
STATUTORY INSTRUMENTS

1988 No. 1374

EDUCATION, ENGLAND AND WALES

The Teachers' Superannuation (Amendment) Regulations 1988

Made - - - - 29th July 1988

Laid before Parliament 10th August 1988

Coming into force - - 1st September 1988

The Secretary of State, in exercise of the powers conferred by sections 9 and 12 of the Superannuation Act 1972⁽¹⁾ and Schedule 3 thereto, after consulting with representatives of the local education authorities, teachers and other persons likely to be affected in accordance with section 9(5) of the said Act, and with the consent of the Treasury, hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Teachers' Superannuation (Amendment) Regulations 1988, and shall come into force on 1st September 1988, but regulation 7 shall have effect as from 6th April 1988.

(2) In these Regulations “the principal Regulations” means the Teachers' Superannuation Regulations 1976⁽²⁾, and unless the context otherwise requires expressions which are also used in the principal Regulations have the same meaning as they have in those Regulations.

Definitions in principal Regulations

2. Regulation 3 of the principal Regulations is amended—

(a) in paragraph (1), by inserting in the appropriate places the following definitions:

““cash equivalent” means a cash equivalent mentioned in sub-paragraph (1) of paragraph 12 of Schedule 1A to the Pensions Act⁽³⁾, and “part cash equivalent” means the cash equivalent of any part of the benefits mentioned in that sub-paragraph which is prescribed under sub-paragraph (2A) (continuation in employment after termination of pensionable service);”;

(1) 1972 c. 11.

(2) S.I. 1976/1987; relevant amendments were made by S.I. 1978/422, 1422, 1980/919, 1043, 1982/967, 1988/816.

(3) 1975 c. 60; Schedule 1A was inserted by the Social Security Act 1985 (c. 53), Schedule 1, paragraph 3, and amended by the Social Security Act 1986 (c. 50), Schedule 10, paragraphs 29 and 30.

““club scheme” means a statutory scheme as defined in regulation 80(1)(a) or a scheme for the time being treated, with the agreement of the Treasury, as such a statutory scheme;”;

““contracted-out scheme” means a contracted-out scheme within the meaning of Part III of the Pensions Act;”;

““contributions equivalent premium” means a premium under section 42 of the Pensions Act(4);”;

““occupational pension scheme” has the meaning given in section 66(1) of the Pensions Act;”;

““the Pensions Act” means the Social Security Pensions Act 1975;”;

““personal pension scheme” has the meaning given in section 84(1) of the Social Security Act 1986;”;

(b) in paragraph (7)(a)(i), by deleting the words “, special services or extra duties”.

Part-time service

3. Regulation 5(1) of the principal Regulations is amended by inserting after sub-paragraph (c) the following:

“(d) teacher or organiser employed by the Christian Education Movement.”.

Return of contributions by deduction from salary

4. Regulation 19B of the principal Regulations is amended—

(a) in paragraph (1), by substituting for the words from “five years” to “that age” the words “whole years, selected by the teacher, not exceeding 5 and ending before his 61st birthday”; and

(b) in paragraph (6), by substituting for the words “of this regulation, the payments” the words “or if—

(a) any instalment payable pursuant to such an election is not paid by the due date, and

(b) he does not within 3 months after that date pay the amount then outstanding to the Secretary of State in a single payment, adjusted to take account of the premature payment,
the payments”.

Return of contributions by payment of instalments

5. Regulation 20(8) of the principal Regulations is amended—

(a) by deleting the word “outstanding”; and

(b) by inserting after the words “fell due” the words “, then unless within 3 months after that date he pays the amount then outstanding to the Secretary of State in a single payment, adjusted to take account of the premature payment”.

Special contributions

6. The principal Regulations are amended by substituting for regulations 35 to 45 the following:

(4) Section 42 was amended by the Social Security Act 1985, Schedule 5, paragraph 25, and by the Social Security Act 1986, Schedule 10, paragraph 21.

“Additional contributions for family benefits

35.—(1) Parts I and III of Schedule 4 have effect for enabling men and unmarried women to pay additional contributions (“family benefit contributions”) in order to secure, or to increase, family benefits in respect of reckonable service before 1st April 1972.

(2) Parts II and III of Schedule 4 have effect for enabling married women to pay family benefit contributions in respect of reckonable service before 6th April 1988.”.

Death gratuities

7. Regulation 58 of the principal Regulations is amended by substituting for paragraph (2)(b) the following:

- “(b) was immediately before his death credited with not less than 2 years' reckonable service;
and”.

Entitlement to long-term family benefits

8. Regulation 66 of the principal Regulations is amended—

- (a) in paragraph (2)(i), by substituting for the words “that Section” the words “Part I of Schedule 4”, and for the words “in respect of which a deduction falls to be made under regulation 45(1)” the words “that fell to be calculated in accordance with paragraph 7(3) of Schedule 4”;
- (b) in paragraph (3)(a), by substituting for the words “, (d) and (e)” the words “and (d)”;
- (c) by inserting after paragraph (3)(b) the following:

“and

 - (c) any period for which family benefit contributions have been paid under Section C of Part II in accordance with an election made under Part II of Schedule 4, and
 - (d) if the deceased became employed in reckonable service after 5th April 1988, any period falling within paragraph (2)(e).”.

Amounts of widows' and nominated beneficiaries' long-term pensions

9. Regulation 67 of the principal Regulations is amended—

- (a) by substituting for paragraph (2)(a) and (b) the following:

“**a**) paragraph 16 of Schedule 4 (retrospective salary increases affecting deductions from terminal sums and amounts of lump sum payments) applies, and

(b) a person entitled to limit the amount of the deduction or lump sum has done so,”;
- (b) in paragraph (3)(b), by substituting for the words “Section C of Part II” the words “paragraph 1 of Schedule 4”, and for the words “in respect of which a deduction falls to be made under regulation 45(1)” the words “that fell to be calculated in accordance with paragraph 7(3) of Schedule 4”.

Interchanges, etc.

10. The principal Regulations are amended—

- (a) in regulation 80(1)(b), by substituting for the words “or under Chapter II of Part II of the Finance Act 1970 or” the words “or a scheme approved under Chapter I of Part XIV of the

Income and Corporation Taxes Act 1988(5) (other than one falling within section 591(2)(h) of that Act) or a scheme”; and

(b) by substituting for regulations 81 to 84 the following:

“Payment of transfer values

81.—(1) Subject to paragraphs (2) to (7), a transfer value is to be paid in respect of a person who has ceased to be employed in reckonable service and has become subject to an approved superannuation scheme or personal pension scheme (“the receiving scheme”).

(2) The person must have made a written application to the Secretary of State, within 12 months after the day on which he became subject to the receiving scheme, for the transfer value to be paid.

(3) A transfer value is not to be paid if one was paid before 1st September 1988 in relation to the same transfer.

(4) A transfer value is not to be paid in respect of a person who, when the application was received, had become entitled under regulation 53 to payment of allowances or under regulation 46(2) or 57 to an annuity or short service gratuity, unless the employment in which he has become subject to the receiving scheme is comparable British service and he entered it—

- (a) immediately after ceasing to be employed in reckonable service, or
- (b) on or before his 60th birthday,

and has not applied for payment of any benefit.

(5) A transfer value is not to be paid if the receiving scheme is an approved superannuation scheme which is administered wholly or primarily in the United Kingdom and is not a contracted-out scheme, unless the person—

- (a) has been employed in reckonable service for less than 2 years or is not qualified for benefits, or
- (b) ceased to be employed in reckonable service before 6th April 1978, or
- (c) is a married woman or widow who, by virtue of an election made or treated as made under regulations under section 3 of the Pensions Act, either is liable to pay primary Class 1 contributions or Class 2 contributions at a reduced rate or is under no liability to pay Class 2 contributions.

(6) A transfer value is not to be paid if the person has acquired a right to a cash equivalent, unless—

- (a) the service to which the cash equivalent relates includes service before 1st September 1988, and
- (b) the right has been exercised by requiring the whole of the cash equivalent to be paid to the person responsible for the management of an approved superannuation scheme which is not a club scheme.

(7) A transfer value is not to be paid if the person—

- (a) has acquired a right to a part cash equivalent, and
- (b) would on taking that right remain qualified for an annual allowance and an additional allowance under regulation 53.

Amounts of transfer values

82.—(1) Part I of Schedule 7 has effect, subject to paragraphs (2) and (3), for determining the amounts of transfer values payable under regulation 81.

(2) Unless the receiving scheme is a club scheme, where—

- (a) the person in respect of whom a transfer value is payable had become entitled to count reckonable service under regulation 84 (receipt of transfer value), and
- (b) the amount determined in accordance with Part I of Schedule 7, together with that of any cash equivalent paid on the transfer, is less than the appropriate amount,

a transfer value of the appropriate amount is to be paid.

(3) The appropriate amount is $A+B-C$, where—

A is the transfer value received under regulation 84,

B is the total of the contributions paid by the person under Part II, except any that fell to be treated as employer's contributions, and

C is any cash equivalent paid on the transfer.

Termination of right to count reckonable service

83. A person—

- (a) in respect of whom a transfer value has been paid under regulation 81, or
- (b) who has acquired a right to a cash equivalent and exercised the option to take that right,
ceases to be entitled to count as reckonable service, or as a period of employment in reckonable service, any period to which the transfer value or cash equivalent related.

Receipt of transfer values

84.—(1) Subject to paragraphs (2) to (6), a transfer value offered to the Secretary of State by the person responsible for the management of an approved superannuation scheme or personal pension scheme ("the previous scheme") in respect of a person who has become employed in reckonable service may be accepted.

(2) The person must have made a written request to the Secretary of State for the transfer value to be accepted.

(3) Unless the employment in which the person was subject to the previous scheme was comparable British service, the request must have been made within 12 months after the day on which he became employed in reckonable service.

(4) A transfer value is not to be accepted if one was accepted before 1st September 1988 in relation to the same transfer.

(5) Subject to paragraph (6), a transfer value is not to be accepted if—

- (a) before the end of the employment in which he was subject to the previous scheme the person became entitled under regulation 53 to payment of allowances, or
- (b) he has become entitled to payment of benefits under a provision of a statutory scheme corresponding to regulation 53.

(6) Paragraph (5) does not apply if the employment in which he was subject to the previous scheme was comparable British service and he became employed in reckonable service—

- (a) immediately after the end of the employment, or
- (b) on or before his 60th birthday.

(7) A person in respect of whom a transfer value has been accepted is entitled to count reckonable service in accordance with Part II of Schedule 7.”.

Employment which is reckonable service

11. Schedule 1 to the principal Regulations is amended—

- (a) in paragraph 3, by substituting for the word “proprietor” the words “person responsible for its management”;
- (b) in paragraph 5, by substituting for the words “of further education” the words “providing further education” and by substituting for the words “Secretary of State or” the words “Secretary of State, by a body to which grants are made by the Secretary of State, or by”;
- and
- (c) by inserting after paragraph 25 the following:

“**26.** Teacher in a university, if—

- (a) he was employed as a teacher in an establishment of further education described in paragraph 4 or 5 which has ceased to fall within that description and become part of the university,
- (b) he was so employed immediately before it did so, and
- (c) within 6 months after it did so he so elects with the agreement of his university employer.”.

Purchase of past added years

12.—(1) Part I of Schedule 2A to the principal Regulations is amended—

- (a) in paragraph 2(1), by deleting the words “not less than 5 in number”;
- (b) in paragraph 3(2), by inserting after the words “Table 1” the words “or, as the case may be, Table 1A”; and
- (c) by inserting after Table 1 the following:

“TABLE 1A

Period of contribution in years	1	2	3	4
Teacher’s age	Percentage contribution in respect of each year purchased			
20	32.96	15.97	10.35	7.59
21	31.79	15.32	9.88	7.20
22	30.66	14.71	9.45	6.84
23	29.59	14.15	9.05	6.52
24	28.57	13.62	8.69	6.24

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Period of contribution in years	1	2	3	4
Teacher's age	Percentage contribution in respect of each year purchased			
25	27.61	13.14	8.36	5.99
26	26.63	12.71	8.10	5.81
27	25.74	12.31	7.86	5.64
28	24.93	11.95	7.64	5.50
29	24.20	11.63	7.45	5.37
30	23.55	11.34	7.28	5.26
31	23.04	11.12	7.15	5.17
32	22.59	10.91	7.03	5.10
33	22.18	10.73	6.93	5.03
34	21.83	10.58	6.85	4.98
35	21.52	10.45	6.78	4.94
36	21.31	10.37	6.73	4.92
37	21.14	10.30	6.70	4.90
38	20.99	10.25	6.67	4.89
39	20.87	10.21	6.66	4.89
40	20.78	10.18	6.65	4.89
41	20.75	10.18	6.65	4.90
42	20.74	10.18	6.67	4.91
43	20.74	10.20	6.68	4.93
44	20.76	10.22	6.70	4.95
45	20.81	10.25	6.73	4.97
46	20.87	10.29	6.76	5.00
47	20.94	10.33	6.80	5.03
48	21.04	10.39	6.84	5.06
49	21.16	10.45	6.89	5.10
50	21.29	10.52	6.94	5.15
51	21.44	10.61	7.00	5.20
52	21.61	10.70	7.07	5.25
53	21.80	10.80	7.15	5.32
54	22.01	10.92	7.23	5.39
55	22.23	11.04	7.32	5.46
56	22.59	11.24	7.47	5.58

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Period of contribution in years	1	2	3	4
Teacher's age	Percentage contribution in respect of each year purchased			
57	23.00	11.48	7.64	5.73
58	23.47	11.74	7.84	5.89
59	23.99	12.04	8.07	6.08
60	24.57	12.38	8.31	6.28
61	24.05	12.12	8.14	6.15
62	23.53	11.85	7.96	6.02
63	23.01	11.59	7.79	5.88
64	20.28	10.14	6.76	5.07
65	21.97	11.07	7.43	5.62
66	21.44	10.78	7.23	5.45
67	20.91	10.49	7.02	5.28
68	20.39	10.20	6.81	5.11
69	19.86	9.91	6.60	4.94".

(2) Part III of Schedule 2A to the principal Regulations is amended—

- (a) in paragraph 2(1)(a)(ii), by substituting for the words “less than 5 nor” the words “less than one year nor”;
- (b) in paragraph 2(1)(b), by inserting after the words “a period of” the words “not less than one year nor more than”;
- (c) in paragraph 3, by deleting the words “or 5”;
- (d) in paragraph 4(1), by deleting the words from “In the case” to “election”;
- (e) in paragraph 4(2), by deleting the words “In such case” and by substituting for the words “the following Table 4” the words “the appropriate Table”;
- (f) by inserting after paragraph 4(2) the following:
 - “(2A) The appropriate Table—
 - (a) in the case of a teacher who has not attained the age of 55 on 1st October next following his giving notice of his election, is Table 4 or, as the case may be, Table 4A below, and
 - (b) in any other case, is Table 5 below.”;
- (g) by deleting paragraph 5; and
- (h) by inserting after Table 4 the following:

“TABLE 4A

Range within which relevant rate of interest falls %				
Contribution period in years				
1	2	3	4	
5.00—5.49	0.0859	0.0441	0.0302	0.0233
5.50—5.99	0.0861	0.0444	0.0305	0.0235
6.00—6.49	0.0863	0.0446	0.0307	0.0238
6.50—6.99	0.0865	0.0448	0.0309	0.0240
7.00—7.49	0.0868	0.0450	0.0311	0.0242
7.50—7.99	0.0870	0.0452	0.0314	0.0244
8.00—8.49	0.0872	0.0455	0.0316	0.0247
8.50—8.99	0.0874	0.0457	0.0318	0.0249
9.00—9.49	0.0877	0.0459	0.0320	0.0251
9.50—9.99	0.0879	0.0461	0.0323	0.0254
10.00—10.49	0.0881	0.0463	0.0325	0.0256
10.50—10.99	0.0883	0.0466	0.0327	0.0258
11.00—11.49	0.0886	0.0468	0.0329	0.0260
11.50—11.99	0.0888	0.0470	0.0332	0.0263
12.00—12.49	0.0890	0.0472	0.0334	0.0265
12.50—12.99	0.0892	0.0475	0.0336	0.0268
13.00—13.49	0.0894	0.0477	0.0338	0.0270
13.50—13.99	0.0897	0.0479	0.0341	0.0272
14.00—14.49	0.0899	0.0481	0.0343	0.0275
14.50—14.99	0.0901	0.0484	0.0345	0.0277
15.00—15.49	0.0903	0.0486	0.0348	0.0279
15.50—15.99	0.0906	0.0488	0.0350	0.0282
16.00—16.49	0.0908	0.0490	0.0352	0.0284
16.50—16.99	0.0910	0.0493	0.0355	0.0287
17.00—17.49	0.0912	0.0495	0.0357	0.0289
17.50—17.99	0.0914	0.0497	0.0359	0.0292
18.00—18.49	0.0917	0.0499	0.0362	0.0294
18.50—18.99	0.0919	0.0502	0.0364	0.0296
19.00—19.49	0.0921	0.0504	0.0366	0.0299

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Range within which relevant rate of interest falls %				
Contribution period in years				
1	2	3	4	
19.50—19.99	0.0923	0.0506	0.0369	0.0301

TABLE 5

Range within which relevant rate of interest falls %					
Contribution period in years					
1	2	3	4	5	
5.00—5.49	0.0860	0.0443	0.0304	0.0235	0.0194
5.50—5.99	0.0863	0.0445	0.0306	0.0237	0.0196
6.00—6.49	0.0865	0.0448	0.0309	0.0239	0.0198
6.50—6.99	0.0867	0.0450	0.0311	0.0242	0.0200
7.00—7.49	0.0869	0.0452	0.0313	0.0244	0.0203
7.50—7.99	0.0872	0.0454	0.0315	0.0246	0.0205
8.00—8.49	0.0874	0.0456	0.0318	0.0249	0.0207
8.50—8.99	0.0876	0.0459	0.0320	0.0251	0.0210
9.00—9.49	0.0878	0.0461	0.0322	0.0253	0.0212
9.50—9.99	0.0881	0.0463	0.0324	0.0256	0.0214
10.00—10.49	0.0883	0.0465	0.0327	0.0258	0.0217
10.50—10.99	0.0885	0.0468	0.0329	0.0260	0.0219
11.00—11.49	0.0887	0.0470	0.0331	0.0263	0.0222
11.50—11.99	0.0890	0.0472	0.0334	0.0265	0.0224
12.00—12.49	0.0892	0.0474	0.0336	0.0267	0.0226
12.50—12.99	0.0894	0.0476	0.0338	0.0270	0.0229
13.00—13.49	0.0896	0.0479	0.0340	0.0272	0.0231
13.50—13.99	0.0898	0.0481	0.0343	0.0274	0.0234
14.00—14.49	0.0901	0.0483	0.0345	0.0277	0.0236
14.50—14.99	0.0903	0.0485	0.0347	0.0279	0.0239
15.00—15.49	0.0905	0.0488	0.0350	0.0282	0.0241
15.50—15.99	0.0907	0.0490	0.0352	0.0284	0.0244
16.00—16.49	0.0910	0.0492	0.0354	0.0287	0.0246

Range within which relevant rate of interest falls %					
Contribution period in years					
1	2	3	4	5	
16.50—16.99	0.0912	0.0494	0.0357	0.0289	0.0249
17.00—17.49	0.0914	0.0497	0.0359	0.0291	0.0251
17.50—17.99	0.0916	0.0499	0.0361	0.0294	0.0255
18.00—18.49	0.0919	0.0501	0.0364	0.0296	0.0257
18.50—18.99	0.0921	0.0504	0.0366	0.0299	0.0260
19.00—19.49	0.0923	0.0506	0.0369	0.0301	0.0262
19.50—19.99	0.0925	0.0508	0.0371	0.0304	0.0265”.

Family benefit contributions

13. The principal Regulations are amended by substituting for Schedule 4 the following:

“SCHEDULE 4

Regulation 35

FAMILY BENEFIT CONTRIBUTIONS

PART I

MEN AND UNMARRIED WOMEN

1.—(1) In this Part—

“the Fund” means the Teachers' Family Benefits Fund established by regulation 15 of the 1966 Regulations and continued by regulation 15 of the 1970 Regulations;

“member” means a man who—

- (a) has been employed in reckonable service at any time after 31st March 1972, and
- (b) immediately before 1st April 1972 had service counting for benefit within the meaning of regulation 40 of the 1970 Regulations, and
- (c) has not received a repayment of contributions paid by him under the 1966 Regulations or the 1970 Regulations; and

“non-member” means a man, other than a member, who—

- (a) has been employed in reckonable service at any time after 31st March 1972, and
- (b) is entitled to count a period that ended before 1st April 1972 as reckonable service.

(2) A member's normal contributions are the contributions paid by him under regulation 27 of the 1966 Regulations or regulation 27 of the 1970 Regulations, and his normal service is the period in respect of which he paid them.

(3) A member's additional contributions are any contributions paid by him under regulation 28 of the 1966 Regulations or under regulation 28 or 29 of the 1970 Regulations, and the additional period is the period in respect of which he elected to pay them.

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(4) A member's deemed normal service is two thirds of any service before 1st April 1972 in respect of which the full amount of normal contributions was held in the Fund immediately before that date.

(5) A member's deemed additional service is

$$\frac{A \times B}{C},$$

where—

A is the factor ascertained from Table 1 below,

B is the amount of the additional contributions held in the Fund immediately before 1st April 1972, and

C is the annual rate of his salary at that time.

TABLE 1

Age at last birthday before 1st April 1972	Factor
18	23.8
19	26.5
20	29.1
21	31.6
22	34.0
23	36.2
24	38.3
25	40.3
26	42.2
27	44.0
28	45.7
29	47.3
30	48.8
31	50.2
32	51.5
33	52.7
34	53.8
35	54.7
36	55.3
37	55.6
38	55.8
39	55.9
40	55.9

Age at last birthday before 1st April 1972	Factor
41	55.8
42	55.6
43	55.3
44	55.1
45	54.9
46	54.8
47	54.7
48	54.6
49	54.5
50	54.5
51	54.4
52	54.4
53	54.3
54	54.3
55	54.2
56	54.2
57	54.1
58	54.1
59	54.0
60 and over	54.0

(6) A member's credited service is 165.6% of the total of his deemed normal service and any deemed additional service.

(7) References in this Part to "Method I", "Method II" and "Method III" are references to the Methods so designated in the 1966 Regulations and the 1970 Regulations.

2. Paragraphs 3 and 4 have effect subject to paragraph 5.

3.—(1) Subject to sub-paragraph (3), a member who elected to pay additional contributions by Method I or Method II may elect to pay family benefit contributions in respect of all or part of a period not exceeding in length the difference between his credited service and the total of the additional period and his normal service.

(2) Subject to sub-paragraph (3), a member who elected to pay additional contributions by Method III may by an election under this paragraph—

- (a) revoke the earlier election, or
- (b) revoke the earlier election and elect to pay family benefit contributions in respect of the additional period, or part of it, or
- (c) vary the earlier election so as to relate to part only of the additional period and elect to pay family benefit contributions in respect of the remaining part.

(3) The period in respect of which a member elects to pay family benefit contributions as mentioned in sub-paragraph (1) or (2) is not to exceed

$$A - \left(B - \frac{5 \times (C - B)}{6} \right),$$

where—

A is the length of reckonable service attributable to any period that ended before 1st April 1972,

B is the total length of his normal service and the additional period, and

C is the length of his credited service.

(4) A member may elect to pay family benefit contributions in respect of all or part of any period in respect of which he could have elected, but did not elect, to pay additional contributions.

4. A non-member or an unmarried woman may elect to pay family benefit contributions in respect of the whole or a part of any reckonable service attributable to a period that ended before 1st April 1972.

5.—(1) A man who has become entitled to payment of allowances may not make an election under paragraph 3 or 4.

(2) An election under paragraph 3 or 4 must—

- (a) be made by giving written notice to the Secretary of State within the period specified in sub-paragraphs (3) to (5),
- (b) specify the period in respect of which it is made, and
- (c) specify the rate at which family benefit contributions are to be paid, which must comply with paragraph 14(2) and (3),

has effect from the date on which the notice is received by the Secretary of State, and, except as provided in paragraph 14(4), is irrevocable.

(3) Subject to sub-paragraph (4), a man may only make an election under paragraph 3 or 4 within 6 months after—

- (a) his marriage while in employment in reckonable service, or
- (b) his returning to such employment after becoming married while not in such employment, or
- (c) where sub-paragraph (4) had become applicable, his returning to such employment after ceasing to be in such employment within 6 months after the previous return, or
- (d) his nomination of a beneficiary under regulation 63,

whichever occurs first.

(4) An election under paragraph 3 or 4 may be made by—

- (a) a member who was not continuously in employment in reckonable service for 6 months or more after 30th April 1974 and before 1st January 1977, or
- (b) a non-member who was not continuously in such employment for 6 months or more after 26th June 1973 and before 1st January 1977,

only within 6 months after returning to such employment.

(5) A woman may only make an election under paragraph 4 within 6 months after nominating a beneficiary.

6.—(1) Where a person has made an election under paragraph 3(2) or (4) or paragraph 4 the period during which, subject to paragraph 14(7) to (10), the family benefit contributions are to be paid (“the payment period”) is to be ascertained from, or where the period in respect of which the election was made is not an exact number of years by extrapolation from, Table 2 below.

TABLE 2

Age on date from which contributions are payable	Period in years for which contributions are to be paid in respect of each year of period specified in election								
Rate of contributions	1%	2%	3%	4%	5%	6%	7%	8%	9%
27 or under	2.90	1.45	.97	.73	.58	.48	.41	.36	.32
28—37	2.95	1.48	.98	.74	.59	.49	.42	.37	.33
38—42	3.00	1.50	1.00	.75	.60	.50	.43	.375	.335
43—47	3.05	1.52	1.02	.76	.61	.51	.435	.38	.34
48 and over	3.10	1.55	1.03	.77	.62	.52	.44	.39	.345

(2) Where a man has made an election under paragraph 3(1) the payment period is, subject to paragraph 14, 5/6ths of the period ascertained in accordance with sub-paragraph (1).

7.—(1) This paragraph applies where a member who elected to pay additional contributions by Method III has not revoked that election, and he—

- (a) dies in employment in reckonable service leaving a widow or having nominated a beneficiary under regulation 63, or
- (b) becomes qualified for allowances while married or after nominating a beneficiary.

(2) Where this paragraph applies there is to be deducted from the appropriate terminal sum an amount of

$$\frac{A \times B}{100} \times \frac{5 \times C}{6}$$

where—

A is the member’s average salary,

B is the factor ascertained from Table 3 below, and

C is the period calculated in accordance with sub-paragraph (3).

TABLE 3

Age	Factor
39 or under	3.5
40 to 49	3.4

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Age	Factor
50	3.3
51	3.3
52	3.3
53	3.2
54	3.2
55	3.2
56	3.1
57	3.1
58	3.1
59	3.0
60	3.0
61	3.0
62	3.0
63 and over	2.9

(3) The period is $(D+E)-(F+G+H)$, where—

D is the additional period in respect of which he elected to pay contributions by Method III, together with any additional period for which he elected to pay contributions by Method I or II,

E is his normal service,

F is his credited service,

G is any period or periods for which he has elected to pay family benefit contributions under paragraph 3, and

H is any additional period in respect of which he elected to pay contributions by Method I or II, less his credited service in respect of deemed additional service attributable to contributions so paid, and less any period for which he has elected under paragraph 3(1) to pay family benefit contributions.

8.—(1) Subject to sub-paragraphs (2) and (3), a member or non-member who—

(a) is not employed in reckonable service and has become entitled to payment of allowances, and

(b) would otherwise have been able to make an election under paragraph 3 or 4,

may make a corresponding election under this paragraph.

(2) An election under this paragraph—

(a) must be made by giving written notice to the Secretary of State within 6 months after the date on which the man became entitled to payment of allowances,

(b) must specify the period in respect of which it is made, and

(c) is irrevocable.

(3) The family benefit contributions payable as a result of an election under this paragraph consist of a lump sum of

$$\frac{A}{100} \times (B \times C),$$

where—

A is the annual rate at which his salary was last payable,

B is the length, expressed in years and any fraction of a year, of the period in respect of which the election was made, and

C is the factor ascertained from Table 4 below,

but where the election made corresponds to one that could have been made under paragraph 3(1), B is reduced by 1/6th.

TABLE 4

<i>Age on date of election</i>	<i>Factor</i>
27 and under	2.90
28—37	2.95
38—42	3.00
43—47	3.05
48 and over	3.10

9.—(1) This paragraph applies where—

- (a) a member or non-member dies before becoming entitled to payment of allowances, and
- (b) he has not made an election under paragraph 3 or 4, but could still have done so if he had not died, and
- (c) he leaves a widow.

(2) Where this paragraph applies the widow may, subject to sub-paragraph (3), elect to pay family benefit contributions in respect of a period comprising all or part of so much of the deceased's reckonable service as would otherwise not count in the calculation of family benefits.

(3) An election under this paragraph—

- (a) must be made by giving written notice to the Secretary of State within 3 months after the death, and
- (b) must specify the period in respect of which it is made, and
- (c) must result in a total of not less than 2 years' reckonable service counting in the calculation of family benefits, and
- (d) ceases to have effect if the family benefit contributions are not paid within 3 months after its date.

(4) The family benefit contributions payable as a result of an election under this paragraph consist of a lump sum which is the actuarial equivalent of the contributions that would have been payable by the deceased if—

- (a) he had made an election under paragraph 3, or as the case may be paragraph 4, in respect of the same period, and
- (b) notice of that election had been given on the day before his death and had specified as the rate at which family benefit contributions were to be paid the maximum allowed by paragraph 14(2) and (3).

PART II

married women

10.—(1) Subject to sub-paragraph (3) and paragraph 11, a woman in relation to whom the election conditions are satisfied may elect to pay family benefit contributions in respect of the whole or a part of any reckonable service attributable to a period—

- (a) that ended before 1st April 1972, or
- (b) for which contributions have been paid under regulations 24 to 31 (past and current added years),

or attributable to the receipt before 6th April 1988 of a transfer value.

(2) Subject to sub-paragraph (3) and paragraph 11, a woman in relation to whom the election conditions are satisfied may elect to pay family benefit contributions in respect of the whole or a part of any reckonable service not falling within sub-paragraph (1) which is attributable to a period that—

- (a) began after 31st March 1972 and ended before 6th April 1988, and
- (b) would otherwise not count in calculating any pension becoming payable to her widower.

(3) Where an election is made in respect of a part only of any service, the part must consist of one or more whole years.

(4) The election conditions are that she is married, and either—

- (a) is employed in reckonable service, or
- (b) ceased after 5th April 1988 and before 1st April 1989 to be so employed and immediately became entitled to payment of allowances.

11.—(1) An election under paragraph 10(1) or (2)—

- (a) must be made by giving written notice to the Secretary of State within the period specified in sub-paragraphs (2) to (4),
- (b) must specify the period in respect of which it is made,
- (c) must state whether the contributions are to be paid by Method A (periodical payments) or by Method B (lump sum),
- (d) if the contributions are to be paid by Method A, must specify the rate at which they are to be paid, which must comply with paragraph 14(2) and (3),
- (e) has effect from the date on which the notice is received by the Secretary of State, and
- (f) except as provided in paragraph 14(4), is irrevocable.

(2) The period within which an election may be made is one of 6 months beginning on the relevant date.

(3) Where paragraph 10(4)(b) applies, the relevant date is 1st October 1988; in any other case, subject to sub-paragraph (4), the relevant date is the first date after 30th September 1988 on which the election conditions are satisfied.

(4) If during the period of 6 months beginning on that first date the election conditions cease to be satisfied, the relevant date becomes the first date on which they are again satisfied.

(5) A woman who could make an election under paragraph 10(2) may only make one under paragraph 10(1) if, and at the same time as, she elects under paragraph 10(2) to pay family benefit contributions in respect of the whole of the reckonable service there mentioned.

(6) Where elections are made both under paragraph 10(1) and under paragraph 10(2) they must specify the same method of payment.

- (7) Payment may not in any case be made by Method A if—
- (a) the payment period would be less than one year, or
 - (b) the woman is employed part-time in reckonable service, or
 - (c) she is not employed in reckonable service.

12.—(1) Subject to sub-paragraph (2), where payment is to be made by Method A the payment period is to be ascertained from, or where the period in respect of which the election was made is not an exact number of years by extrapolation from, Table 5 below.

TABLE 5

Rate of contributions	Period in years for which contributions are to be paid in respect of each year of period specified in election	
Election under paragraph 10(1)	Election under paragraph 10(2)	
1%	1.45	0.42
2%	0.69	0.20
3%	0.46	0.14
4%	0.33	0.10
5%	0.27	0.08
6%	0.22	0.07
7%	0.18	0.06
8%	0.16	0.05
9%	0.14	0.04

(2) If the period ascertained in accordance with sub-paragraph (1) (“the Table period”) does not end with the last day of a month, the payment period ends with the last day of the month in which the Table period ends.

(3) Where payment is to be made by Method B the lump sum payable, which must be paid within 3 months after its amount is notified by the Secretary of State, is—

- (a) for each year of service in respect of which an election was made under paragraph 10(1), 1.25%, and
- (b) for each year of service in respect of which an election was made under paragraph 10(2), 0.4%,

of the appropriate amount, and pro rata for any period of less than a year.

(4) The appropriate amount is—

- (a) where the woman was employed in reckonable service when the election took effect, the annual rate of her salary at that time, and
- (b) in any other case, her average salary.

13.—(1) The widower of a woman who—

- (a) died during the period beginning on 6th April 1988 and ending with 31st March 1989 without having made an election under paragraph 10, and
- (b) either was employed in reckonable service when she died or had ceased during that period to be so employed,

may make a corresponding election under this paragraph.

(2) A married woman who—

- (a) ceased to be employed in reckonable service during the period mentioned in sub-paragraph (1), and
- (b) on ceasing to be so employed did not immediately become entitled to payment of allowances,

may make a corresponding election under this paragraph if the conditions in sub-paragraph (3) are satisfied.

(3) The conditions are that—

- (a) she did not again become employed in reckonable service, and
- (b) she has become entitled to payment of allowances.

(4) Where a woman to whom sub-paragraphs (2) and (3) would otherwise have applied dies before becoming entitled to payment of allowances, her widower may make a corresponding election under this paragraph.

(5) An election under this paragraph—

- (a) must be made by giving written notice to the Secretary of State within the appropriate period,
- (b) must specify the period in respect of which it is made, and
- (c) is to be treated as an election to make payment by Method B.

(6) The appropriate period is—

- (a) where sub-paragraph (1) applies, the period beginning on 1st October 1988 and ending with 31st March 1989,
- (b) where sub-paragraphs (2) and (3) apply, 6 months from the date on which she became entitled to payment of allowances, and
- (c) where sub-paragraph (4) applies, 3 months from the date of her death.

PART III

common provisions

14.—(1) This paragraph applies where—

- (a) an election is made under paragraph 3 or 4, or
- (b) an election is made under paragraph 10 to pay family benefit contributions by Method A.

(2) The rate at which family benefit contributions are to be paid, and any higher rate substituted by an election under sub-paragraph (4), must be an integral percentage, not in any case exceeding 9, of the person's salary.

(3) If he is paying additional contributions for past added years, or towards the provision of a pension otherwise than under these Regulations, sub-paragraph (2) has effect with the substitution for "9" of the number obtained by deducting from 9 the percentage rate of those contributions.

(4) The election may at any time be varied by an election to pay the family benefit contributions at a specified higher rate.

(5) Before 2nd October 1988, Schedule 3 to the 1975 Act shall continue to apply to him as though the amendments made to it by section 6 of the 1988 Act had not been enacted until the day specified in the following paragraph.

(4) The day referred to in the preceding paragraph is—

- (a) where that period of interruption of employment ends before 2nd October 1989, the day immediately following the last day of that period,
- (b) where the period of interruptible service or paying additional contributions for current added years—
 - (a) the interval is not part of the payment period, but
 - (b) the end of the payment period is postponed by the length of the interval.

(8) If after the start of the payment period the person becomes employed part-time in reckonable service, the length of the payment period is increased by so much of the period of part-time employment as does not count as reckonable service.

(9) If the original election is varied by one made under sub-paragraph (4) (“the further election”) a new payment period begins on the effective date of the further election; the length of the new payment period is

$$A \left(\frac{B}{C} \times D \right),$$

where—

A is what the length of the original payment period would have been if the increased rate had been specified in the original election,

B is the rate specified in the original election,

C is the increased rate, and

D is the period from the start of the original payment period to the effective date of the further election.

(10) The contributions—

- (a) are payable from the start of the payment period,
- (b) continue to be payable while the person is employed in reckonable service or paying additional contributions for current added years, and
- (c) cease to be payable if he dies or becomes entitled to allowances before the end of the payment period.

15.—(1) This paragraph—

- (a) applies where family benefit contributions to which paragraph 14 applies cease to be payable before the end of the payment period, and
- (b) has effect subject to paragraph 16.

(2) Where the person paying the contributions dies before attaining the age of 60, or (whether or not he later re-enters employment in reckonable service) becomes entitled to payment of allowances by virtue of regulation 53(1)(c) (incapacity)—

- (a) contributions are to be treated as having been paid in respect of the whole of the period in respect of which the election was made, but
- (b) if part of the payment period falls after his 60th birthday, the actuarial equivalent of the contributions that would have been payable during that part is to be deducted from the appropriate terminal sum.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

(3) Where the person dies, or becomes entitled to payment of allowances, after attaining the age of 60—

- (a) contributions are to be treated as having been paid in respect of the whole of the period in respect of which the election was made, but
- (b) there is to be deducted from the appropriate terminal sum an amount of

$$\left(A \times \frac{B}{100}\right) \times C,$$

where—

A is the annual rate at which his salary was last payable,

B is the rate at which the contributions were last payable, and

C is the multiplier ascertained from, or if the remainder of the payment period is not an exact number of years by extrapolation from, Table 6 below.

TABLE 6

Years in remainder of payment period	Multiplier
1	0.990
2	1.961
3	2.913
4	3.846
5	4.760
6	5.657
7	6.536
8	7.398
9	8.244
10	9.072
11	9.884
12	10.681
13	11.461
14	12.227
15	12.977
16	13.713
17	14.434
18	15.141
19	15.835
20	16.514

(4) Where the person becomes entitled to payment of allowances by virtue of regulation 53A (redundancy, etc.)—

- (a) he may, by giving written notice to the Secretary of State within 3 months after the end of his employment in reckonable service, elect to pay a lump sum which is the actuarial equivalent of the contributions that would have been payable during the remainder of the payment period,
- (b) if he does so elect, on payment of the lump sum contributions are to be treated as having been paid in respect of the whole of the period in respect of which the original election was made, and
- (c) if he does not so elect, contributions are to be treated as having been paid in respect of

$$D \times \frac{E}{F},$$

where—

D is the period in respect of which the original election was made,

E is the period during which contributions were paid, and

F is the payment period.

16. Where—

- (a) a deduction has fallen to be made under paragraph 15(2) or (3) or an election has been made under paragraph 15(4), and
- (b) there is then a retrospective increase in the person's salary, and
- (c) the consequent recalculation of the amount of the deduction or lump sum and of the appropriate terminal sum results in a greater increase in the amount of the deduction or lump sum than in the terminal sum,

the person, or as the case may be his widow or widower or a beneficiary nominated under regulation 63, may notify the Secretary of State in writing that the amount of the deduction made or lump sum payable is not to be increased.”.

Transfer values

14. The principal Regulations are amended by substituting for Schedule 7 the following:

“SCHEDULE 7

Regulations 81 and 84

TRANSFER VALUES

PART I

OUTWARD TRANSFERS

1. A transfer value is calculated on the cash equivalent basis if it is calculated in the manner prescribed under paragraph 14 of Schedule 1A to the Pensions Act(6) for the calculation of cash equivalents.

2. Where—

- (a) a transfer value is payable to the person responsible for the management of a club scheme or a personal pension scheme, or

(6) 1975 c. 60; Schedule 1A was inserted by the Social Security Act 1985 (c. 53), Schedule 1, paragraph 3, and amended by the Social Security Act 1986 (c. 50), Schedule 10, paragraphs 29 and 30.

- (b) a transfer value is payable to the person responsible for the management of an approved superannuation scheme which is not a club scheme and none of the service to which it relates is service before 1st September 1988,

and no right to a cash equivalent was acquired, the transfer value is to be calculated on the cash equivalent basis.

3. Where—

- (a) a transfer value is payable to the person responsible for the management of an approved superannuation scheme which is not a club scheme, and
- (b) the service to which it relates includes service before 1st September 1988, and
- (c) no right to a cash equivalent was acquired,

the amount of the transfer value is the total of A and the greater of B and C, where—

A is a notional transfer value, calculated on the cash equivalent basis, in respect of the person's service after 31st August 1988,

B is a notional transfer value, calculated on the cash equivalent basis, in respect of his service before 1st September 1988, and

C is a notional transfer value, calculated as if Schedule 7 to these Regulations, as in force on 31st August 1988, had continued in force, in respect of his service before 1st September 1988.

4. Where—

- (a) a transfer value is payable to the person responsible for the management of an approved superannuation scheme which is not a club scheme, and
- (b) the service to which it relates includes service before 1st September 1988, and
- (c) a right to a cash equivalent was acquired,

the amount of the transfer value is D–E, where—

D is the transfer value that would have been payable if paragraph 3 had applied, and

E is the amount of the cash equivalent.

5. Where—

- (a) a transfer value is payable to the person responsible for the management of a personal pension scheme, and
- (b) a right to a part cash equivalent was acquired,

the transfer value is to be calculated on the cash equivalent basis but as if the person's reckonable service had ended with 5th April 1988.

6.—(1) This paragraph applies where—

- (a) a transfer value falls to be calculated in accordance with paragraph 3 or 4, and
- (b) for the purposes of paragraph 3 C is greater than B.

(2) Subject to sub-paragraphs (3) and (4), if the transfer value is not paid within 6 months after the person ceased to be employed in reckonable service the amount calculated in accordance with paragraph 3 or 4 is increased by adding to it interest on C at 9% per annum, compounded with 3-monthly rests, for each complete period of 3 months after the end of the employment and before the date of payment.

(3) If the employment ended before 1st April 1977 the amount calculated in accordance with paragraph 3 is increased by adding to it—

- (a) interest on C at 6% per annum, compounded with yearly rests, for each complete period of a year after the end of the employment and before 1st April 1977, and
 - (b) interest on C at 9% per annum, compounded with 3-monthly rests, for the period of 3 months beginning on 1st April 1977 and for each subsequent complete period of 3 months before the date of payment.
- (4) If the employment ended after 5th April 1978 and before 1st April 1979 the amount calculated in accordance with paragraph 3 is increased by adding to it interest on C at 6% per annum, compounded with yearly rests, for each complete period of a year after the end of the employment and before the date of payment.
7. Where a transfer value is paid to the person responsible for the management of an occupational pension scheme which is not a contracted-out scheme or of a personal pension scheme, there may be deducted from it the amount of any contributions equivalent premium paid by the Secretary of State.

PART II

INWARD TRANSFERS

8. If the employment in which the person was subject to the previous scheme was comparable British service, he is entitled to count as reckonable service the period of service certified by the person responsible for the management of the scheme as having stood to his credit under the scheme when he ceased to be subject to it.

9.—(1) If—

- (a) the previous scheme is a club scheme service under which is not comparable British service, or
- (b) the previous scheme is a personal pension scheme or an approved superannuation scheme which is not a club scheme and the person has become employed in reckonable service after 31st December 1985,

he is entitled to count as reckonable service the period specified in sub-paragraph (2).

(2) The period is one equal to the period of reckonable service that would enable the Secretary of State to pay a transfer value, calculated on the cash equivalent basis, of the same amount as the one accepted.

(3) In calculating the period specified in sub-paragraph (2)—

- (a) if sub-paragraph (1)(a) applies and the request for the transfer value to be accepted was made within 12 months after the date on which the person became employed in reckonable service, the calculation is to be made by reference to the age and salary notified by the person responsible for the management of the previous scheme as those by reference to which the transfer value accepted was calculated,
- (b) if sub-paragraph (1)(b) applies and the transfer value was received within 12 months after the date on which the person became employed in reckonable service, the calculation is to be made by reference to his age, and the annual rate of his salary, on that date,
- (c) in any other case, the calculation is to be made by reference to his age, and the annual rate of his salary, on the date on which the transfer value was received,
- (d) if sub-paragraph (1)(a) applies any sum representing interest that is included in the transfer value is not to be taken into account, and
- (e) if sub-paragraph (1)(b) applies any such sum is to be taken into account.

10. If—

- (a) the previous scheme is an approved superannuation scheme which is not a club scheme, and
- (b) the person became employed in reckonable service before 1st January 1986,

he is entitled to count as reckonable service a period calculated as if Schedule 7 to these Regulations, as in force on 31st August 1988, had continued in force.”.

Transitional: elections in respect of protected benefits

15.—(1) This regulation applies to a person—

- (a) to whom a protected benefit is being paid or may become payable, and
- (b) who is placed in a worse position than he would have been in if a provision made by these Regulations (“the relevant provision”) had not applied in relation to the protected benefit.

(2) A protected benefit is one which is being paid or may become payable, under the principal Regulations, to or in respect of a person who was employed in reckonable service but ceased to be so employed, or died, before 1st September 1988.

(3) A person to whom this regulation applies may, by giving written notice to the Secretary of State within 3 months after 1st September 1988, elect that the relevant provision shall not apply in relation to the protected benefit.

27th July 1988

Kenneth Baker
Secretary of State for Education and Science

We consent

29th July 1988

Mark Lennox-Boyd
David Lightbown
Two of the Lords Commissioners of Her
Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations further amend the Teachers' Superannuation Regulations 1976 ("the principal Regulations").

Regulation 2 adds a number of definitions of expressions used in later provisions concerning transfer values, and also amends the definition of "salary".

Regulation 3 adds to the categories of part-time employment that may, on election, be treated as full-time (and therefore pensionable).

Regulation 4(a) requires the return by instalments of contributions that have been repaid to a full-time teacher employed in England or Wales to be completed by his 61st birthday; regulation 4(b) provides that if payment of such instalments is discontinued those already paid are to be repaid, unless the teacher pays the outstanding balance as a lump sum, and regulation 5 makes similar provision in relation to instalments payable by part-time teachers and teachers employed elsewhere in the British Islands.

Regulation 6, with the Schedule substituted by regulation 13 for Schedule 4 to the principal Regulations, effects the replacement of provisions in those Regulations which concerned the payment of contributions for family benefits; regulations 8 and 9 make related amendments to provisions governing entitlement to such benefits. The main effect of these regulations is that married women are enabled to purchase service before 6th April 1988 (the date from which provision for widowers' benefits was introduced by the Teachers' Superannuation (Miscellaneous Provisions) (No. 2) Regulations 1988, (S.I. [1988/816](#))) which would otherwise not have counted towards widowers' benefits. There are also minor changes in the effect of provisions governing the payment of family benefit contributions by men and unmarried women.

Regulation 7, with regulation 1(1), retrospectively corrects a provision substituted by S.I. [1988/816](#).

Regulation 10, with the Schedule substituted by regulation 14 for Schedule 7 to the principal Regulations, effects the replacement of provisions in those Regulations which concerned the payment and receipt of transfer values. The substituted provisions are compatible with the rights to cash equivalents conferred from 1st January 1986, with direct and overriding effect, by Schedule 1A to the Social Security Pensions Act 1975.

As a general rule, where such a right is acquired there is no right to a transfer value under the Regulations; where there is, the transfer value is to be calculated in the same way as a cash equivalent except in cases where it is payable to a scheme outside the public-sector "club" and the relevant service includes service before the commencement of these Regulations. Rights in relation to such earlier service are preserved by calculating that element of the transfer value on the previously existing basis if that produces a more favourable result. On most inward transfers, the service credit allowed on receipt of a transfer value is the amount of service that would have enabled a cash equivalent of that value to be paid. Where the transfer was from a scheme outside the "club" and occurred before 1st January 1986, the service credit is calculated on the basis that existed before the commencement of these Regulations.

Regulation 11 adds to the categories of full-time employment that are pensionable.

Regulation 12 reduces from 5 years to one year the minimum contribution period for the purchase of past added years, and supplies the necessary tables.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Section 12 of the Superannuation Act 1972 confers express power to make regulations retrospective in effect. These Regulations are to a certain extent retrospective, but regulation 15 makes transitional provision for opting out where rights in relation to ex-employees are adversely affected.