
STATUTORY INSTRUMENTS

1989 No. 298

The Teachers (Compensation for Redundancy and Premature Retirement) Regulations 1989

**PART IV
ADJUSTMENTS**

Redundancy payments

- 12.**—(1) This regulation applies to a credited teacher—
- (a) whose credited period exceeds 6²/₃rds years, and
 - (b) who has received, or is entitled to receive, a redundancy payment in respect of the cessation of his former employment.
- (2) If his lump sum compensation would exceed the relevant amount, it is to be reduced by that amount.
- (3) If his lump sum compensation would equal the relevant amount, it is not to be paid.
- (4) If his lump sum compensation would be less than the relevant amount—
- (a) it is not to be paid, and
 - (b) the rate of his annual compensation is to be reduced in accordance with paragraph (6).
- (5) The relevant amount is—

$$\left(\frac{3}{10} \times A \times B \right) - C$$

where—

A is the amount of the redundancy payment,

B is the length of time, expressed in years and any fraction of a year, by which the credited period exceeds 6²/₃rds years, and

C is any amount by which the redundancy payment is reduced under the Redundancy Payments Pensions Regulations 1965(1).

- (6) The reduction mentioned in paragraph (4)(b) is to be calculated from the Table below.

TABLE

Age last birthday	Amount of reduction per £100 of difference between lump sum compensation and relevant amount	
	Men	Women
50	6.26	5.43

(1) [S.I. 1965/1932](#).

Status: This is the original version (as it was originally made).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

Age last birthday	Amount of reduction per £100 of difference between lump sum compensation and relevant amount	
	Men	Women
51	6.36	5.48
52	6.47	5.55
53	6.61	5.64
54	6.77	5.75
55	6.96	5.87
56	7.17	6.01
57	7.40	6.16
58	7.64	6.32
59	7.89	6.49
60	8.15	6.67
61	8.43	6.87
62	8.73	7.08
63	9.05	7.32
64	9.39	7.58

Termination payments

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

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

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

(3) The excepted payments are—

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

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

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

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

- (a) it is not to be paid, and

(b) his annual compensation is to be reduced by the difference.

(7) If—

(a) by reason of regulation 12(3) or (4) no lump sum compensation is payable, or

(b) lump sum compensation was paid before the termination payment became payable,

his annual compensation is to be reduced by the amount of the termination payment.

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

Periodic payments

14.—(1) This regulation applies where—

(a) relevant periodic payments are payable to a credited teacher or to a person to whom compensation is payable under regulation 9 or 10, and

(b) the material date is a date later than 31st August 1985.

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

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

(b) are made as mentioned in regulation 13(2).

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

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

New employment

15.—(1) References in this regulation to regulation E14 are references to regulation E14 of the Superannuation Regulations.

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

(3) Where this regulation applies in respect of employment falling within regulation E14(1)(a)—

(a) while the assumed retirement pension would fall to be reduced under regulation E14(3), no annual compensation is to be paid, and

(b) while sub-paragraph (a) does not apply, the rate of his annual compensation is to be reduced by the excess (if any) of $(A + G + H)$ over $(C + D - E)$, where A, C, D and E are the same as in regulation E14(3) and—

G is the full annual rate of his annual compensation, and

H is the annual rate of the assumed retirement pension.

(4) Where this regulation applies in respect of employment falling within regulation E14(1)(b)—

(a) for any pension quarter in which the assumed retirement pension would fall to be reduced under regulation E14(4), no annual compensation is to be paid, and

(b) for any other pension quarter the rate of his annual compensation is to be reduced by the excess (if any) of $(F + G + H)$ over $(C + D - E)$, where C, D, E, G and H are the same as in paragraph (3)(b) and F is the same as in regulation E14(4).

(5) For the purposes of paragraphs (3) and (4)—

- (a) regulation E14(3) and (4) are 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, G comprises his total annual compensation but each component is to be reduced only in the proportion which it bears to that total,

and for the purposes of paragraph (4) the pension quarters are the same as in regulation E14(5).

Cessation of new employment

16.—(1) This regulation applies where—

- (a) a credited teacher has ceased to be in new employment, other than employment in comparable British service, and
- (b) the condition in paragraph (2) is satisfied.

(2) The condition is that $A + B + (C - D) + E$ exceeds F, where—

A is his effective service,

B is any period, after the material date and before the earlier of the cessation of the new employment and his 65th birthday, which he is entitled, or would have been entitled if the new employment had been pensionable employment, to count as reckonable service,

C is the credited period,

D is any period by reference to which a previous reduction was calculated under paragraph (3),

E is any period of additional service, or increase in his period of service, falling within paragraph 1 of Part II of the Schedule, and

F is what his effective reckonable service would be on the assumption that his former employment was pensionable employment and continued until his 65th birthday.

(3) The full rate of his annual compensation is to be reduced by—

$$\frac{G \times H}{80}$$

where—

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

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

(4) The amount is—

$$J - \frac{J \times K}{K + 100}$$

where—

J is his average salary in his new employment, and

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

(5) For the purposes of paragraph (3) the full rate of his annual compensation is the rate at which it would be payable if no account were taken of any suspension or reduction under regulation 13 or 14, and any reduction required by a previous application of this regulation.

(6) For the purposes of paragraphs (3) and (4) regulation E29 of the Superannuation Regulations (average salary) is in every case to be construed as if the former employment and the new employment were pensionable employment.

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