
STATUTORY INSTRUMENTS

2015 No. 601

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

PART 7

Abatement

Abatement of annual compensation during further employment

31.—(1) This regulation applies if the amount of retirement pension paid to a person (P) is reduced under regulations 64A and 64B of the 2010 Regulations.

(2) If this regulation applies—

- (a) and by virtue of sub-paragraph (1)(a) or (2)(a) of regulation 64B of the 2010 Regulations no retirement pension is paid during a tax year, no compensation is to be paid under regulation 10 or 19 in that tax year;
- (b) and in any other case the compensation to which P is entitled under regulation 10 and the compensation to which P is entitled under regulation 19 in any tax year is each to be reduced if necessary so as to secure that the total compensation paid under regulation 10 and 19 during that tax year does not exceed $Ax(R/S)$ where—

A has the same meaning as in regulation 64B of the 2010 Regulations;

R is the full annual rate of P's compensation under regulation 10 during the tax year in question;

S is the total, for the tax year in question, of—

- (i) the full annual rate of P's retirement pension including, in the case of a transition member, any pension under the 2014 Regulations;
- (ii) the full annual rate of compensation payable under regulation 10; and
- (iii) the full annual rate of all compensation payable under regulation 19.

(3) If compensation under regulations 10 and 19 falls to be reduced under paragraph (2)(b) in any tax year—

- (a) the compensating authority is to pay the compensation under each regulation in accordance with regulation 41—
 - (i) at the rate which is appropriate without taking account of the reduction;
 - (ii) until the amount to which the compensation is to be reduced, on the assumption that P will remain in employment at the same salary for the rest of the tax year, has been paid; and
- (b) no further payment is to be made during that tax year.

(4) If there is a change in circumstances which results in a change to any of the conditions for calculating a reduction in annual compensation under paragraph (2) in any tax year, the compensating

authority is to recalculate the amount of compensation which is payable in order to secure the result described in paragraph (2).

- (5) For the purposes of paragraph (2)—
 - (a) regulation 64B of the 2010 Regulations is to be construed as if the former employment were pensionable employment;
 - (b) if P had more than one entitlement to annual compensation under regulation 19, R comprises the total annual compensation under regulation 19 but each component is to be reduced under paragraph (2)(b) only in the proportion which it bears to the total.

Abatement of discretionary annual compensation following termination or redundancy payment

32.—(1) The annual compensation under regulation 19 is to be reduced by the amount of the termination or redundancy payment if—

- (a) lump sum compensation was paid under regulation 20 before a termination payment or a redundancy payment became payable; and—
- (b) either—
 - (i) the termination payment, if paid before the lump sum compensation became payable, would have resulted in the lump sum compensation being reduced or not paid under regulation 28; or
 - (ii) the redundancy payment, if paid before the lump sum compensation became payable, would have resulted in the lump sum compensation being reduced or not paid under regulation 27.

(2) The reduction under paragraph (1) in annual compensation payable under regulation 19 is a reduction in the total amount payable, and accordingly payment is to be suspended until the full reduction has been achieved.