

## SCHEDULE 2

### Scheme flexibilities

## PART 4

### Election to buy out the standard reduction

#### CHAPTER 1

##### Making a buy-out election

##### Eligible to make buy-out election

**29.**—(1) A member (P) who has a normal pension age over 65 may elect to pay contributions to buy out the standard reduction (“buy-out election”) for a period of up to 3 years [<sup>F1</sup>insofar as this relates to P’s—

- (a) standard earned pension; and
- (b) faster accrual earned pension (if any)].

(2) A buy-out election has effect from the day on which the scheme manager accepts the election.

(3) A buy-out election ceases to have effect when the earliest of the following occurs—

- (a) P reaches normal pension age;
- (b) a retirement pension other than a phased retirement pension becomes payable to P;
- (c) P revokes the election or is taken to revoke the election.

(4) A buy-out election may only be made within 6 months after P enters pensionable service under this scheme.

(5) When making a buy-out election, P must be—

- (a) in pensionable service; and
- (b) under normal pension age.

(6) P may by written notice to the scheme manager vary a buy-out election if P's normal pension age changes before a retirement pension becomes payable to P.

##### Textual Amendments

**F1** Words in Sch. 2 para. 29(1) inserted (1.4.2015) by The Teachers Pension Scheme (Amendment) Regulations 2014 (S.I. 2014/2652), regs. 1, 31

##### Making a buy-out election

**30.**—(1) A buy-out election made by a member (P) must state the number of years in respect of which the standard reduction is to be bought out.

(2) A buy-out election must be made by written notice to the scheme manager.

(3) The notice of election must specify—

[<sup>F2</sup>(a) if P is in more than one eligible employment, the names of the employers in relation to P’s eligible employments;]

- (b) P's name;

- (c) P's date of birth;
  - (d) P's normal pension age;
  - (e) the date on which P entered pensionable service;
  - (f) P's annual rate of pensionable earnings for that employment.
- (4) The scheme manager may ask P to provide further information.

#### Textual Amendments

**F2** Sch. 2 para. 30(3)(a) substituted (1.4.2015) by [The Teachers Pension Scheme \(Amendment\) Regulations 2015 \(S.I. 2015/592\)](#), regs. 1, 4

#### Accepting a buy-out election

**31.**—(1) The scheme manager may accept a buy-out election by giving written notice to the person who made the election (P).

(2) The notice must state the buy-out value.

(3) A buy-out election is accepted when P receives notice that the scheme manager has accepted the election.

#### Determination of the buy-out value

**32.**—(1) The buy-out value is an amount determined by the scheme manager.

(2) If an additional pension election or a faster accrual election is subsequently made in respect of a person (P), the scheme manager may—

(a) re-determine the buy-out value; and

(b) send a written notice to P stating the re-determined buy-out value.

**Changes to legislation:**

There are currently no known outstanding effects for the The Teachers' Pension Scheme Regulations 2014, CHAPTER 1.