
SCOTTISH STATUTORY INSTRUMENTS

2014 No. 217

The Teachers' Pension Scheme (Scotland) Regulations 2014

PART 8

Payment of benefits

CHAPTER 3

Payment of lump sums

Member declaration

161.—(1) The scheme manager may not pay a member a lump sum under this Chapter unless the member declares in writing that, on payment of the lump sum, paragraph 3A of Schedule 29 to FA 2004(1) would not apply.

(2) The declaration must be—

- (a) signed by the member;
- (b) in a form specified by the scheme manager; and
- (c) provided by a date determined by the scheme manager.

Commutation of part of pension

162.—(1) The following members may apply to the scheme manager to receive a lump sum in place of part of a pension—

- (a) a member who is entitled to payment of a retirement pension;
- (b) a pension credit member who is entitled to payment of a pension credit retirement pension.

(2) Paragraph (1)(b) only applies if—

- (a) the member's pension credit is derived from rights attributable to the pensionable service of a pension debit member; and
- (b) a retirement pension does not become payable to the pension debit member before the transfer day in respect of that pensionable service.

(3) An application under this regulation must—

- (a) be in writing;
- (b) be made when the member applies under regulation 159 for payment of the pension; and
- (c) specify the amount of the lump sum which the member wishes to receive.

Amount of lump sum payable under regulation 162

163. The amount of a lump sum payable under regulation 162 must—

- (a) be a multiple of £12; and
- (b) not exceed P's permitted maximum.

Commutation amount for lump sum payable under regulation 162

164.—(1) For the purpose of calculating the annual rate of pension payable to a member (P) who receives a lump sum under regulation 162, the commutation amount is 1/12th of the amount of the lump sum.

(2) If a retirement pension commuted under regulation 165 ceases to be payable under regulation 94 or 111, the commutation amount for any retirement pension that subsequently becomes payable to P is an amount determined by the scheme manager after consulting the scheme actuary.

Commutation of whole pension (serious ill-health)

165.—(1) This regulation applies to a member (P) who, on the entitlement day for a pension, has a life expectancy of less than a year.

- (2) P may apply to the scheme manager to receive a lump sum instead of the pension.
- (3) The application must—
 - (a) be in writing;
 - (b) be made when P applies under regulation 159 for payment of the pension; and
 - (c) be accompanied by all the medical evidence necessary for the scheme manager to determine that P is entitled to payment of the lump sum.
- (4) If P is eligible to apply under regulation 162 to receive a lump sum under that regulation—
 - (a) the largest permissible lump sum is to be paid under that regulation; and
 - (b) the commutation amount under that regulation is to be deducted when calculating the annual rate under regulation 166.
- (5) In this regulation, “pension” means—
 - (a) an age retirement pension and any phased retirement pension payable with it;
 - (b) an ill-health pension and a total incapacity pension or phased retirement pension payable with it; or
 - (c) a pension credit retirement pension.

Amount of lump sum payable under regulation 165 instead of retirement pension

166.—(1) This regulation applies to a member (P) who applies under regulation 165 to receive a lump sum instead of a retirement pension.

- (2) The amount of the lump sum payable to P is the total of—
 - (a) for an age retirement pension, ill health pension or total incapacity pension, a sum equal to 5 x the annual rate of the retirement pension; and
 - (b) for a phased retirement pension that is already in payment, a sum equal to—
 - (A-B) x the annual rate of the phased retirement pension
 - where—
 - A is 5, and

B is the period (in years and fractions of a year) from the date on which the phased retirement pension was first paid until the date of the application⁽²⁾.

Amount of lump sum payable under regulation 165 instead of a pension credit retirement pension

167.—(1) This regulation applies to a member (P) who applies under regulation 165 to receive a lump sum instead of a pension credit retirement pension.

(2) The amount of the lump sum payable to P is an amount equal to 5 times the annual rate of the pension credit retirement pension.

Commutation: small pensions

168.—(1) If paragraph (2) applies, the scheme manager may, on the application of a member (P), commute a retirement pension by paying a lump sum to P.

(2) This paragraph applies if—

- (a) the lump sum is a trivial commutation lump sum as defined in paragraphs 7 and 7A of Schedule 29 to FA 2004 or falls within regulation 11 or 12 of the Registered Pension Schemes (Authorised Payments) Regulations 2009⁽³⁾;
- (b) the application under paragraph (1) is made when P applies under regulation 159 for payment of the retirement pension;
- (c) in the 3 years ending with the date of the application, a transfer value payment has not been made in respect of P;
- (d) a transfer value payment or cash transfer sum has not been accepted under Part 10 in respect of P's rights accrued under a personal pension scheme; and
- (e) in the 5 years ending with the date of the application, a transfer value payment or cash transfer sum has not been accepted under Part 10 in respect of rights accrued under another occupational pension scheme.

(3) If a lump sum is paid under paragraph (1), benefits are not payable under Part 6 on P's death.

(4) The scheme manager may, on the application of a pension credit member (P), commute a pension credit retirement pension by paying a lump sum to P if—

- (a) the lump sum is a trivial commutation lump sum as defined in paragraph 7 of Schedule 29 to FA 2004 or falls within regulation 11 or 12 of the Registered Pension Schemes (Authorised Payments) Regulations 2009;
- (b) the application is made when P applies under regulation 159 for payment of the pension; and
- (c) in the 3 years ending with the date of the application, a transfer value payment has not been made in respect of P.

(5) The scheme manager may, on the application of a beneficiary to whom a pension is payable under Part 6, commute that pension by paying a lump sum to the beneficiary if—

- (a) the application is made when the beneficiary applies under regulation 159 for payment of the pension; and
- (b) the lump sum is a trivial commutation lump sum death benefit as defined in paragraph 20 of Schedule 29 to FA 2004.

(2) Note: if this period is 5 years or more, no lump sum is payable in respect of the phased retirement pension.

(3) [S.I. 2009/1171](#).

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

(6) A lump sum payable under this regulation is to be determined by the scheme manager after taking advice from the scheme actuary.