
STATUTORY INSTRUMENTS

2023 No. 871

**The Teachers' Pension Scheme
(Remediable Service) Regulations 2023**

PART 5

Voluntary contributions

CHAPTER 1

General

Interpretation of Part 5

27. In this Part—

“additional pension” means rights to benefits secured by virtue of an election under—

- (a) in relation to the legacy scheme, paragraph 2 of Schedule 4 to the 2010 Regulations;
- (b) in relation to the reformed scheme, paragraph 6 of Schedule 2 to the 2014 Regulations;

“alternative reformed scheme additional pension value” means the value of additional pension determined pursuant to regulation 28(1)(a)(i);

“bought out standard reduction” means rights to benefits secured by virtue of an election under paragraph 29 of Schedule 2 to the 2014 Regulations;

“compensatable amount” means, where an amount by way of compensation relates to remediable voluntary contributions paid to secure—

- (a) additional pension under the legacy scheme, the amount determined pursuant to regulation 28(1)(a)(ii);
- (b) reformed scheme flexibilities, the amount determined pursuant to regulation 28(1)(b)(ii);

“faster accrual” means rights to benefits secured by virtue of an election under paragraph 22 of Schedule 2 to the 2014 Regulations;

“reformed scheme flexibility” means additional pension, bought out standard reduction or faster accrual secured under the reformed scheme;

“relevant pension year” has the meaning given in direction 5(16)(c)(i) of the PSP Directions 2022;

“remediable voluntary contribution” means a voluntary contribution⁽¹⁾ paid pursuant to an arrangement which commenced during the period of a remedy member’s remediable teacher service;

“rights to alternative legacy scheme additional pension” means the rights to additional pension determined pursuant to regulation 28(1)(b)(i);

“RVC election” has the meaning given in regulation 29(4)(c);

(1) See section 110(1) of PSPJOA 2022 for the meaning of “voluntary contributions”.

“voluntary contribution” means a contribution paid by a remedy member to secure—

- (a) additional pension under the legacy scheme, or
- (b) a reformed scheme flexibility.

Requirement to determine the value of flexibilities in a member’s alternative scheme

28.—(1) The scheme manager must, as soon as is practicable after 1st October 2023, determine—

- (a) where a remedy member paid remediable voluntary contributions to secure additional pension under the legacy scheme—
 - (i) the equivalent value of additional pension that would have been secured under the reformed scheme if the remediable voluntary contributions had been paid to that scheme, and
 - (ii) the amount which is equal to—
 - (aa) the aggregate of the remediable voluntary contributions paid to secure the additional pension under the legacy scheme, less
 - (bb) an amount in respect of the value of tax relief calculated in accordance with directions 5(5) to (9) of the PSP Directions 2022;
- (b) where a remedy member paid remediable voluntary contributions to secure reformed scheme flexibilities—
 - (i) the rights to additional pension under the legacy scheme that would have been secured under that scheme if the remediable voluntary contributions had been paid to that scheme, and
 - (ii) the amount which is equal to—
 - (aa) the aggregate of the remediable voluntary contributions paid to secure the reformed scheme flexibility, less
 - (bb) an amount in respect of the value of tax relief calculated in accordance with direction 5(5) to (9) of the PSP Directions 2022.

(2) Where a determination is made in accordance with direction 5(8) of the PSP Directions 2022, the following apply—

- (a) direction 5(10) (provision of explanation);
 - (b) direction 5(11) and (12) (appeals).
- (3) In making a determination under paragraph (1)—
- (a) the scheme manager must consult the scheme actuary, and
 - (b) the scheme manager must treat any remediable voluntary contribution paid to—
 - (i) the reformed scheme as if it was paid to the legacy scheme in the same relevant pension year in which it was paid to the reformed scheme;
 - (ii) the legacy scheme as if it was paid to the reformed scheme in the same relevant pension year in which it was paid to the legacy scheme.

Election in relation to remediable voluntary contributions

29.—(1) This regulation applies where—

- (a) a remedy member (“M”) has paid remediable voluntary contributions to secure a reformed scheme flexibility, and
- (b) M is—

- (i) an immediate choice member and, at the time M made the election pursuant to which those remediable voluntary contributions were paid, M was under 65;
 - (ii) a deferred choice member.
- (2) This regulation applies separately in relation to each reformed scheme flexibility secured by M's remediable voluntary contributions.
- (3) The scheme manager must, as soon as is practicable after making the determinations mentioned in regulation 28(1)(b) in relation to M, give written notice to the relevant decision-maker.
- (4) The notice must set out—
 - (a) the rights secured by virtue of any remediable voluntary contributions paid by M;
 - (b) the effect on those rights if, as the case may be—
 - (i) a section 6 election or a section 10 election is made in relation to M's remediable teacher service, or
 - (ii) no section 6 election or section 10 election is made in relation to M's remediable teacher service;
 - (c) the fact that the relevant decision-maker may make an election (an "RVC election") in accordance with paragraph (5), and the consequences of making or not making an RVC election;
 - (d) the form and manner by which the RVC election must be communicated to the scheme manager;
 - (e) the time by which the RVC election must be received by the scheme manager;
 - (f) the fact that the RVC election is irrevocable.
- (5) The relevant decision-maker may elect that—
 - (a) rights to alternative legacy scheme additional pension are to be conferred,
 - (b) the scheme manager owes M or, if M is deceased, M's personal representatives an amount by way of compensation equal to the compensatable amount, or
 - (c) except where—
 - (i) M is an immediate choice member, or
 - (ii) M is a deferred choice member who has died,the scheme manager owes M an amount by way of compensation equal to the compensatable amount and that amount is to be waived by virtue of an agreement under regulation 39(2).
- (6) An election may only be made—
 - (a) during the period of six months beginning on the day after written notice is given in accordance with this regulation, or
 - (b) at such later time as the scheme manager considers reasonable in all the circumstances.
- (7) An election under paragraph (5) is irrevocable.
- (8) In this regulation—

"relevant decision-maker" means—

 - (a) where M is an immediate choice member, the immediate choice decision-maker in relation to M;
 - (b) where M is a deferred choice member, the deferred choice decision-maker in relation to M.

Disapplication of scheme regulations where rights are determined, varied or conferred

30. Where rights, or the value of rights, are determined, varied or conferred under Chapter 2 or 3, the following do not apply in relation to those rights—

- (a) any procedural requirement (such as the giving of a notice) imposed by the 2010 Regulations or the 2014 Regulations in connection with securing rights that are the same as, or similar to, the varied or conferred rights;
- (b) any provision contained in the 2010 Regulations or the 2014 Regulations limiting the amount of additional pension, bought out standard reduction or faster accrual that may be secured in a particular period.

Variation of the period during which a buy-out election may be made

31.—(1) In relation to a relevant member, paragraph 29(4) of Schedule 2 to the 2014 Regulations is to be read as if for “after P enters pensionable service under this scheme” there were substituted “of the beginning of 1st October 2023”.

(2) In paragraph (1), “relevant member” means a remedy member who, immediately before 1st April 2022, was not a full protection member within the meaning of paragraph 1 of Schedule 3 to the 2014 Regulations.