
SCOTTISH STATUTORY INSTRUMENTS

2023 No. 242

The Firefighters' Pensions (Remediable Service) (Scotland) Regulations 2023

PART 8

Liabilities and payment

CHAPTER 2

Interest, compensation and netting off

Interest

57.—(1) The scheme manager must calculate interest on a relevant amount described in direction 15 of the PSP Directions 2022 in accordance with the provisions of directions 14 and 15 which apply to that description of relevant amount.

(2) In relation to a relevant amount not described in direction 15 of the PSP Directions 2022, the scheme manager must determine whether interest is paid and, if so, what rate of interest applies and how it is calculated.

(3) The following provisions of the PSP Directions 2022 apply in relation to a determination under paragraph (2) as if it were a determination under direction 16(1) of those Directions—

- (a) direction 16(2) (provision of explanation);
- (b) direction 16(3) and (4) (appeals).

Indirect compensation

58.—(1) This regulation applies where, pursuant to an application under regulation 59, the scheme manager determines that an immediate choice member (“M”) has incurred a compensatable loss⁽¹⁾ that is a Part 4 tax loss⁽²⁾ (a “relevant loss”).

(2) M is not to be paid an amount under section 24 of PSPJOA 2022 by way of compensation in respect of the relevant loss.

(3) Instead, the amount of benefit payable under a firefighters’ pension scheme is to be increased to reflect the amount of the relevant loss in such manner as determined by the scheme manager in accordance with direction 10(2) to (4) of the PSP Directions 2022.

Applications for compensation or indirect compensation

59.—(1) This regulation applies in relation to—

- (a) the payment of a relevant amount by way of compensation under section 23(1) of PSPJOA 2022;

(1) See section 23 of PSPJOA 2022 and direction 11 of the PSP Directions 2022 for the meaning of “compensatable loss”.

(2) See section 23(9) of PSPJOA 2022 for the meaning of “Part 4 tax loss”.

- (b) the increase of benefits by way of indirect compensation under regulation 58.
- (2) The relevant amount is not payable, or (as the case may be) the benefits are not to be increased, except where—
 - (a) an application is made in accordance with direction 18(1) and (2) of the PSP Directions 2022,
 - (b) the application is accompanied by such information that the scheme manager by written notice requires the person making the application (“P”) to provide in relation to the proposed compensation which is—
 - (i) information within P’s possession, or
 - (ii) information which P may reasonably be expected to obtain, and
 - (c) the scheme manager makes a determination in accordance with direction 18(3) of those Directions.
- (3) The following apply in relation to a determination under direction 18(3) of the PSP Directions 2022—
 - (a) direction 18(4) (provision of explanation);
 - (b) direction 18(5) and (6) (appeals).

Netting off

- 60.**—(1) This regulation applies where—
 - (a) relevant amounts owed by and to a person (“P”) fall to be paid at the same time or similar times, and
 - (b) the scheme manager has—
 - (i) determined the interest (if any) that is to be paid in the relevant amounts in accordance with regulation 57, and
 - (ii) reduced the relevant amounts by tax relief amounts in accordance with regulation 61.
- (2) The scheme manager may determine, in accordance with direction 19(2) to (5) of the PSP Directions 2022, that the relevant amounts (and any interest on them) must be aggregated and that the difference must be paid by P to the scheme or (as the case may be) by the scheme to P.
- (3) The following provisions of the PSP Directions 2022 apply to a determination under paragraph (2) as if it were a determination under direction 19(1) of those Directions—
 - (a) direction 19(6) (provision of explanation);
 - (b) direction 19(7) and (8) (appeals).