-service serious ill-health grant becomes payable; or
 - (b) P re-enters pensionable service—
 - (i) before reaching normal pension age; and
 - (ii) after a retirement pension (other than an ill health pension or phased retirement pension) or a short-service serious ill-health grant becomes payable.
- (4) For the purpose of these Regulations, P does not enter a period of "post-benefit service" if P re-enters pensionable service—
 - (a) before reaching normal pension age; and
 - (b) after an ill-health pension or phased retirement pension becomes payable.
- (5) Any period of service in respect of which P's rights under this scheme or the existing scheme are extinguished is not included in a period of post-benefit service⁽¹⁾.

Payment of retirement benefits for post-benefit service

81. For the purpose of calculating benefits in respect of a period of post-benefit service, P is taken to enter pensionable service for the first time when P enters the period of post-benefit service.

CHAPTER 2

Age retirement

Meaning of "entitlement day" (age retirement pension)

- 82.**—(1) The entitlement day for an age retirement pension is as follows.
- (2) If a person (P) is qualified for retirement benefits, the entitlement day is the earliest of the following—
 - (a) if P is in pensionable service on the day on which P reaches normal pension age—
 - (i) the day after P leaves all pensionable service; or
 - (ii) the day on which P reaches 75; and
 - (b) if P is not in pensionable service on the day on which P reaches normal pension age, the day on which P reaches normal pension age.
 - (3) If P is re-qualified for retirement benefits, the entitlement day is the earliest of the following—
 - (a) if P is in pensionable service on the date of application, the day after P leaves all pensionable service;
 - (b) if P has left all pensionable service on the date of application, such day as P specifies in the application, which must be no earlier than 6 weeks after the date of application;
 - (c) the date of P's 75th birthday.

(1) Regulation 183(4) provides for extinguishment of rights following the refund of the member's contributions. Regulation 197(6) provides for extinguishment of rights following a transfer value payment.

(4) In this regulation, “date of application” means the day on which P applies for the payment of an age retirement pension.

Entitlement to age retirement pension

83.—(1) A member (P) is entitled to payment of an age retirement pension from the entitlement day if—

- (a) P has reached normal pension age;
 - (b) P is qualified or re-qualified for retirement benefits;
 - (c) P has left all pensionable service; and
 - (d) P has applied under regulation 159 for the payment of an age retirement pension.
- (2) An age retirement pension is payable for life.

Annual rate of age retirement pension

84.—(1) This regulation applies if an active member or a deferred member (P) becomes entitled to payment of an age retirement pension.

- (2) The annual rate of age retirement pension payable to P is found by—
- (a) taking the amount of full retirement earned pension specified in P’s pensioner member’s account;
 - (b) applying the actuarial adjustment (if any) specified in that account in relation to that amount;
 - (c) subtracting the commutation amount (if any) specified in that account in relation to that amount;
 - (d) adding the amount of full retirement additional pension (if any) specified in that account; and
 - (e) subtracting the commutation amount (if any) specified in that account in relation to the sum of those amounts.

Arrears of pension payable to deferred member who becomes pensioner member after reaching normal pension age

85. A deferred member (P) who becomes a pensioner member after reaching normal pension age is entitled to be paid the total of the following—

- (a) the amount found by multiplying the sum of the amount of full retirement earned pension and the amount of full retirement additional pension (if any) specified in P’s pensioner member’s account by the period (in years and fractions of a year) for which P was a deferred member after reaching normal pension age; and
- (b) interest payable on that amount in accordance with regulation 172.

CHAPTER 3

Phased retirement

Interpretation of Chapter

86.—(1) In this Chapter—

“average annual rate”, in relation to pensionable earnings in a 6 month period, means the amount of pensionable earnings in that period multiplied by 2;

“increased annual rate”, in relation to pensionable earnings, has the meaning given in regulation 94;

“new employment” has the meaning given in regulation 88(2);

“new employment condition” has the meaning given in regulation 88;

“pensionable earnings”, for a person not in an eligible employment, means the amount which would be the person’s pensionable earnings if the employment were eligible employment;

“phased retirement application” means an application under regulation 159 for payment of a phased retirement pension;

“previous employment” has the meaning given in regulation 88(2);

“reduced annual rate”, in relation to pensionable earnings, means the annual rate of a person’s pensionable earnings following the reduction referred to in regulation 87;

“reduced annual rate condition” has the meaning given in regulation 87.

(2) When calculating the reduced annual rate or increased annual rate of a person’s pensionable earnings, any standard increase(2) which takes effect on or after the entitlement day must be ignored.

The reduced annual rate condition

87. A person (P) meets the reduced annual rate condition if—

- (a) P is in one or more eligible employments;
- (b) the terms of employment change and as a result there is a reduction in the annual amount of P’s pensionable earnings; and
- (c) the reduced annual rate is not more than 80% of the average annual rate of P’s pensionable earnings for the 6 months of pensionable service immediately before the reduction.

The new employment condition

88.—(1) A person (P) meets the new employment condition if—

- (a) P leaves all eligible employment;
- (b) within 6 months after leaving all eligible employment, P enters a new employment; and
- (c) on the day after the entitlement day referred to in regulation 89 the reduced annual rate of P’s pensionable earnings in the new employment does not exceed 80% of the average annual rate of P’s pensionable earnings for the last 6 months of the previous employment.

(2) In this regulation—

“a new employment” means—

- (a) one or more new eligible employments;
- (b) one or more employments with an employer mentioned in any paragraph in Part 2 of Schedule 1 that is not an eligible employment where P’s normal duties in the employment include providing education or services ancillary to education (other than administrative services); or
- (c) one or more new eligible employments and one or more employments mentioned in paragraph (b); and

“previous employment” means one or more previous eligible employments.

(2) See the meaning of “standard increase” in Chapter 4 of Part 3.

Meaning of “entitlement day” (phased retirement pension)

- 89.** The entitlement day for a phased retirement pension is—
- (a) if a person (P) meets the reduced annual rate condition, the day on which the reduced annual rate takes effect; or
 - (b) if P meets the new employment condition, the day on which P enters a new employment.

Entitlement to phased retirement pension

90.—(1) A person (P) is entitled to payment of a phased retirement earned pension from the entitlement day if—

- (a) P has reached 55 but has not reached 75;
- (b) P is qualified or re-qualified for retirement benefits;
- (c) P meets the reduced annual rate condition or the new employment condition;
- (d) P has made a phased retirement application; and
- (e) P has not applied under regulation 159 for payment of any other retirement pension.

(2) P is entitled to payment of a phased retirement additional pension from the entitlement day if P has applied under regulation 91 to receive an additional pension with the phased retirement earned pension.

- (3) Subject to regulation 94, a phased retirement pension is payable for life.

Phased retirement applications

91.—(1) For the purpose of regulation 90, a person (P) must make a phased retirement application within 3 months after the entitlement day.

- (2) The application must—
- (a) be accompanied by a certificate from P’s current employer stating that P meets the reduced annual rate condition or the new employment condition; and
 - (b) state whether P is applying to receive an additional pension with the phased retirement earned pension.

(3) A certificate is not required in relation to the new employment condition if the scheme manager is satisfied that P’s current employer has not received the necessary information about P’s previous employment from P’s previous employer.

Phased retirement proportion

92.—(1) A phased retirement application must specify the proportion of accrued earned pension for which payment is claimed (“phased retirement proportion”).

- (2) The phased retirement proportion must not exceed 75%.

Annual rate of phased retirement pension

93. The annual rate of phased retirement pension payable to a member (P) is found by—

- (a) taking the amount of phased retirement earned pension specified in P’s pensioner member’s account;
- (b) applying the standard reduction (if any) and the actuarial adjustment (if any) specified in that account in relation to that amount;

- (c) if P has applied to receive an additional pension with the phased retirement earned pension, adding the amount of phased retirement additional pension specified in that account;
- (d) applying the actuarial adjustment (if any) specified in that account in relation to that amount; and
- (e) subtracting the commutation amount (if any) specified in that account in relation to the sum of those amounts.

Cessation of phased retirement pension

94.—(1) A phased retirement pension ceases to be payable to a member (P) if—

- (a) in the 12 months after the entitlement day, the annual rate of P’s pensionable earnings increases; and
- (b) as a result, the increased annual rate is more than 80% of the average annual rate of P’s pensionable earnings in—
 - (i) if P met the reduced annual rate condition, the 6 months of pensionable service immediately before the reduced annual rate took effect; or
 - (ii) if P met the new employment condition, the last 6 months of the previous employment.

(2) In this regulation, “increased annual rate” means the annual rate of P’s pensionable earnings in the 12 months after the entitlement day.

Subsequent phased retirement applications

95.—(1) P may make a subsequent phased retirement application if—

- (a) a phased retirement pension ceases to be payable under regulation 94 but P once more meets the reduced annual rate condition or the new employment condition; or
- (b) while P is receiving a phased retirement pension, the terms of P’s employment change or P enters a new employment and P once more meets the reduced annual rate condition or the new employment condition.

(2) P may not make a subsequent phased retirement application if—

- (a) P has made 3 previous phased retirement applications; or
- (b) P has not reached 60 and has made 2 previous phased retirement applications.

(3) If P makes a subsequent phased retirement application after a phased retirement pension ceases to be payable—

- (a) the phased retirement proportion specified in that application must be the same as or greater than the phased retirement proportion specified in the original application;
- (b) if P applied under regulation 91 to receive an additional pension as part of the original pension, P must apply under that regulation to receive an additional pension as part of the new phased retirement pension (“the new pension”); and
- (c) if P received a lump sum under regulation 162 in place of part of the original pension (“original lump sum”)—
 - (i) P must apply under that regulation to receive a lump sum in place of part of the new pension (“new lump sum”);
 - (ii) the amount of the new lump sum must be the same as or greater than the amount of the original lump sum; and
 - (iii) the amount of lump sum payable is the amount of the new lump sum less the amount of the original lump sum.

(4) Any subsequent phased retirement application must be made in accordance with regulation 91.

(5) In this regulation—

“original application” means P’s application under regulation 159 for payment of the original pension;

“original pension” means a phased retirement pension that ceases to be payable under regulation 94;

“previous phased retirement application” includes the original application.

CHAPTER 4

Premature retirement

Interpretation “pensionable service”

96. For the purpose of this Chapter, a person in respect of whom an election under regulation 25 has effect is not treated as being in pensionable service.

Meaning of “entitlement day” (premature retirement pension)

97. The entitlement day for a premature retirement pension is the day after a person leaves all eligible employment.

Entitlement to premature retirement pension

98.—(1) A person (P) is entitled to payment of a premature retirement pension from the entitlement day if—

- (a) P has reached 55 but has not reached normal pension age;
- (b) P is qualified or re-qualified for retirement benefits;
- (c) P’s pensionable service in relation to an employment is terminated by reason of P’s redundancy or in the interests of the efficient discharge of the functions of P’s employer;
- (d) P’s employer gives written notice to the scheme manager stating that—
 - (i) P’s pensionable service was terminated by reason of P’s redundancy or in the interests of the efficient discharge of the employer’s functions; and
 - (ii) the employer agrees that a premature retirement pension should become payable to P;
- (e) P receives no compensation as a result of P’s pensionable service being terminated;
- (f) P has left all eligible employment;
- (g) P has applied under regulation 159 for payment of a premature retirement pension; and
- (h) P has not applied under that regulation for payment of any other retirement pension.

(2) P is not entitled to payment of a premature retirement pension in respect of any pensionable service after P reaches normal pension age.

(3) A premature retirement pension is payable for life.

Annual rate of premature retirement pension

99. The annual rate of premature retirement pension payable to a person (P) is found by—

- (a) taking the amount of full retirement earned pension specified in P’s pensioner member’s account;

- (b) applying the standard reduction (if any) and the actuarial adjustment (if any) specified in that account in relation to that amount;
- (c) adding the amount of full retirement additional pension (if any) specified in that account;
- (d) applying the actuarial adjustment (if any) specified in that account in relation to that amount; and
- (e) subtracting the commutation amount (if any) specified in that account in relation to the sum of those amounts.

CHAPTER 5

Early retirement

Meaning of “entitlement day” (early retirement pension)

100.—(1) The entitlement day for an early retirement pension is as follows.

(2) If a person (P) is not in eligible employment when P applies under regulation 159 for payment of the pension, the entitlement day is a day specified in P’s application which is at least 6 weeks after the day on which the application is made.

(3) If P is in eligible employment when P applies under regulation 159 for payment of the pension and P’s employer agrees that an early retirement pension should become payable to P, the entitlement day is the day after P leaves all eligible employment.

(4) If P is in eligible employment when P applies under regulation 159 for payment of the pension and P’s employer does not agree that an early retirement pension should become payable to P—

- (a) if P continues in eligible employment for at least 6 months after the date on which P asks P’s employer to agree, the entitlement day is the day after P leaves all eligible employment;
- (b) if P leaves all eligible employment before the end of 6 months after the date on which P asks P’s employer to agree, the entitlement day is a day specified in P’s application which is at least 6 weeks after the day on which the application is made.

(5) Despite paragraphs (2) to (4), the entitlement day must not be before the day on which P—

- (a) reaches 55; or
- (b) leaves all eligible employment.

Entitlement to early retirement pension

101.—(1) A person (P) is entitled to payment of an early retirement pension from the entitlement day if—

- (a) P has reached 55 but has not reached normal pension age;
- (b) P is qualified or re-qualified for retirement benefits;
- (c) P has left all eligible employment;
- (d) P has applied under regulation 159 for the payment of an early retirement pension; and
- (e) P has not applied under that regulation for payment of any other retirement pension.

(2) P is not entitled to payment of an early retirement pension in respect of any pensionable service after P reaches normal pension age.

(3) An early retirement pension is payable for life.

Annual rate of early retirement pension

102. The annual rate of the early retirement pension payable to a person (P) is found by—

- (a) taking the amount of full retirement earned pension specified in P's pensioner member's account;
- (b) applying the standard reduction (if any) and the actuarial adjustment (if any) specified in that account in relation to that amount;
- (c) adding the amount of full retirement additional pension (if any) specified in that account;
- (d) applying the actuarial adjustment (if any) specified in that account in relation to that amount; and
- (e) subtracting the commutation amount (if any) specified in that account in relation to the sum of those amounts.

CHAPTER 6

Ill health retirement

SECTION 1

General

Interpretation

103. In this Chapter—

“ill-health application” means an application under regulation 159 for payment of—

- (a) an ill-health pension; and
- (b) if applicable, a total incapacity pension;

“medical report” means a medical report accompanying an ill-health application.

Incapacity definitions

104. In this Chapter, a person (P)—

- (a) is incapacitated if, as a result of illness or injury, P is unfit to be in eligible employment despite appropriate medical treatment;
- (b) meets the incapacity condition if—
 - (i) P is incapacitated; and
 - (ii) P is likely to be incapacitated permanently; and
- (c) meets the total incapacity condition if—
 - (i) P is incapacitated; and
 - (ii) P's ability to carry out any work is impaired by more than 90% and is likely to be impaired by more than 90% permanently.

Ill-health applications

105.—(1) An ill-health application made by a person (P)—

- (a) must be accompanied by all the medical evidence necessary for the scheme manager to determine that P is entitled to the payment of an ill-health pension or a total incapacity pension; and
- (b) must be signed by P's employer unless—
 - (i) P left all eligible employment for a reason other than because P was incapacitated; or

- (ii) P made the ill-health application more than 2 years after the last day of pensionable service.
- (2) The medical evidence must include a medical report containing evidence that P meets—
 - (a) the incapacity condition; and
 - (b) if applicable, the total incapacity condition.
- (3) An application for a total incapacity pension will not be granted unless it is made—
 - (a) before P leaves all eligible employment; or
 - (b) within 2 years after the last day of pensionable service.

SECTION 2

Ill-health pension

Entitlement day for ill-health pension

- 106.**—(1) The entitlement day for an ill-health pension is the latest of the following—
- (a) the day specified in the medical report as the day on which a person (P) first met the incapacity condition or, if applicable, the total incapacity condition;
 - (b) the day which occurs 6 months before the date of a medical report following consideration of which the scheme manager is satisfied that P meets the incapacity condition or, if applicable, the total incapacity condition;
 - (c) the day after P leaves all eligible employment.

(2) The entitlement day must not be before the date of any medical report following consideration of which the scheme manager was not satisfied that P met the incapacity condition or, if applicable, the total incapacity condition.

Entitlement to ill-health pension

107.—(1) A member (P) is entitled to payment of an ill-health pension from the entitlement day if—

- (a) P is qualified or re-qualified for retirement benefits;
- (b) P has not reached normal pension age;
- (c) P has left all eligible employment;
- (d) P has applied under regulation 159 for payment of an ill health pension;
- (e) P has not applied under that regulation for payment of any other retirement pension; and
- (f) the scheme manager is satisfied after consideration of a medical report that—
 - (i) if paragraph (2) applies, P meets the incapacity condition and the total incapacity condition; or
 - (ii) if paragraph (3) applies, P meets the incapacity condition.
- (2) This paragraph applies if—
 - (a) P left all eligible employment for a reason other than because P was incapacitated; or
 - (b) P made the ill health application more than 2 years after the last day of pensionable service.
- (3) This paragraph applies if—
 - (a) P left all eligible employment because P was incapacitated; and
 - (b) P made the ill-health application—

- (i) before leaving all eligible employment; or
 - (ii) within 2 years after the last day of pensionable service.
- (4) Except as provided in regulation 111, an ill-health pension is payable for life.

No entitlement to ill-health pension

- 108.**—(1) A member (P) is not entitled to payment of an ill-health pension—
- (a) in respect of any pensionable service after P reaches normal pension age; or
 - (b) if paragraph (2) applies.
- (2) This paragraph applies if—
- (a) P is registered or formerly registered with the General Teaching Council for Scotland and—
 - (i) P's name has been removed from that Council's register following a direction by the Council's Disciplinary Committee; or
 - (ii) P is under an investigation which might result in such removal; or
 - (b) P—
 - (i) is not and has not been registered with that Council; and
 - (ii) has ceased to be in pensionable employment as a result of a dismissal on grounds of misconduct.

When ill-health pension does not become payable

- 109.**—(1) If an ill-health pension does not become payable before the death of a member (D), a death grant is payable in respect of the member.
- (2) For the purpose of paragraph (1)—
- (a) an ill-health pension does not become payable before D's death unless the initial payment of the pension is made before D's death; and
 - (b) an ill-health pension that becomes payable before D's death but ceases to be payable under regulation 111 or 115 is taken not to become payable before D's death.

Annual rate of ill-health pension

- 110.** The annual rate of ill-health pension payable to a person (P) is found by—
- (a) taking the amount of full retirement earned pension specified in P's pensioner member's account;
 - (b) adding the amount of full retirement additional pension (if any) specified in that account; and
 - (c) subtracting the commutation amount (if any) specified in that account in relation to the sum of those amounts.

When ill-health pension ceases to be payable

- 111.**—(1) An ill-health pension ceases to be payable on the earlier of the following dates—
- (a) the date on which a person (P) re-enters eligible employment;
 - (b) the date on which P engages in any work as a teacher which is not an eligible employment.

(2) An ill-health pension does not cease to be payable on that date if P has reached normal pension age.

SECTION 3

Total incapacity pension

Meaning of “entitlement day” (total incapacity pension)

112. The entitlement day for a total incapacity pension payable with an ill-health pension is the same as the entitlement day for the ill-health pension.

Entitlement to total incapacity pension

113.—(1) A total incapacity pension is payable to a person (P) from the entitlement day if—

- (a) P is entitled to an ill-health pension because the scheme manager is satisfied that P meets the incapacity condition;
- (b) P has applied under regulation 159 for payment of an ill-health pension and a total incapacity pension; and
- (c) the scheme manager is satisfied after consideration of a medical report that P meets the total incapacity condition.

(2) A total incapacity pension is not payable to P if—

- (a) P left an eligible employment for a reason other than because P was incapacitated; or
- (b) P made the ill-health application—
 - (i) after leaving all eligible employment; and
 - (ii) more than 2 years after the last day of pensionable service.

(3) Except as provided in regulation 115, the total incapacity pension is payable for life.

Annual rate of total incapacity pension

114.—(1) The annual rate of total incapacity pension payable to a person (P) is—

$$\frac{PS}{2} \times \frac{AR}{57}$$

where—

AR means P’s annual rate of pensionable earnings—

- (i) as at the last day of pensionable service; or
- (ii) if P applies for a total incapacity pension while P is in stepped down employment, as at the day before P’s annual rate of pensionable earnings was first reduced under paragraph (2);

PS means P’s prospective service (in years and fractions of a year);

“P’s prospective service” means the period beginning with the day after the entitlement day and ending on the day on which P would have reached prospective normal pension age.

(2) P is in stepped down employment if—

- (a) P is in an eligible employment;
- (b) the terms of that employment are changed wholly or partly because of P’s ill-health;
- (c) as a result of the changed terms of employment, P’s annual rate of pensionable earnings is reduced.

(3) For the purpose of paragraph (ii) of the definition of AR, P's annual rate of pensionable earnings is increased by the amount (if any) by which it would have been increased if it had been an official pension within the meaning of section 5(1) of PIA 1971—

- (a) beginning, and first qualifying for increases under that Act, on the day after the day on which P's annual rate of pensionable earnings is reduced; and
- (b) ending on the day on which the scheme manager receives P's application for the total incapacity pension.

Cessation of total incapacity pension

115.—(1) A total incapacity pension ceases to be payable to a person (P) on the date on which P's ability to carry out any work ceases to be impaired by more than 90%.

(2) For the purpose of paragraph (1), P's ability to carry out any work ceases to be impaired by more than 90% on the earliest of the following dates—

- (a) the date on which P re-enters eligible employment;
- (b) the date on which P engages in any work as a teacher which is not an eligible employment;
- (c) the date on which P engages in any other form of work unless—
 - (i) P provides the scheme manager with a certificate from a registered medical practitioner stating that, in the opinion of the practitioner, P continues to meet the total incapacity condition despite engaging in such work; and
 - (ii) the scheme manager is satisfied that P continues to meet that condition despite engaging in such work.

(3) A total incapacity pension does not cease to be payable on that date if P has reached normal pension age.

CHAPTER 7

Short-service serious ill health grant

Application for payment of grant

116.—(1) An application made by a person (P) under regulation 159 for payment of a short-service serious ill-health grant—

- (a) must be accompanied by all the medical evidence necessary for the scheme manager to determine that P is entitled to the payment; and
 - (b) must be signed by P's employer.
- (2) The medical evidence must include a medical report containing evidence that P—
- (a) meets the incapacity condition; and
 - (b) has a life expectancy of less than a year.
- (3) An application is not to be granted unless it is made—
- (a) before P leaves all eligible employment; or
 - (b) within 6 months after the last day of pensionable service.

Meaning of “entitlement day” (short-service serious ill-health grant)

117. The entitlement day for a short-service serious ill-health grant is the day after a person (P) leaves all eligible employment because P is incapacitated.

Entitlement to short-service serious ill-health grant

118.—(1) A person (P) is entitled to payment of a short-service serious ill-health grant on the entitlement day if—

- (a) P was in pensionable service (other than post-benefit service) for at least 12 months;
- (b) P leaves all eligible employment because P is incapacitated;
- (c) P is not qualified for retirement benefits;
- (d) P has not reached 75;
- (e) P has applied under regulation 159 for payment of the grant; and
- (f) the scheme manager is satisfied after consideration of the medical report that—
 - (i) P meets the incapacity condition; and
 - (ii) P has a life expectancy of less than a year.

(2) This regulation does not apply if P is in a period of post-benefit service immediately before the entitlement day.

Amount of grant

119.—(1) The amount of a short-service serious ill-health grant is the greater of—

- (a) 1/6th of the member's annual rate of pensionable earnings as at the last day of pensionable service; and
- (b) the total of the amounts specified in paragraph (2).

(2) The amounts are—

- (a) all members' contributions, additional pension contributions, buy-out contributions and faster accrual contributions paid up to the date of receipt of the application under regulation 159, 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.

CHAPTER 8

Short-service annuity for post-benefit service

Meaning of “entitlement day” (short-service annuity)

120. The entitlement day for a short-service annuity is the date specified in an application under regulation 159 for payment of the annuity, which must be no earlier than 6 weeks after the day on which the application is made.

Entitlement to short-service annuity

121.—(1) A person (P) is entitled to payment from the entitlement day of a short-service annuity in respect of post-benefit service if—

- (a) P enters a period of post-benefit service;
- (b) P is not re-qualified for retirement benefits in respect of that service;
- (c) P leaves all eligible employment; and
- (d) P has applied under regulation 159 for payment of the annuity.

(2) A short-service annuity is payable for life.

Annual rate of short-service annuity

- 122.** The annual rate of a short-service annuity is the actuarial equivalent of the sum of—
- (a) all of the member's standard contributions, faster accrual contributions (if any) and additional pension contributions (if any) in respect of a period of post-benefit service paid up to the date of receipt of the application under regulation 159; and
 - (b) interest to the date of payment at 3% per year, compounded with yearly rests on those contributions from the first day of the financial year following that in which they were paid.