SCOTTISH STATUTORY INSTRUMENTS

2003 No. 423

PENSIONS

The Teachers' Superannuation (Scotland) Amendment Regulations 2003

Made - - - -	*8th September 2003*
Laid before the Scottish Parliament - - - -	*10th September 2003*
Coming into force - -	*1st October 2003*

The Scottish Ministers, in exercise of the powers conferred by sections 9 and 12 of, and Schedule 3 to, the Superannuation Act 1972(**1**) and of all other powers enabling them in that behalf, after consulting with representatives of education authorities and of teachers and with such representatives of other persons likely to be affected by the Regulations as appear to them to be appropriate, in accordance with section 9(5) of that Act, and with the consent of the Treasury(**2**), hereby make the following Regulations:

Citation and Commencement

1. These Regulations may be cited as the Teachers' Superannuation (Scotland) Amendment Regulations 2003 and shall come into force on 1st October 2003.

Amendment of the Teachers' Superannuation (Scotland) Regulations 1992

2. The Teachers' Superannuation (Scotland) Regulations 1992(**3**) shall be amended in accordance with regulations 3 to 12 of these Regulations.

(**1**) 1972 c. 11; section 9 was amended by sections 4(1), 8(3), (4) and (6), and 11 of the Pensions (Miscellaneous Provisions) Act 1990 (c. 7) ("the 1990 Act"), by section 190, Schedule 8, paragraph 7 of the Pension Schemes Act 1993 (c. 48) and by article 107 of the Financial Services and Markets Act 2000 (Consequential Amendments and Repeals) Order 2001 (S.I. 2001/3649), and section 12 was amended by section 10 of the 1990 Act. The functions of the Secretary of State were transferred to the Scottish Ministers by virtue of the Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc.) Order 1999, article 2 and Schedule 1 (S.I. 1999/1750).

(**2**) This function was transferred to the Treasury by the Transfer of Functions (Minister for the Civil Service and Treasury) Order 1981 (S.I. 1981/1670) and is still exercisable by virtue of S.I. 1999/1750, article 2 and Schedule 1.

(**3**) S.I. 1992/280, amended by S.I. 1992/1025 and 1597, 1993/490 and 2513, 1994/1715 and 2699, 1995/840 and 1670, 1997/676, 1998/718, 1999/446 and S.S.I. 2000/366, 2001/152 and 291 and 2002/288.

Part-time service

3. In regulation B2, paragraph (5), for "regulation G9B(1)" there shall be substituted "regulation G7(1)" and for "regulation G9B(2)" there shall be substituted "regulation G7(2)".

Ordinary contributions

4. In regulation C2, paragraph (1A), for "regulation G9A" there shall be substituted "regulation G6".

Calculation for the purposes of regulation C10

5. In Regulation C11, paragraph (3)(a)(i), for "regulation G4" there shall be substituted "regulation G2".

Repayment of returned contributions

6. In regulation C13, paragraph(4), for "regulation G4" there shall be substituted "regulation G2".

Pensionable Salary

7. In regulation E29, paragraphs (13) and (16), for "regulation G10(1D)" there shall be substituted "regulation G8(5)".

Finance

8. For Part G there shall be substituted the Part G set out in the Schedule.

Repayment of contributions where an election is not made under regulation G10(1D)

9. In Regulation H4A, in the heading and in paragraph (1)(b), for "regulation G10(1D)" there shall be substituted "regulation G8(5)".

Schedule 1: Glossary of Expressions

10. In Schedule 1 for the expression "Required percentage" in column 1, there shall be substituted in column 2 the meaning "Shall be construed in accordance with regulation G5."

Schedule 4: Additional Contributions to Purchase Past Added Years

11. In Schedule 4, paragraph 2(2), in subparagraph B, for "regulation G4", there shall be substituted "regulation G2."

Schedule 12: Teachers' Superannuation Account

12. For Schedule 12, there shall be substituted–

"Schedule 12

TEACHERS' SUPERANNUATION ACCOUNT

FORM OF ACCOUNT**ACCOUNT UNDER REGULATION G1 OF THE SCOTTISH TEACHERS' SUPERANNUATION (SCOTLAND) REGULATIONS 1992 FOR THE YEAR ENDING 31ST MARCH 20**

		£000s	£000s
HEAD			
	Notional balance at 1st April 20		
	ADD RECEIPTS		
A1	Contributions		
	(i) Employees		
	(ii) Employers		
II	Transfer Values		
	(i) Actual		
	(ii) Notional		
III	Contributions equivalent premiums		
IV	Miscellaneous receipts		
V	Notional investment income		
	DEDUCT PAYMENTS		
B1	Benefits		
	(i) Retirement pensions		
	(ii) Retirement lump sums		
	(iii) Death gratuities		
	(iv) Widow's pensions		
	(v) Widower's pensions		
	(vi) Children's pensions		
	(vii) Other beneficiaries' pensions		
	(viii) Short term benefits		
II	Repayments of contributions		
III	Transfer values		
	(i) Actual		
	(ii) Notional		
IV	Contributions equivalent premiums to the State Pension Scheme		
V	Increases payable under the Pensions (Increase) Act 1971(a)		
	Notional balance at 31st March 20		

St Andrew's House, Edinburgh
27th August 2003

TAVISH SCOTT
Authorised to sign by the Scottish Ministers

We consent,

NICK AINGER
JOAN RYAN
Two of the Lords Commissioners of Her Majesty's Treasury

8th September 2003

SCHEDULE Regulation 8

"PART G

FINANCE

Teachers' superannuation account

G1. The Scottish Ministers shall keep an account, substantially in the form set out in Schedule 12, of all receipts and payments under these Regulations for every financial year.

Receipts, etc., to be credited

G2.—(1) Employees' and employers' contributions during the financial year shall be credited to the account.

(2) Employees' contributions comprise–

(a) all contributions payable under regulations C2(1) and (1A), C3, C4, C5, C7 and C9, and paragraph 24 of Schedule 9;

(b) so much of any additional contributions payable under regulation C8 and C8A as would have been payable under regulation C2(1) if pensionable employment had continued; and

(c) all amounts payable under regulation C13.

(3) Employers' contributions comprise–

(a) the contributions payable under regulations G5, G6 and G7; and

(b) so much of any additional contributions payable under regulations C8 and C8A as would have been payable under regulation G5 if pensionable employment had continued.

(4) There shall also be credited to the account–

(a) subject to paragraph (b), the closing balance in the account for the preceding financial year;

(b) the closing balance in the account for the financial year ending on 31st March 2001 as determined by the Government Actuary by reference to the value of the scheme assets mentioned in regulation G4(9);

(c) all transfer values accepted under regulation F3 and additional transfer values under regulation D5 received during the financial year;

(d) all contributions equivalent premiums refunded, or recovered under section 61 of the 1993 Act, during the financial year;

(e) any interest and other payments under these Regulations received during the financial year; and

(f) the notional investment income for the financial year on the balance in the account.

(5) For the purposes of paragraph (4)(f), the notional investment income for the financial years commencing on or after 1st April 2001 shall be determined by the Government Actuary and derived using a percentage return as specified from time to time by the Government Actuary.

Payments to be debited

G3. There shall be debited to the account all sums paid during the financial year by way of–

(a) benefits under Part E, so far as not attributable to service before 1st June 1922;

(b) payments under paragraph 11 of Schedule 9;

(c) return of contributions (including interest) under regulations C10 and C12;

(d) transfer values under regulation F1 and additional transfer values under regulatiion F2;

(e) contributions equivalent premiums; and

(f) increases payable under the Pensions (Increase) Act 1971.

Actuarial review

G4.—(1) The Government Actuary shall, from time to time, make an actuarial review on the position in relation to the account as at the date determined by the Scottish Ministers ("the review date").

(2) In making a determination for the purposes of paragraph (1) the Scottish Ministers shall secure that–

(a) the next review date is no later than 31st March 2006; and

(b) the review date for each subsequent report is not later than 5 years after the previous review date.

(3) The Government Actuary, with the agreement of the Scottish Ministers, shall specify the funding methodology to be used in making the actuarial review.

(4) Any determination in relation to an actuarial inquiry made by the Scottish Ministers under paragraph (1) before 1st October 2003 shall have effect as if it were a determination in relation to an actuarial review.

(5) The Government Actuary shall make a report ("the report") on the actuarial review to the Scottish Ministers as soon as practicable after the review date and the Scottish Ministers shall lay the report before the Scottish Parliament.

(6) The report shall specify the standard contribution rate (expressed as a percentage) at which contributions should be paid during the period beginning and ending on days (following the date of the report) determined by the Scottish Ministers ("the relevant period").

(7) The report shall state the amount by which, at the review date, the value of the scheme assets exceeded or fell short of that of the scheme liabilities.

(8) Subject to paragraph (9), the scheme assets and the scheme liabilities shall be determined in accordance with the funding methodology specified in paragraph (3).

(9) For the purposes of the actuarial review reporting on the position in relation to the account as at 31st March 2001, the value of the scheme assets shall equal the value of the scheme liabilities.

(10) If the report states that the value of the scheme liabilities exceeded that of the scheme assets, it is to specify a rate at which, during the relevant period, supplementary contributions should be paid by employers of persons in pensionable employment so as to remove the deficiency within the period of 15 years beginning on the first day of the relevant period.

(11) If the report states that the value of the scheme assets exceeded that of the scheme liabilities, it is to specify a rate at which, during the relevant period, the employers of persons in pensionable employment should receive a contribution rebate so as to remove the surplus within the period of 15 years beginning on the first day of the relevant period.