EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Teachers' Superannuation (Additional Voluntary Contributions) (Scotland) Regulations 1995 ("the 1995 Regulations").

Regulation 3 inserts into regulation 2 of the 1995 Regulations a definition for the phrase "Investment Linked Pension" which is a pension that remains investment linked after it becomes payable and which is payable from an authorised annuity policy.

Regulation 4 amends regulation 5 of the 1995 Regulations and allows a teacher who elects for their lump sum death benefit to be used to purchase a pension policy to specify that such a pension is to be an Investment Linked Pension.

Regulation 5 amends the timescale for the remittance of contributions to the Scottish Ministers after deduction from 14 days to 7 days.

Regulation 6 amends regulation 10 of the 1995 Regulations to allow inward transfers from a free-standing scheme or an approved scheme to the AVC scheme to be made at any time by a person in pensionable employment.

Regulation 7 amends regulation 12(5) of the 1995 Regulations so that a teacher is not required to make a benefits election when nearing retirement. If the teacher does so, however, they may elect that they are provided with a pension which is Investment Linked. Regulation 7 makes a corresponding amendment to regulation 12(8) so that if the teacher has not made a benefits election under paragraph (5) before they attain the age of 75, the Scottish Ministers may purchase a pension policy for them on or after their attaining that age.

Regulation 8 amends the calculation of the average of the participator's salary and adjusted salary in paragraph 3 of the Schedule so that if a teacher is in part-time employment their salary shall be treated as if they had been in full-time employment for the relevant period.

Regulation 9 amends paragraph 7 of the Schedule and inserts a new paragraph 7A, so that the retirement pension of teachers who joined the Scottish Teachers' Superannuation Scheme on or after 1st September 1991 and who are "low earners" (those who earn less than one-quarter of the permitted maximum under section 590C of the Taxes Act in the first year of pensionable employment) will always be the relevant fraction of their final remuneration (that is, G as defined in paragraph 7(2)(a) of the Schedule to the 1995 Regulations).