



## TEACHERS' SUPERANNUATION (AMENDMENT) SCHEME 2018

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Statutory Document No. 2018/0240

*Public Sector Pensions Act 2011*

## TEACHERS' SUPERANNUATION (AMENDMENT) SCHEME 2018

*Approved by Tynwald:**Coming into operation in accordance with article 2*

The Public Sector Pensions Authority makes the following Scheme under section 6(1)(c) of, and paragraph 1 of Schedule 1 to the Public Sector Pensions Act 2011.

### *Preliminary*

#### **1 Title**

This Scheme is the Teachers' Superannuation (Amendment) Scheme 2018.

#### **2 Commencement and effect**

- (1) If approved by Tynwald, this Scheme comes into operation on the day following its approval.
- (2) Once it is approved, the amendments made by this Scheme have effect on and after 1 November 2018.

#### **3 Interpretation**

In this Scheme—

- (a) “**the Act**” means the Public Sector Pensions Act 2011;
- (b) “**the principal Scheme**” means the Teachers’ Superannuation Order 2011<sup>1</sup>;
- (c) “**the applied Regulations**” means the Teachers’ Pensions Regulations 2010<sup>2</sup> (made by the Secretary of State and applied to the Island with modifications by the principal Scheme) as modified, and a reference to a numbered regulation is a reference to the regulation so numbered in the applied Regulations.

<sup>1</sup> SD 0134/11. The Order now has effect as a scheme under the Act by virtue of paragraph 1 of Schedule 1 to the Act.

<sup>2</sup> SI 2010/990-

*Amendments to the applied Regulations***4 Annual rate of phased retirement and retirement pension: regulation 61 amended**

In regulation 61(5) for sub-paragraphs (a) and (b) substitute –

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| <div style="border-left: 1px solid black; padding-left: 5px;"> <div style="border-left: 1px solid black; padding-left: 5px;"> <div style="border-left: 1px solid black; padding-left: 5px;"> <b>(a)</b> in the case of a person with NPA 60 service – </div> </div> </div> <div style="border-left: 1px solid black; padding-left: 5px;"> <div style="border-left: 1px solid black; padding-left: 5px;"> <div style="border-left: 1px solid black; padding-left: 5px;"> <b>(i)</b> for service up to and including 31 October 2018 –<br/> <math>\frac{1}{80} \times P</math>'s average salary <math>\times</math> P's NPA 60 reckonable service to which a Case applies (in years and fractions of a year); and </div> <div style="border-left: 1px solid black; padding-left: 5px;"> <b>(ii)</b> for service on and after 1 November 2018 –<br/> <math>\frac{1}{83} \times P</math>'s average salary <math>\times</math> P's NPA 60 reckonable service to which a Case applies (in years and fractions of a year). </div> </div> </div> |
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**(b)** in the case of a person who has NPA 65 service –

**(i)** for service up to and including 31 October 2018 –  
 $\frac{1}{60} \times P$ 's average salary  $\times$  P's NPA 65 reckonable service to which a Case applies (in years and fractions of a year); and

**(ii)** for service from 1 November 2018 –  
 $\frac{1}{62.5} \times P$ 's average salary  $\times$  P's NPA 65 reckonable service to which a Case applies (in years and fractions of a year).

**5 Amount of phased retirement and retirement lump sum: regulation 62 amended**

For regulation 62(7) substitute –

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| <div style="border-left: 1px solid black; padding-left: 5px;"> <div style="border-left: 1px solid black; padding-left: 5px;"> <div style="border-left: 1px solid black; padding-left: 5px;"> <b>(7)</b> In this regulation – </div> </div> </div> <div style="border-left: 1px solid black; padding-left: 5px;"> <div style="border-left: 1px solid black; padding-left: 5px;"> <div style="border-left: 1px solid black; padding-left: 5px;"> “permitted maximum” is 30% of the value of the pension, as determined by the Public Sector Pensions Authority and calculated on a basis approved by the Scheme Actuary, for a lump sum; </div> <div style="border-left: 1px solid black; padding-left: 5px;"> “relevant date” has the same meaning as in regulation 57(9) (election to receive phased benefits). </div> </div> </div> |
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**6 Annual rate of total incapacity pension and amount of total incapacity lump sum: regulation 66 amended**

For regulation 66(5) substitute –

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| <div style="border-left: 1px solid black; padding-left: 5px;"> <div style="border-left: 1px solid black; padding-left: 5px;"> <div style="border-left: 1px solid black; padding-left: 5px;"> <b>(5)</b> The appropriate fraction is – </div> </div> </div> <div style="border-left: 1px solid black; padding-left: 5px;"> <div style="border-left: 1px solid black; padding-left: 5px;"> <div style="border-left: 1px solid black; padding-left: 5px;"> <b>(a)</b> where P is a pre-2007 entrant – </div> </div> </div> <div style="border-left: 1px solid black; padding-left: 5px;"> <div style="border-left: 1px solid black; padding-left: 5px;"> <div style="border-left: 1px solid black; padding-left: 5px;"> <b>(i)</b> <math>\frac{1}{80}</math> in respect of service before 1 November 2018, and </div> </div> </div> |
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- (ii) 1/83 in respect of service on or after that date, and
- (b) where P is person with mixed service or a 2007 or later entrant—
  - (i) 1/60 in respect of service before 1 November 2018, and
  - (ii) 1/62.5 in respect of service on or after that date. **22**.

#### 7 **Nomination of surviving nominated partner: regulation 90 amended**

For paragraph (b) of regulation 90(4) (which explains the meaning of “surviving nominated partner”) substitute —

- 23** (b) the condition in paragraph (2) was satisfied —
  - (i) for a continuous period of at least 2 years, or
  - (ii) in exceptional circumstances, for such shorter continuous period as the PSPA may accept, ending on A’s death. **22**.

#### 8 **Adult pensions: regulation 94 amended**

In regulation 94 omit paragraphs (5), (6) and (7).

#### 9 **Over payment: regulation 137A inserted**

After regulation 137 insert —

##### **24 137A Overpayment of Benefits**

- (1) If information or evidence supplied to the Public Sector Pensions Authority in connection with the provision of a benefit under these Regulations is subsequently proved to the Authority’s satisfaction of the Public Sector Pensions Authority to be incorrect or insufficient, the Public Sector Pensions Authority must provide for the payment of the benefit that would have been payable had it been calculated by reference to the correct information or evidence.
- (2) If any person or a person’s beneficiary is paid benefits under these Regulations to which he or she is not entitled, the Public Sector Pensions Authority may, on discovering that fact, take all reasonable steps to recover such payments from the recipient including offsetting any overpayment of a benefit against future payments of benefits. **22**.

MADE 10 September 2018



**JEREMY P B CARTER**

*Chairman of the Public Sector Pensions Authority*

*EXPLANATORY NOTE**(This note is not part of the Scheme)*

This Scheme modifies the Teachers' Pensions Regulations 2010 (SI 2010/990: "the applied Regulations") made by the Secretary of State and applied to the Island with modifications by the Teachers' Superannuation Order 2011 (SD 2011/0134: "the principal Scheme").

Articles 1 to 3 deal respectively with the title of the Scheme, its commencement and the interpretation of certain terms used in it.

Articles 4 to 9 further modify the applied Regulations. Articles 4 to 6 reduce the amount of pensions in certain cases. The changes reduce the value of future pension accrued after 1 November 2018 by 1% of pensionable pay for all current and future new teachers in the Isle of Man.

Article 7 adds a further set of circumstances to those in which regulation 90 of the applied Regulations (nomination of surviving nominated partner) applies.

Article 8 removes paragraphs (5) to (7) from regulation 94 of the applied Regulations. The effect is to remove the rule that, in certain circumstances set out in those paragraphs, a surviving adult beneficiary ceases to be entitled to a pension if the beneficiary marries, forms a civil partnership or cohabits with a third party.

Finally regulation 9 inserts a new regulation 137A into the applied Regulations to make clear the obligations of the PSPA to take all reasonable steps to correct underpayments and recover overpayments of teachers' pensions.

