
STATUTORY INSTRUMENTS

2012 No. 673

EDUCATION, ENGLAND AND WALES

The Teachers' Pensions (Amendment) Regulations 2012

<i>Made</i>	- - - -	<i>2nd March 2012</i>
<i>Laid before Parliament</i>		<i>8th March 2012</i>
<i>Coming into force</i>	- -	<i>1st April 2012</i>

The Secretary of State for Education makes these Regulations in exercise of the powers conferred by sections 9 and 12 of, and Schedule 3 to, the Superannuation Act 1972(1).

The Secretary of State has consulted with the persons referred to in section 9(5) of that Act.

In accordance with section 9(1) of that Act, these Regulations are made with the consent of the Treasury(2).

Citation and commencement

1. These Regulations may be cited as the Teachers' Pensions (Amendment) Regulations 2012 and come into force on 1st April 2012.

Amendments to the Teachers' Pensions Regulations 2010

2. The Teachers' Pensions Regulations 2010(3) are amended in accordance with regulations 3 to 13.

3. In regulation 16 (contributable salary – residential accommodation), in paragraph (3), for “But if the total of the money value of the residential benefits in kind”, substitute “But if the money value of the residential accommodation mentioned in paragraph (1)(a)”.

4. In regulation 64 (abatement of retirement pension during further employment), for paragraph (10), substitute—

“(10) Where the actual pension paid in any tax year has exceeded the amount which should have been paid by virtue of paragraph (5) (“the excess payment”), the pension payable in the subsequent tax year is to be reduced by an amount equal to the excess payment, but where in that tax year a reduction is not made, or the reduction made is not

(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 Part 2 of Schedule 2 to, S.I. 2010/1158. Section 12 was amended by section 10 of the Pensions (Miscellaneous Provisions) Act 1990.

(2) See S.I. 1981/1670.

(3) S.I. 2010/990, amended by S.I. 2011/614.

equal to the excess payment, the pension is to be reduced in the following or any other subsequent tax year—

- (a) by an amount equal to the excess payment, or
- (b) in a case where the reduction made is not equal to the excess payment, by such further amount or amounts as are required until the total amount of the reduction is equal to the excess payment.”.

5. In regulation 105 (pension credit retirement benefits), omit paragraph (4)(a).

6. In regulation 116 (election to receive lump sum in place of part of pension)—

- (a) in paragraph (2), omit “before the person reaches the age of 75”; and
- (b) in paragraph (5)(b), omit “before PCM reaches 75”.

7. In regulation 118 (commutation: serious ill health), in paragraphs (1) and (3), omit “who is under 75”.

8. In regulation 119 (commutation: small pensions), in paragraph (8), omit sub-paragraphs (a) and (b).

9. In Schedule 1 (glossary of expressions), for the meaning of “Academy”, substitute “construe in accordance with section 579 of EA 1996(4).”

10. In Part 1 of Schedule 2 (employments pensionable without election), in paragraph 2(b), for “an agreement such as is described in section 482 of EA 1996 with the Secretary of State to establish and maintain the Academy”, substitute “an Academy agreement as defined in section 1 of the Academies Act 2010”(5).

11.—(1) Schedule 3 (employees’ and employers’ contributions) is amended as follows.

(2) In paragraph 1 (interpretation), for sub-paragraph (b), substitute—

“(b) “the initial contribution period” means the contribution period which is current when these Regulations come into force;”.

(3) In paragraph 2, for sub-paragraph (2), substitute—

“(2) The percentage rate for an employee’s contribution under regulation 18 (teachers’ ordinary contributions) for the initial contribution period is—

- (a) for each month during which the employee is in full-time pensionable employment, the rate set out in the table which is applicable to the employee’s annual contributable salary for that month; and
- (b) for each month during which the employee is in part-time pensionable employment, the rate set out in the table which is applicable to the full-time equivalent of the employee’s annual contributable salary for that month.

Table

<i>Annual contributable salary</i>	<i>Rate</i>
Below £15,000	6.4%
£15,000 to £25,999	7.0%
£26,000 to £31,999	7.3%

(4) 1996 c. 56. Section 579(1) was amended by section 14 of, and paragraphs 1 and 6 of Schedule 2 to, the Academies Act 2010 (c. 32).

(5) 2010 c. 32.

£32,000 to £39,999	7.6%
£40,000 to £74,999	8.0%
£75,000 to £111,999	8.4%
£112,000 and above	8.8%”.

12. In Schedule 4 (contributions for additional pensions), in paragraph 3(6) (maximum amount of additional pension), after “previous election”, insert “, rounded to the nearest £100,”.

13. In Schedule 7 (retirement benefits), in paragraph 4(3)(d), after “the General Teaching Council for Wales”, insert “or the Secretary of State has made, or the General Teaching Council for Wales or the Secretary of State ”.

28th February 2012

Nick Gibb
Minister of State
Department for Education

We consent

2nd March 2012

Angela Watkinson
Michael Fabricant
Two of the Lords Commissioner’s of Her
Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 1st April 2012, make amendments to the Teachers' Pensions Regulations 2010.

The amendments—

- (a) provide that heating, lighting and water provided free of charge and council tax paid are not subject to the one-sixth limitation of the aggregate of the amounts mentioned in the relevant paragraphs of regulation 15 and regulation 16 (*regulation 3*);
- (b) clarify the process governing the repayment of overpayments of pension paid from previous years (*regulation 4*);
- (c) remove the limitation on a person obtaining a lump sum and serious ill health commutation after the age of 75 (*regulations 5, 6 and 7*);
- (d) remove the limitation on a person obtaining a lump sum in respect of family benefit relating to a person who had died after reaching the age of 75 (*regulation 8*);
- (e) update references to Academies and Academy agreements in accordance with the Academies Act 2010 (*regulations 9 and 10*);
- (f) amend Schedule 3 to provide new percentage rates for employees' ordinary contributions which are to be calculated monthly, by reference to the full-time equivalent annual rate of each employee's contributable salary for that month (*regulation 11*);
- (g) make provision for rounding to the nearest £100 when determining the annual uplift to the amount of additional pension that can be purchased (*regulation 12*); and
- (h) substitute a reference to the Secretary of State for a reference to the General Teaching Council for England, which is being abolished on 1st April 2012 (*regulation 13*).

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