STATUTORY INSTRUMENTS

1968 No. 1470

PENSIONS

The Superannuation (Teaching and Public Transport Services) Interchange Rules 1968

Made - - -	16*th September* 1968
Laid before Parliament	27*th September* 1968
Coming into Operation	1*st October* 1968

The Secretary of State for Education and Science, with the consent of the Treasury, in exercise of the powers conferred upon him by sections 2 and 15 of the Superannuation (Miscellaneous Provisions) Act 1948(a) as amended by section 11 of the Superannuation (Miscellaneous Provisions) Act 1967(b), hereby makes the following Rules:—

PART I

GENERAL

Citation and Commencement

1. These Rules may be cited as the Superannuation (Teaching and Public Transport Services) Interchange Rules 1968 and shall come into operation on 1st October 1968.

Interpretation

2.—(1) In these Rules, unless the context otherwise requires—

" the Act of 1948 " means the Superannuation (Miscellaneous Provisions) Act 1948;

" the Act of 1967 " means the Teachers' Superannuation Act 1967(c);

" contributing service " and " contributory employee " have the same respective meanings as in the Local Government Superannuation Acts 1937 to 1953(d);

" national service ", in relation to any person, means service which is relevant service within the meaning of the Reserve and Auxiliary Forces (Protection of Civil Interests) Act 1951(e) and any similar service immediately following relevant service entered into with the consent of the body or person by whom he was last employed before undertaking the service;

" operative date " means the date of the coming into operation of these Rules;

" pension " has the meaning assigned to it by the Act of 1948;

" prescribed period " has the meaning assigned to that expression by rule 3;

(a) 1948 c. 33. (b) 1967 c. 28. (c) 1967 c. 12.
(d) 1937 c. 68; 1939 c. 18; 1953 c. 25. (e) 1951 c. 65.

" reckonable service " means such service as is by virtue of the Teachers' Regulations reckonable service for all the purposes of Part I of the Act of 1967;

" the Secretary of State " means the Secretary of State for Education and Science;

" superannuation fund " means a superannuation fund named in column (1) of the Schedule;

" the Teachers' Regulations " means the Teachers' Superannuation Regulations 1967(a);

" teaching service " means—

(*a*) reckonable service;

(*b*) service which for the purposes of the Teachers' Regulations is service as an organiser, a teacher in an admitted school, a services civilian teacher or a services education officer; and

(*c*) service as a part-time teacher within the meaning of the Teachers' (Part-time) Superannuation Regulations 1967(b);

" the Transfer Value Regulations " means the Local Government Superannuation (Transfer Value) Regulations 1954(c);

" transport authority ", in relation to a person employed in transport employment, means the authority or body responsible for the administration of the superannuation fund of which he becomes or became a member after ceasing to be employed in teaching service or, as the case may be, was last a member before he became employed in teaching service;

" transport employment ", in relation to any person, means employment in which he is, or may become, a member of a superannuation fund;

(2) Any reference in these Rules to the provision of any enactment, rules or regulations shall, unless the context otherwise requires, be construed as a reference to those provisions as amended, modified, affected, applied or re-enacted by any subsequent enactment, rules or regulations.

(3) Any reference in these Rules to a rule, a Part or the Schedule shall, unless the context otherwise requires, be construed as a reference to a rule or a Part of, or to the Schedule to, these Rules, as the case may be.

(4) The Interpretation Act 1889(d) shall apply for the interpretation of these Rules as it applies for the interpretation of an Act of Parliament.

Prescribed Period

3.—(1) For the purposes of these Rules, subject as in this rule hereafter provided, the expression " prescribed period " shall mean:—

(*a*) in the case of a person who immediately after leaving his employment in teaching service or in transport employment became engaged in national service, a period of six months after the date of termination of the national service; and

(*b*) in the case of any other person, a period of twelve months after the date on which he left his employment in teaching service or in transport employment.

(2) The Secretary of State and the transport authority may in any particular case extend any period specified in paragraph (1) above.

(a) S.I. 1967/489 (1967 I, p. 1562).
(b) S.I. 1967/1286 (1967 II, p. 3721).
(c) S.I. 1954/1212 (1954 II, p. 1723).
(d) 1889 c. 63.

(3) Subject as in paragraph (4) below provided—

(*a*) in reckoning the periods of six months and twelve months mentioned in paragraph (1) above no account shall be taken of any period spent by a person on a course of study or training which he undertook after leaving his former employment; and

(*b*) if a person left his former employment in order to undertake a course of study or training and on completion of that course became engaged in national service, he shall be deemed, for the purposes of paragraph (1) above, to have left his former employment at the time when he completed the said course of study or training.

(4) The provisions of paragraph (3) above shall not apply—

(*a*) to a person whose new employment is transport employment unless the transport authority is satisfied that by reason of his having undertaken the said course of study or training he is better fitted for the duties of his new employment;

(*b*) to a person who in his new employment is in teaching service unless—

(i) before leaving his former employment (or, if between leaving that employment and undertaking the said course of study or training he was engaged in national service, before the end of that service) he gave notice in writing to his former employer of his intention to undertake the said course of study or training; and

(ii) the Secretary of State is satisfied that by reason of his having undertaken the said course of study or training he is better fitted for employment in teaching service.

PART II

TRANSFER FROM TEACHING SERVICE TO TRANSPORT EMPLOYMENT

Application

4.—(1) Except as hereinafter provided, this Part shall apply to a person who—

(*a*) becomes, or before the operative date became, employed in transport employment within the prescribed period after ceasing to be employed in teaching service;

(*b*) within three months of becoming a member of a superannuation fund or six months after the operative date, whichever period shall last expire, or within such longer period as the transport authority may with the agreement of the Secretary of State in any particular case allow, notifies that authority in writing that he desires this Part to apply to him and furnishes that authority with particulars in writing of his teaching service; and

(*c*) within the period specified in paragraph (*b*) above, or within such longer period as the transport authority may in any particular case allow, pays to that authority an amount equal to any repaid contributions paid to him after he last ceased to be employed in teaching service, together with compound interest thereon of an amount determined in accordance with paragraph (2) below.

(2) For the purposes of paragraph (1)(*c*) above—

(*a*) compound interest shall not be payable unless the period between a

person's ceasing to be employed in teaching service and becoming a member of a superannuation fund exceeds one year;

(*b*) if the aforesaid period exceeds one year, compound interest shall be calculated on the amount of the repaid contributions at three per cent per annum with yearly rests from the date one year after that on which the person ceased to be employed in teaching service or from the day on which that amount was paid to him, whichever shall be the later, to the date on which he became a member of a superannuation fund; and

(*c*) if the amount of compound interest calculated as aforesaid exceeds a sum equal to one half of the difference between the amount of the transfer value payable under Rule 6 and the amount of the transfer value which would have been so payable if calculated by reference to the person's age on ceasing to be employed in teaching service, it shall be reduced to that sum.

(3) In this rule " repaid contributions " means any sum paid by way of repayment of contributions paid under Section 9 of the Teachers (Superannuation) Act 1925(a) or section 3 of the Act of 1967, and includes both any interest added thereto and any sum deducted therefrom in respect of liability to income tax arising by reason of the payment.

Excepted Cases

5. This Part shall not apply to a person who—

(*a*) has become entitled to a pension (other than repayment of contributions) under the Teachers (Superannuation) Acts 1918 to 1956 or the Teachers' Regulations;

(*b*) became a member of a superannuation fund specified in Part I of the Schedule;

(*c*) became a member of a superannuation fund specified in Part II of the Schedule before the date specified in column (2) thereof against the name of that fund; or

(*d*) became employed in transport employment before the operative date, unless the Secretary of State and the transport authority agree that this Part shall apply to him.

Transfer Value

6.—(1) In respect of a person to whom this Part applies the Secretary of State shall, out of moneys provided by Parliament, pay to the transport authority a transfer value of an amount calculated in accordance with the following provisions of this rule.

(2) Subject as hereafter in this rule provided, the transfer value shall be an amount equal to the transfer value which would have been payable under the Transfer Value Regulations if the person, at the date when he ceased to be employed in teaching service, had ceased to be a contributory employee under one local authority and had become such an employee under another local authority and had been entitled to reckon as contributing service his reckonable service and his service reckonable for the purposes of Parts VII, IX and X of the Teachers' Regulations at the length at which it is so reckonable.

(3) For the purposes of paragraph (2) above service which is reckoned as contributing service shall be deemed to have been affected or modified in accordance with regulations applicable to contributing service made under

(a) 1925 c. 59.

section 110 of the National Insurance Act 1965(a), or under any provision corresponding thereto contained in an enactment repealed by that Act, in like manner and to the like extent, as nearly as may be, as it was affected or modified by other such regulations.

(4) In calculating the amount of a transfer value there shall be excluded any period of war service within the meaning of the Teachers Superannuation (War Service) Act 1939(b) and of national service within the meaning of the Teachers Superannuation (National Service) Rules 1949(c) in respect of which, at the time the amount thereof is determined, the contributions remain unpaid.

(5) The amount of the transfer value shall be calculated by reference to the person's age—

(*a*) on the operative date if he ceased to be employed in teaching service more than twelve months before that date and sub-paragraph (*b*) below does not apply; or

(*b*) on the date on which he became a member of a superannuation fund if that date is after the operative date and more than twelve months after the date on which he ceased to be employed in teaching service.

(6) The transfer value shall be reduced by—

(*a*) any sum payable by the Secretary of State by way of income tax in respect thereof; and

(*b*) an amount equal to any compound interest payable in accordance with rule 4(2).

Benefits under Teachers' Regulations

7. Subject to the provisions of Part III and of other rules made under section 2 of the Act of 1948, no payment of any pension shall be made under the Teachers' Regulations to any person or his personal representatives in respect of any service which is taken into account in calculating the amount of a transfer value under rule 6.

PART III

TRANSFER FROM TRANSPORT EMPLOYMENT TO TEACHING SERVICE

Application

8. Except as hereinafter provided, this Part shall apply to a person who—

(*a*) becomes, or before the operative date became, employed in teaching service within the prescribed period after ceasing to be employed in transport employment;

(*b*) within three months of becoming employed in teaching service or six months after the operative date, whichever period shall last expire, or within such longer period as the Secretary of State may with the agreement of the transport authority in any particular case allow, notifies the Secretary of State in writing that he desires this Part to apply to him and furnishes the Secretary of State with particulars in writing of his transport employment; and

(*c*) is a person in respect of whom the Secretary of State receives from the transport authority a sum by way of transfer value.

(a) 1965 c. 51. (b) 1939 c. 95.
(c) S.I. 1949/468 (1949 I, p. 1533).

Excepted Cases

9. This Part shall not apply to a person who—

(*a*) has become entitled to a pension (other than repayment of contributions) in respect of his transport employment;

(*b*) last ceased to be employed in transport employment before the date specified in column (3) of the Schedule against the name of the superannuation fund of which he was a member in respect of that employment; or

(*c*) became employed in teaching service before the operative date unless the Secretary of State agrees that this Part shall apply to him.

Reckoning of Transport Employment

10.—(1) In relation to a person to whom this Part applies there shall be reckoned as reckonable service such period as is equal to the period of contributing service which would, on the basis of his age and rate of remuneration on the date of becoming employed in teaching service, have resulted in the payment under the Transfer Value Regulations of a transfer value equal to the sum paid in respect of him by the transport authority to the Secretary of State if on that date he had ceased to be a contributory employee under one local authority and had become such an employee under another local authority.

(2) In the case of a person who became employed in teaching service before the operative date, a reference to his age on that date shall be substituted for the reference in paragraph (1) above to his age on becoming employed in teaching service.

(3) Any period reckonable by a person to whom this Part applies for any purpose under the rules regulating the superannuation fund of which he was a member in respect of his former employment shall, so far as not included in the period reckoned as reckonable service under paragraph (1) above, be reckoned as class C external service for the purposes of the Teachers' Regulations.

Average Salary

11. For the purpose of calculating under section 4(3) of the Act of 1967 the average salary of a person to whom this Part applies whose teaching service after ceasing to be employed in transport employment (exclusive of service as a teacher in an admitted school within the meaning of Part VIII of the Teachers' Regulations) amounts to less than three years—

(*a*) so much of his transport employment immediately prior to ceasing to be employed therein as, together with any teaching service after so ceasing (exclusive as aforesaid), amounts to three years shall be reckoned as teaching service; and

(*b*) his salary during any period so reckoned shall be such salary as was taken into account for the purposes of the superannuation fund of which he was a member.

Commencement of Employment

12. For the purposes of regulation 41(1)(*a*)(ii) of the Teachers' Regulations the date on which a person to whom this Part applies became employed in transport employment or, if earlier, the date of commencement of the period reckoned as reckonable service under rule 10(1) shall be deemed to be a date on which he became employed in teaching service.

Repayment of Contributions

13.—(1) Where a person to whom this Part applies ceases to be employed in teaching service or dies, then, in computing any sum payable to him or his personal representatives under the Teachers' Regulations by way of repayment of the balance of his contributions, there shall be included a sum equal to that which would have been payable by way of repayment of contributions under the rules regulating the superannuation fund of which he was a member in respect of his transport employment if, on ceasing to hold that employment, he had been entitled to such a repayment.

(2) In computing the amount of the sum so included for the purposes of this rule compound interest shall be calculated—

(*a*) as respects the period ending immediately before the date on which the person became employed in teaching service, in the manner in which such interest, if any, would have been calculated if the occasion for making the calculation had occurred immediately before that date; and

(*b*) as respects the period beginning with that date, in accordance with the provisions of Part IV of the Teachers' Regulations.

Payment into Exchequer

14. All sums received by the Secretary of State in respect of a person to whom this Part applies shall be paid into the Exchequer.

Rules 2, 5 and 9

SCHEDULE

TRANSPORT SUPERANNUATION FUNDS

Title of Superannuation Fund (1)	Date for purposes of rule 5(*c*) (2)	Date for purposes of rule 9(*b*) (3)
PART I		
London Midland and Scottish Railway Superannuation Fund	—	1st June 1957
Great Western Railway Superannuation Fund	—	1st June 1957
Southern Railway Superannuation Fund	—	1st June 1957
Railway Clearing System Superannuation Fund	—	4th March 1959
PART II		
London and North Eastern Railway Superannuation Fund	1st June 1957	1st June 1957
London Transport (Administrative and Supervisory) Staff Superannuation Fund	1st August 1954	1st August 1954
British Road Services (Salaried Staff) Group Superannuation Fund	1st April 1957	1st April 1957
Scottish Bus Group Pension Fund	1st April 1960	1st April 1960

Given under the official seal of the Secretary of State for Education and Science on 27th August 1968.

(L.S.)

Edward Short,
Secretary of State for Education and Science.

We concur

Harry Gourlay,
B. K. O'Malley,
Two of the Lords Commissioners of Her Majesty's Treasury.

16th September 1968.

EXPLANATORY NOTE

(This Note is not part of the Rules.)

These Rules provide for preservation of the superannuation rights of persons who transfer from service pensionable under the Teachers' Superannuation Regulations 1967 to pensionable employment in certain public transport services or vice versa. Where such a transfer takes place and an appropriate transfer value is paid, the person is credited with previous service for pension under the superannuation scheme to which he becomes subject.

Under the powers conferred by section 2(5) of the Superannuation (Miscellaneous Provisions) Act 1948, provision is made for transfers which took place before the coming into operation of the Rules, subject to the agreement of the employee and the former employer, and to certain restrictions indicated by the Rules.