STATUTORY INSTRUMENTS

# 2015 No. 602

# PUBLIC SERVICE PENSIONS

## The Public Service (Civil Servants and Others) Pensions (Amendment) Regulations 2015

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| *Made - - - -* | *9th March 2015* |
| *Laid before Parliament* | *10th March 2015* |
| *Coming into force - -* | *1st April 2015* |

The Minister for the Civil Service makes these Regulations in exercise of the powers conferred by sections 1(1) and (2)(a), 2(1) and 3(1), (2) and (3) of and Schedule 3 to the Public Service Pensions Act 2013(**1**).

In accordance with section 21 of that Act, the Minister has consulted the representatives of such persons as appear to the Minister likely to be affected by these Regulations.

In accordance with section 3(5) of that Act, these Regulations are made with the consent of the Treasury.

**Citation and commencement**

**1.**—(1) These Regulations may be cited as the Public Service (Civil Servants and Others) Pensions (Amendment) Regulations 2015.

(2) These Regulations come into force on 1st April 2015.

**Amendments to the Public Service (Civil Servants and Others) Pensions Regulations 2014**

**2.**—(1) The Public Service (Civil Servants and Others) Pensions Regulations 2014(**2**) are amended as follows.

(2) In regulation 2, for the definition of "partnership pension account" substitute the following—

""partnership pension account", in relation to a person in service in a scheme employment, means a stakeholder pension scheme or a personal pension scheme—

(a) to which the person's employer is paying contributions;

(b) to which the person's employer is not paying contributions because–

(**1**) 2013 c. 25.
(**2**) S.I. 2014/1964 amended by S.I. 2015/372.

(i) the person received benefits under section 2 (compulsory and redundancy category (1972 Section members)) of the Civil Service Compensation Scheme or section 3 (flexible category (1972 Section members)) of that Scheme on the basis that the person's reckonable service within the meaning of those sections was enhanced; and

(ii) the period by which the person's reckonable service was enhanced exceeds the period beginning with the day on which the person's retirement under those sections began and ending with the day before the person was re-employed in the scheme employment; or

(c) to which the person's employer is not paying contributions because the person is not receiving earnings which are pensionable earnings for the purposes of the person's pension scheme (other than because the person is on an unauthorised absence);".

(3) After regulation 182 insert—

"**Ill-health benefits for persons who have a partnership pension account**

**183.** Schedule 3 (which makes provision for ill-health benefits for persons who have a partnership pension account) has effect.

**Death benefits in respect of persons who have a partnership pension account**

**184.** Schedule 4 (which makes provision for death benefits in respect of persons who have a partnership pension account) has effect.".

(4) After Schedule 2 (transitional provisions) insert new Schedules 3 and 4 as set out in Schedules 1 and 2 to these Regulations.

Signed

*Francis Maude*
Minister for the Cabinet Office
Cabinet Office

9th March 2015

We consent

*Mark Lancaster*
*David Evennett*
Two of the Lords Commissioners of Her Majesty's Treasury

9th March 2015

SCHEDULE 1 Regulation 2

"SCHEDULE 3 Regulation 183

The Partnership Pension Account Ill-Health Benefits Arrangements

# PART 1

## Preliminary

**Interpretation - general**

**1.** In this Schedule—

"the 2002 Section" means Section I of the PCSPS;

"the 2007 Section" means Section III of the PCSPS;

"alpha" means the scheme established by regulation 3;

"eligible service" has the meaning given in paragraph 2;

"final pensionable earnings" has the meaning given in paragraph 3;

"ill-health benefits" in relation to a person means benefits payable in the event of the person's ill-health;

"incapacity for employment" has the meaning given in paragraph 4;

"partnership ill-health benefits arrangements" means the arrangements for payment of ill-health benefits set out in this Schedule or in the scheme made under section 1 of SA 1972 which provided for ill-health benefits for persons who have a partnership pension account;

"permanent breakdown in health" has the meaning given in paragraph 5; and

"qualifying partnership service" has the meaning given in paragraph 6.

**Meaning of "eligible service"**

**2.**—(1) In this Schedule, "eligible service" in relation to a person to whom this Schedule applies (P) means the aggregate of the periods of service (expressed in years) referred to in sub-paragraph (2) which fall within P's current period of scheme employment to which sub-paragraph (3) applies.

(2) The periods referred to in this sub-paragraph are—

(a) any period of service during which P has a partnership pension account to which P's employer is paying contributions;

(b) any period which counts as qualifying service under the 2002 Section or the 2007 Section which is qualifying partnership service in relation to P; and

(c) any period during which P is in pensionable service under alpha which is qualifying partnership service in relation to P.

(3) This sub-paragraph applies to a period of service in scheme employment in respect of which P—

(a) receives pensionable earnings; or

(b) is treated as receiving assumed pay.

(4) If a person (P) to whom this Schedule applies is in part-time service at any time during the periods referred to in sub-paragraph (2), the eligible service in respect of the period during which P is in part-time service is—

$$\frac{A}{(N \times 52.2)} \, years$$

where–

A is the number of hours of P's part-time service in the period in question (excluding meal breaks, unless they are paid for part-time staff); and

N is the number of weekly full-time conditioned hours in the period in question for a person in the same grade as P (excluding meal breaks unless they are paid for part-time staff).

(5) If the number of weekly full-time conditioned hours varies during the period in question, the calculation in sub-paragraph (4) must be made separately for each period within the period of part-time service in question during which that number remains the same.

**Meaning of "final pensionable earnings"**

**3.**—(1) In this Schedule, "final pensionable earnings" in relation to a person (P) to whom this Schedule applies means the greater of—

(a) P's permanent pensionable earnings in the 12 months ending on the last day of P's eligible service; and

(b) P's permanent pensionable earnings in one of the last two complete scheme years ending on or before the last day on which P was in scheme employment.

(2) This sub-paragraph applies where—

(a) P's last day of eligible service is after 29th July 2007;

(b) P returned from unpaid leave or unpaid absence during the 12 months ending with P's last day of eligible service;

(c) P was in scheme employment during the whole of the period of 12 months ending with P's last day of eligible service; and

(d) during the period of unpaid leave or unpaid absence referred to in paragraph (b) P did not have a partnership pension account to which P's employer was paying contributions.

(3) Where sub-paragraph (2) applies, the period of 12 months referred to in sub-paragraph (1)(a) shall be taken as being the period of 365 days plus the number of days during the period of unpaid leave or unpaid absence referred to in sub-paragraph (2)(b).

(4) If the period of 365 days referred to in sub-paragraph (3) includes 29th February, that sub-paragraph has effect with the substitution for "365" of "366".

(5) For the purpose of sub-paragraph (1), P's permanent pensionable earnings for any period include any assumed pay which P is treated as receiving during that period.

(6) If P was in part-time service during any period which is relevant for the purpose of sub-paragraph (1), P's final pensionable earnings are calculated as if P received the full-time rate during that period.

(7) If P was not in scheme employment during the whole of the 12 month period referred to in sub-paragraph (1)(a), that sub-paragraph applies as if it referred to P's annualised permanent pensionable earnings in P's latest period of scheme employment ending with P's last day of eligible service.

(8) For the purposes of sub-paragraph (7), P's annualised permanent pensionable earnings for a period are—

$$PPE \times \frac{365}{N}$$

where–

PPE is P's permanent pensionable earnings for the period; and

N is the number of days in the period.

(9) If the period referred to in sub-paragraph (8) includes 29th February, sub-paragraph (8) has effect with the substitution for "365" of "366".

(10) Only pensionable earnings in P's latest continuous period of service in scheme employment are to be taken into account for the purposes of sub-paragraph (1)(a) and (b).

(11) In sub-paragraph (10), "continuous period of service in scheme employment" means a period of service in scheme employment disregarding any gap in service in scheme employment not exceeding 6 months.

**Meaning of "incapacity for employment"**

**4.** In this Schedule, a person's breakdown in health involves "incapacity for employment" if the scheme medical adviser is of the opinion that as a result of the breakdown the person is incapable of doing the person's own or a comparable job.

**Meaning of "permanent breakdown in health"**

**5.** In this Schedule, a person's breakdown in health is "permanent" if the scheme medical adviser is of the opinion that the breakdown will continue until the person reaches pension age.

**Meaning of "qualifying partnership service"**

**6.** In this Schedule, "qualifying partnership service" means the aggregate of the following periods —

(a) any period beginning on or after 1st October 2002 falling within a person's latest period of scheme employment during which the person has a partnership pension account (regardless of whether the person's employer pays contributions);

(b) any period which counts as qualifying service under the 2002 Section or the 2007 Section provided that the last day of such period was immediately before the person held a partnership pension account;

(c) where a person (P) was in pensionable service under alpha immediately before P held a partnership pension account—

(i) any period during which P was in pensionable service under alpha provided that the last day of such period was immediately before P held a partnership pension account; and

(ii) any period which counts as qualifying service under the 2002 Section or the 2007 Section provided that the last day of such period was immediately before P's period of qualifying partnership service within paragraph (i); and

(d) in the case of a person who is transferred to scheme employment without the person's consent and who has a partnership pension account immediately after that transfer, the whole of the period during which that person was an active member of an occupational pension scheme in the person's employment immediately prior to the transfer.

**Calculation of periods of service**

**7.** Where this Schedule provides for a period of service to be expressed in years, regulation 176 applies for the purposes of this Schedule.