
STATUTORY INSTRUMENTS

2015 No. 601

**The Teachers (Compensation for Redundancy
and Premature Retirement) Regulations 2015**

PART 4

Mandatory Compensation for Premature Retirement

Entitlement to mandatory compensation

9.—(1) A person to whom paragraphs (3) and (5) or paragraphs (4) and (5) apply is eligible for annual compensation under these Regulations.

(2) A person to whom paragraph (3) and regulation 62(6) of the 2010 Regulations apply is eligible for lump sum compensation under these Regulations.

(3) This paragraph applies to a person (P) if—

- (a) P ceases to be in pensionable or excluded employment because P's employment is terminated by reason of P's redundancy or in the interests of the efficient discharge of P's employer's functions;
- (b) P has attained normal minimum pension age on or before the date that P falls within subparagraph (a);
- (c) P's employer gives written notice to the scheme manager that—
 - (i) P's employment was terminated by reason of P's redundancy or in the interests of the efficient discharge of the employer's functions; and
 - (ii) P's employer agrees that a premature retirement pension should become payable;
- (d) P has not received or is not to receive compensation under Part 3 as a result of the termination of the employment; and
- (e) P either—
 - (i) makes an application under regulation 107 of the 2010 Regulations for retirement benefits on the basis that P satisfies the requirements of this paragraph and that no Case in Schedule 7 to the 2010 Regulations other than Case A applies to P's reckonable service; or
 - (ii) is entitled to payment of a premature retirement pension under regulation 101 of the 2014 Regulations.

(4) This paragraph applies to a person (P) if—

- (a) P has attained normal minimum pension age and—
 - (i) if P is a member of the existing scheme, has not attained the age of 65;
 - (ii) if P is a transition member or a member of the 2015 scheme, has not attained normal pension age;
- (b) P is qualified or re-qualified for retirement benefits within the meaning of—

- (i) regulation 54 of the 2010 Regulations; or
- (ii) regulation 82 or 83 of the 2014 Regulations;
- (c) P's pensionable service in relation to an employment is terminated by reason of P's redundancy or in the interests of the efficient discharge of the functions of P's employer;
- (d) P's employer gives written notice to the scheme manager that—
 - (i) P's pensionable service was terminated by reason of P's redundancy or in the interests of the efficient discharge of the employer's functions; and
 - (ii) the employer agrees that a premature retirement pension should become payable to P;
- (e) P has not received and is not to receive compensation under Part 3 as a result of P's pensionable service being terminated;
- (f) P has left all eligible employment;
- (g) P has applied under regulation 162 of the 2014 Regulations for payment of a premature retirement pension; and
- (h) P has not applied under that regulation for payment of any other retirement pension.
- (5) This paragraph applies to a person to whom—
 - (i) paragraph (6) or (7) of regulation 61 of the 2010 Regulations applies;
 - (ii) regulation 96 or 102 of the 2014 Regulations applies.
- (6) A transition member who is eligible for annual compensation in respect of pension accrued in the 2015 scheme is also eligible for annual compensation in respect of pension accrued in the existing scheme.

Calculation of annual compensation

10.—(1) Subject to paragraph 2, a person (P)'s rate of annual compensation under regulation 9(1) is—

- (a) if P was accruing pensionable service under the 2010 Regulations immediately before the termination of P's employment, the difference between—
 - (i) the annual rate of P's retirement pension calculated in accordance with regulation 61(5) of the 2010 Regulations or, if higher, the annual rate calculated in accordance with regulation 70(2) of those Regulations; and
 - (ii) the annual rate of P's retirement pension calculated in accordance with regulation 61(6) or (7) of those Regulations, whichever is applicable;
 - (b) if P was accruing pensionable service under the 2014 Regulations immediately before the termination of P's employment, the total amount of any standard reduction and actuarial adjustment to which the annual rate of P's retirement pension is subject in accordance with regulation 102(b) of the 2014 Regulations.
- (2) If a person (P) in receipt of annual compensation under regulation 9(1) attains state pension age and the annual rate of P's retirement pension under the 2010 Regulations is increased by virtue of regulation 120 of those regulations then from the date on which P attained state pension age P's annual compensation under paragraph (1) is to be reduced by the difference between—
- (a) the annual rate of P's retirement pension calculated subject to regulation 120 of the 2010 Regulations; and
 - (b) the annual rate of P's retirement pension calculated without reference to that regulation.

Calculation of lump sum compensation

11. The lump sum compensation payable to a person under regulation 9(2) is the amount of any reduction made under regulation 62(6) of the 2010 Regulations to the person's retirement lump sum.

Further death grants

12.—(1) This regulation applies if a death grant is payable under regulation 87 of the 2010 Regulations or regulation 141 of the 2014 Regulations, whether or not such a grant is paid.

(2) If this regulation applies the compensating authority may pay a further death grant of A-B where—

A is 5 times the rate of annual compensation payable under regulation 10(1) at the date of the member's death;

B is the amount of compensation paid to the person since the compensation became payable.

(3) If regulation 31 applies any amount by which the annual rate of compensation is reduced under that regulation is treated as being payable for the purposes of the calculation in paragraph (2).

Entitlement to short-term family benefits

13.—(1) This regulation applies if—

(a) the amount of a person's pension at the short-term rate payable under regulation 95 or 98 of the 2010 Regulations is reduced by the combined effect of—

(i) regulation 61(6) or (7); and

(ii) regulation 95(2)(d) or 98(3)(d)
of the 2010 Regulations;

(b) the amount of a person's pension at the short-term rate payable under regulation 143 or 150 of the 2014 Regulations is reduced by the combined effect of—

(i) regulation 96 or 102; and

(ii) regulation 143(2)(b) or 150(2)(b)
of the 2014 Regulations.

(2) If this regulation applies the person to whom a pension is payable at the short-term rate is eligible for compensation, for each month during which the short-term compensation is payable, which is equal to the amount by which the short-term pension is reduced for that month.