
STATUTORY INSTRUMENTS

2017 No. 1084

**PUBLIC SERVICE PENSIONS,
ENGLAND AND WALES
EDUCATION, ENGLAND AND WALES**

**The Teachers' Pensions Schemes
(Miscellaneous Amendments) Regulations 2017**

Made - - - - *7th November 2017*
Laid before Parliament *9th November 2017*
Coming into force - - *30th November 2017*

The Secretary of State makes the following Regulations in exercise of the powers conferred by sections 9 and 12 of, and Schedule 3 to, the Superannuation Act 1972 ('the 1972 Act')(1) and sections 1(1)(2), (2)(d)(3), and (4), 2(4), 3(1), (2), (3)(a) and (c), 8(1)(a) and (2)(a) of, and paragraph 4 of Schedule 1, paragraph 4(a) of Schedule 2 and Schedule 3 to, the Public Service Pensions Act 2013 ('the 2013 Act')(5).

The Secretary of State has consulted the persons referred to in section 9(5) of the 1972 Act and in accordance with section 21 of the 2013 Act the Secretary of State has consulted the representatives of such persons as appear to the Secretary of State likely to be affected by these Regulations.

In accordance with section 9(1) of the 1972 Act(6) and section 3(5) of the 2013 Act, these Regulations are made with the consent of the Treasury.

Citation and commencement

1. These Regulations may be cited as the Teachers' Pensions Schemes (Miscellaneous Amendments) Regulations 2017 and come into force on 30th November 2017.

(1) 1972 c.11. Section 9 was amended by sections 4, 8 and 11 of the Pensions (Miscellaneous Provisions) Act 1990 (c.7); paragraph 7 of Schedule 8 to the Pension Schemes Act 1993 (c.48); article 107 of S.I. 2001/3649; and article 5 of, and paragraph 27 of Schedule 2 to, S.I. 2010/1158. Section 12 was amended by section 10 of the Pensions (Miscellaneous Provisions) Act 1990.
(2) See section 1(4) of the 2013 Act for the meaning of "scheme regulations".
(3) See paragraph 4 of Schedule 1 to the 2013 Act for the meaning of "teachers".
(4) See section 2(2) of the 2013 Act for the meaning of "responsible authority".
(5) 2013 c.25.
(6) See S.I. 1981/670 which transferred the consent function in section 9(1) of the 1972 Act from the Minister for the Civil Service to the Treasury.

Amendments to the Teachers' Pensions Regulations 2010

2. The Teachers' Pensions Regulations 2010(7) are amended in accordance with regulations 3 to 7.

Amendment to regulation 57 (election to receive phased retirement benefits)

3. In paragraphs (2)(b) and (4)(c) of regulation 57 for "6 months" substitute "12 months".

Amendment to regulation 59 (cessation of phased retirement pension)

4. In paragraph (1)(a) and (b) of regulation 59 for "6 months" substitute "12 months".

Amendment to regulation 83 (death grant: death in service)

5. In regulation 83 after paragraph (3) insert —

“(3A) Paragraph (3) does not apply if—

- (a) D made an application before D's death under regulation 107 (payment of benefits on application to Secretary of State) for retirement benefits on the basis that Case C, and no other Case (apart from Case A), applied to D's reckonable service;
- (b) at the same time that D made the application mentioned in sub-paragraph (a), D made an application for commutation of the ill-health pension (and any total incapacity pension payable under regulation 65 (total incapacity benefits)) under regulation 118 (commutation: serious ill health); and
- (c) following consideration of the applications mentioned in sub-paragraphs (a) and (b), the Secretary of State determines that the ill-health pension and, if applicable, any total incapacity pension payable with it, should be commuted.”.

Amendment to regulation 85 (death grant: death out of service)

6. In regulation 85 after paragraph (3) insert—

“(3A) Paragraph (3) does not apply if—

- (a) D made an application before D's death under regulation 107 (payment of benefits on application to Secretary of State) for retirement benefits on the basis that Case C, and no other Case (apart from Case A), applied to D's reckonable service;
- (b) at the same time that D made the application mentioned in sub-paragraph (a), D made an application for commutation of the ill-health pension (and any total incapacity pension payable under regulation 65 (total incapacity benefits)) under regulation 118 (commutation: serious ill health); and
- (c) following consideration of the applications mentioned in sub-paragraphs (a) and (b), the Secretary of State determines that the ill-health pension and, if applicable, any total incapacity pension payable with it, should be commuted.”.

Amendment to Schedule 7 (retirement benefits)

7. In Schedule 7 —

- (a) for paragraph 3 substitute—

“3.—(1) Except as provided in paragraph 4, a person (P) falls within this paragraph if—

- (a) P satisfies either Conditions 1, 2 and 3 or Condition 4, and
- (b) P makes an application under regulation 107 for retirement benefits on the basis that Case C, and no other Case (apart from Case A), applies to P’s reckonable service.

(2) Condition 1 is that P left all pensionable employment because P was incapacitated (or this was one of the reasons why P left all pensionable employment).

(3) Condition 2 is that P makes the application under regulation 107—

- (a) before leaving excluded employment, or
- (b) within 2 years of the last day of pensionable employment.

(4) Condition 3 is that immediately before making the application under regulation 107 P is incapacitated and is likely to be incapacitated permanently.

(5) Condition 4 is that 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.

(6) Where P satisfies Conditions 1, 2 and 3, the illness or injury P relies upon in the application under regulation 107 must be—

- (a) the same illness or injury which was the reason or, as the case may be, one of the reasons for P leaving pensionable employment, or
- (b) connected to or consequent upon that injury or illness.”,

(b) after paragraph 4(2) insert—

“(2A) But Condition A does not apply if—

- (a) D made an application to the Secretary of State before D’s death for retirement benefits on the basis that Case C, and no other case (apart from Case A), applied to D’s reckonable service;
- (b) at the same time that D made the application mentioned in paragraph (a), D made an application for commutation of the ill-health pension (and any total incapacity pension payable under regulation 65) under regulation 118 (commutation: serious ill health); and
- (c) following consideration of the applications mentioned in paragraphs (a) and (b), the Secretary of State determines that the ill-health pension and, if applicable, any total incapacity pension payable with it, should be commuted.”,

(c) after paragraph 12(3), insert—

“(3A) P does not fall within paragraph 10 if—

- (a) P makes the application mentioned in paragraph 10(1)(e);
- (b) P’s application is made in accordance with paragraph 12(1) or (3)(b); and
- (c) P returns to pensionable or excluded employment before the entitlement day specified in P’s application.”.

Amendments to the Teachers' Pension Scheme Regulations 2014

8. The Teachers' Pension Scheme Regulations 2014(8) are amended in accordance with regulations 9 to 19.

Substitution of regulation 74 (meaning of "actuarial adjustment")

9. For regulation 74 substitute—

“74.—(1) In these Regulations, “actuarial adjustment” means the actuarial adjustment that is applied when calculating the annual rate of pension payable to—

- (a) a member who, on the entitlement day for a pension other than an age retirement pension or an ill-health pension, has not reached normal pension age; or
 - (b) an active member or a deferred member who becomes a pensioner member after reaching normal pension age.
- (2) In the case of an actuarial adjustment applied under paragraph (1)(b)—
- (a) the actuarial adjustment only relates to a period of pensionable service of the active member or the deferred member after reaching normal pension age; and
 - (b) the actuarial adjustment must only be applied to the accrued earned pension of the active member or the deferred member that accrued before reaching normal pension age.”.

Amendment to regulation 89 (interpretation of Chapter)

10. In regulation 89(1), for the definition of “average annual rate” substitute the following definition—

““average annual rate” means the average rate of pensionable earnings in a 12 month period”.

Amendment to regulation 90 (the reduced annual rate condition)

11. In regulation 90(c), for “6 months” substitute “12 months”.

Amendment to regulation 91 (the new employment condition)

12. In regulation 91(c), for “6 months” substitute “12 months”.

Amendment to regulation 97 (cessation of phased retirement pension)

13. In regulation 97(b)(i) and (ii), for “6 months” substitute “12 months”.

Amendment to regulation 104 (entitlement to early retirement pension)

14. In regulation 104, after paragraph (1) insert—

“(1A) P is not entitled to payment of an early retirement pension from the entitlement day if—

- (a) P has applied under regulation 162 for payment of an early retirement pension;
- (b) P's application is made in accordance with regulation 103(2) or (4)(b); and

(8) [S.I. 2014/512](#) to which there are amendments not relevant to these Regulations.

- (c) P returns to eligible employment before the entitlement day specified in P's application.”.

Amendment to regulation 110 (entitlement to ill-health pension)

15. In regulation 110—

- (a) in paragraph (3)(a) for “eligible employment” substitute “pensionable service”, and
- (b) after paragraph (3) insert—

“(3A) Where paragraph (3) applies, the illness or injury which P relies upon in P's ill-health application to meet the incapacity condition must be—

- (a) the same illness or injury which was the reason, or as the case may be, one of the reasons for P leaving pensionable employment; or
- (b) connected to or consequent upon that injury or illness.”.

Insertion of new regulation 112A (when ill-health pension is taken to become payable before death of member: commutation of whole pension (serious ill-health))

16. After regulation 112 insert—

“When ill-health pension is taken to become payable before death of member: commutation of whole pension (serious ill-health)

112A. An ill-health pension is taken to become payable before the death of a member (D) if—

- (a) before D's death D made an ill-health application;
- (b) at the same time as D made the ill-health application, D made an application under regulation 171 (commutation of whole pension (serious ill-health)) for commutation of the ill-health pension and, if applicable, a total incapacity pension; and
- (c) following consideration of the applications mentioned in sub-paragraphs (a) and (b), the Secretary of State determines that the ill-health pension and, if applicable, any total incapacity pension payable with it, should be commuted.”

Amendment to regulation 139 (death in service grant)

17. After regulation 139(2) insert—

“(2A) For the purposes of paragraph (2), an ill-health pension and, if applicable, a total incapacity pension are taken to become payable if—

- (a) before D's death D made an ill-health application;
- (b) at the same time as D made the ill-health application, D made an application under regulation 171 (commutation of whole pension (serious ill-health)) for commutation of the ill-health pension and, if applicable, a total incapacity pension; and
- (c) following consideration of the applications mentioned in sub-paragraphs (a) and (b), the Secretary of State determines that the ill-health pension and, if applicable, any total incapacity pension payable with it, should be commuted.”.

Amendment to regulation 140 (death out of service grant)

18. After regulation 140(2) insert—

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

“(2A) For the purposes of paragraph (2), an ill-health pension and, if applicable, a total incapacity pension are taken to become payable if—

- (a) before D’s death D made an ill-health application;
- (b) at the same time as D made the ill-health application, D made an application under regulation 171 for commutation of the ill-health pension and, if applicable, a total incapacity pension; and
- (c) following consideration of the applications mentioned in sub-paragraphs (a) and (b), the Secretary of State determines that the ill-health pension and, if applicable, any total incapacity pension payable with it, should be commuted.”.

Amendment of Schedule 1 (eligible employment)

19. In paragraph 8(1) of Schedule 1 (ceasing to be an accepted employer) for “scheme employer” substitute “scheme manager”.

7th November 2017

Nick Gibb
Minister of State
Department for Education

We consent

3rd November 2017

Andrew Griffiths
Heather Wheeler
Two of the Lords Commissioners of Her
Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make a number of amendments to the Teachers' Pensions Regulations 2010 and the Teachers' Pension Scheme Regulations 2014.

The Teachers' Pensions Regulations 2010 are amended to:

- change the period of a member's pensionable earnings that is relevant for the purposes of an application for phased retirement benefits from 6 months to 12 months (regulations 3 and 4);
- provide that serious ill-health commutation of an ill-health pension takes effect from the date of the Secretary of State's decision to grant it and a death grant (a separate pension benefit) is not paid in its place in the event that the applicant dies after the decision is made but before the first payment of the ill-health pension is due (regulations 5, 6 and 7);
- provide that an applicant for ill-health retirement benefits does not have to demonstrate permanent incapacity at the date of leaving employment but only at the time of the application, and illness or injury does not have to be the sole reason for leaving work; and it is clarified that the illness or injury which was the reason, or one of the reasons, for the member leaving work must be the same illness or injury or connected to or consequent upon the illness or injury relied upon in the application for ill-health benefits (regulation 7); and
- provide that an out of service early retirement application is voided if the member returns to eligible employment before the entitlement date specified in the member's application (regulation 7).

The Teachers' Pension Scheme Regulations 2014 are amended to:

- clarify that where an actuarial adjustment is applied in the case of an active or deferred member who becomes a pensioner member of the scheme after reaching normal pension age, that adjustment is applied only to the accrued pension for the period prior to the active or deferred member becoming a pensioner member (regulation 9);
- change the period of a member's pensionable earnings that is relevant for the purposes of a phased retirement application from 6 months to 12 months; the definition of "average annual rate" is amended accordingly (regulations 10 to 13);
- provide that an out of service early retirement application is voided if the member returns to eligible employment before the entitlement date specified in the member's application (regulation 14);
- clarify that the illness or injury which is relied upon in an ill-health benefits application must be the same illness or injury or connected to or consequent upon the illness or injury which was the reason, or one of the reasons, for the member leaving service; the amendment also makes clear that illness or injury does not have to be the sole reason for the member leaving service (regulation 15);
- provide that serious ill-health commutation of an ill-health pension takes effect from the date of the Secretary of State's decision to grant it and death grant (a separate pension benefit) is not paid in its place in the event that the applicant dies after the decision is made but before the first payment of the ill-health pension is due (regulations 16 to 18); and
- correct a minor error by substituting a reference to "scheme manager" for "scheme employer" in paragraph 8 of Schedule 1 (regulation 19).

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

An impact assessment has not been produced for this instrument as it has no impact on business or civil society organisations. The instrument has a minimal impact on the public sector.