

**2000 No. 666**

**EDUCATION, ENGLAND AND WALES**

**The Teachers' Superannuation (Additional Voluntary Contributions) (Amendment) Regulations 2000**

<i>Made</i>	- - -	<i>8th March 2000</i>
<i>Laid before Parliament</i>		<i>9th March 2000</i>
<i>Coming into force</i>		<i>1st April 2000</i>

The Secretary of State for Education and Employment, in exercise of the powers conferred by sections 9 and 12 of, and Schedule 3 to, the Superannuation Act 1972(a), after consulting with representatives of the local education authorities, teachers and other persons likely to be affected, in accordance with section 9(5) of that Act, and with the consent of the Treasury(b), hereby makes the following Regulations:-

**Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as the Teachers' Superannuation (Additional Voluntary Contributions) (Amendment) Regulations 2000.

(2) These Regulations shall come into force on 1st April 2000.

(3) In these Regulations "the Principal Regulations" means the Teachers' Superannuation (Additional Voluntary Contributions) Regulations 1994(c).

**Amendment of Principal Regulations**

2. In regulation 2(3)-

(a) there shall be inserted in the appropriate place in alphabetical order the following definition-

""Investment Linked Pension" means a pension which is linked to the performance of investments after it becomes payable and which is payable from the proceeds of an annuity policy authorised by the Secretary of State for the purposes of these Regulations and managed by an insurance company selected by him;" and

(b) for the definition of "reckonable service" there shall be substituted the following definition-

""reckonable service" has the meaning given to it in regulation D1(1)(a) of the 1997 Regulations(d);".

3. In regulation 5 at the end of paragraph (3)(c)(iii) there shall be added-

"or

(iv) is to be an Investment Linked Pension."

4. In regulation 10(1) for the words "Where a person who enters pensionable employment has during previous employment paid contributions to" there shall be substituted "Where a person in pensionable employment has paid contributions to".

5. In regulation 12-

---

(a) 1972 c. 11; section 9 was amended by sections 4(1), 8(3) and (4) and 11 of the Pensions (Miscellaneous Provisions) Act 1990 (c. 7) and section 12 was amended by section 10 of that Act.

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

(c) S.I. 1994/2924, amended by regulation 11 of S.I. 1997/3001.

(d) S.I. 1997/3001, amended by S.I. 1998/2255, 1999/607 and 2000/665.

- (a) in paragraph (5) for “shall” there shall be substituted “may”;
- (b) at the end of paragraph (5)(d)(iii) for “and” there shall be substituted “or”;
- (c) after paragraph (5)(d)(iii) there shall be added—
  - “(iv) is to be an Investment Linked Pension; and”; and
- (d) for paragraph (8) there shall be substituted the following paragraph—
  - “(8) Subject to paragraphs (9) and (10), if the participator has not made an election under paragraph (5) before he attains the age of 75, the Secretary of State may on or after his attaining that age realise the investments made under regulation 9(1) or 10(2) and apply the amount obtained to the purchase of a pension policy from the insurance company referred to in regulation 9 to provide such benefits as appear to him to be suitable.”.

6. In paragraph 4 of the Schedule—

- (a) after sub-paragraph (1) there shall be inserted the following sub-paragraph—
  - “(1A) In calculating for the purposes of this paragraph the average of the participator’s salary, where the participator has spent any of the period mentioned in paragraph 4(1) in part-time employment the salary for that period shall be the amount which it would have been if the employment had been full-time during that period.”.
- (b) in sub-paragraph (2) there shall be inserted after the words “In this paragraph” the words “subject to sub-paragraph (2A)”.
- (c) after sub-paragraph (2) there shall be inserted the following sub-paragraph—
  - “(2A) In calculating for the purposes of this paragraph the adjusted salary for a participator who has spent any of the periods mentioned in paragraph (2) in part-time employment, the salary for that period shall be the amount which it would have been if the employment had been full-time during that period.”.

7.—(1) In the Schedule, at the beginning of paragraph 8(1) there shall be inserted the words “Subject to paragraph 8A”.

(2) After paragraph 8 of the Schedule there shall be inserted the following paragraph—

“8A. Where—

- (a) a participator joined the Teachers’ Pension Scheme under the 1989 Regulations or the 1997 Regulations on or after 1st September 1991;
  - (b) his election under regulation 4, or, if more than one, his first election, takes effect on or after 1st April 2000; and
  - (c) his earnings in his first year of pensionable employment do not exceed one-quarter of the permitted maximum under section 590C of the Taxes Act(a),
- the permitted amount shall be G as defined in paragraph 8.”

6th March 2000

*Malcolm Wicks*  
Parliamentary Under Secretary of State,  
Department for Education and Employment

We consent

8th March 2000

*Bob Ainsworth*  
*Greg Pope*  
Two of the Lords Commissioners of Her Majesty’s Treasury

---

(a) Section 590C was inserted by the Finance Act 1989 (c. 26), Schedule 6, paragraph 4(a). Words in subsections (4) and (5) were substituted by the Finance Act 1993 (c. 34), section 107(4), (5) and (8).

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Teachers' Superannuation (Additional Voluntary Contributions) Regulations 1994 ("the Principal Regulations").

Regulation 2 inserts into regulation 2 of the Principal 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. This regulation also amends the definition of reckonable service to bring it in line with the Teachers' Pensions Regulations 1997.

Regulation 3 amends regulation 5 of the Principal Regulations and allows a teacher who elects for his 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 4 amends regulation 10 to allow inward transfers to the AVC scheme to be made at any time by a person in pensionable employment in a free-standing scheme or an approved scheme.

Regulation 5 amends regulation 12(5) of the Principal Regulations so that a teacher is not required to make a benefits election when nearing retirement. If he does so, however, he may elect that he is provided with a pension which is Investment Linked. Regulation 5 makes a corresponding amendment to regulation 12(8) so that if the teacher has not made a benefits election under paragraph (5) before he attains the age of 75, the Secretary of State may purchase a pension policy for him on or after his attaining that age.

Regulation 6 amends the calculation of the average of the participator's salary and adjusted salary in paragraph 4 of the Schedule so that if a teacher is in part-time employment his salary shall be treated as if he had been in full-time employment for the relevant period.

Regulation 7 amends paragraph 8 of the Schedule and inserts a new paragraph 8A, so that the retirement pension of teachers who joined the Teachers' Pension 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 their first year of pensionable employment) will always be the relevant fraction of their final remuneration (that is, G as defined in paragraph 8(2)(a) of the Schedule to the Principal Regulations).

**2000 No. 666**

**EDUCATION, ENGLAND AND WALES**

**The Teachers' Superannuation (Additional Voluntary  
Contributions) (Amendment) Regulations 2000**

**£1.50**

© Crown copyright 2000

Printed and published in the UK by The Stationery Office Limited  
under the authority and superintendence of Carol Tullo,  
Controller of Her Majesty's Stationery Office and Queen's Printer of  
Acts of Parliament

E 0420 03/00 ON (MFK)