1967 No. 1533

PENSIONS

The Superannuation (Teachers and Members of the House of Commons) Interchange Rules 1967

Made - - -	*17th October* 1967
Laid before Parliament	*26th October* 1967
Coming into Operation	*27th October* 1967

The Secretary of State for Education and Science, with the consent of the Treasury, in exercise of the powers conferred on him by sections 2 and 15 of the Superannuation (Miscellaneous Provisions) Act 1948(a), as applied by section 13(6) of the Ministerial Salaries and Members' Pensions Act 1965(b) and as amended by the Superannuation (Miscellaneous Provisions) Act 1967(c), hereby makes the following Rules:—

PART I—GENERAL

Citation and Commencement

1. These Rules may be cited as the Superannuation (Teachers and Members of the House of Commons) Interchange Rules 1967 and shall come into operation on 27th October 1967.

Interpretation

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

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

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

"Member" means Member of the House of Commons;

"Members' Contributory Pension Fund" means the fund constituted under section 4(2) of the Members' Pensions Act;

"Members' Pensions Act" means the Ministerial Salaries and Members' Pensions Act 1965;

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

"Parliamentary service" means service which is reckonable service within the meaning of section 7(5) of the Members' Pensions Act;

"pension" has the meaning assigned to it by the Superannuation (Miscellaneous Provisions) Act 1948;

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

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

(a) 1948 c. 33. (b) 1965 c. 11. (c) 1967 c. 28.
(d) 1967 c. 12. (e) 1937 c. 68; 1939 c. 18; 1953 c. 25.

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

"teaching service" means—

(*a*) reckonable service; and

(*b*) service as an organiser, a teacher in an admitted school, a services civilian teacher or a services education officer to whom the provisions of Part VII, VIII, IX, or X respectively of the Teachers' Regulations apply;

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

"the Trustees" means the Trustees of the Members' Contributory Pension Fund appointed under section 4(3) of the Members' Pensions Act.

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

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

PART II—TRANSFER FROM TEACHING SERVICE TO PARLIAMENTARY SERVICE

Application

3. This Part of these Rules shall apply to a person who—

(*a*) within twelve months after ceasing to be employed in teaching service, or within such longer period after so ceasing as the Secretary of State and the Trustees may in any particular case approve, has become or becomes a Member, if either—

(i) he was first elected a Member not earlier than 15th October 1964 and before the operative date and, being a Member on the operative date, the Secretary of State and the Trustees consent to this Part of these Rules applying to him; or

(ii) he is first elected a Member on or after the operative date;

(*b*) has not become entitled to any pension (other than the repayment of contributions) under the Teachers (Superannuation) Acts 1918 to 1956 or the Teachers' Regulations; and

(*c*) within three months after becoming a Member or within six months after the operative date, whichever period shall last expire, or within such longer period as the Secretary of State and the Trustees may in any particular case approve—

(i) gives notice in writing to the Trustees that he desires this Part of these Rules to apply to him; and

(ii) repays to the Secretary of State an amount equal to any sum paid to him after he last ceased to be employed in teaching service by way of repayment of contributions, together with an amount equal to any sum deducted from the sum so paid to him in respect of income tax and compound interest thereon and on any sum deducted therefrom in respect of income tax calculated at the rate of three and a half per cent per annum with yearly rests from the date of payment to him to the date of repayment by him.

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

Transfer Value

4.—(1) In respect of a person to whom this Part of these Rules applies the Secretary of State shall, out of moneys provided by Parliament, pay to the Trustees 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 his teaching service as contributing service.

(3) For the purposes of paragraph (2) above—

(*a*) teaching 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 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; and

(*b*) any period of teaching service which, under Part IX of the Teachers' Regulations, is deemed for the purpose of calculating the amount of any pension to be service for one-and-a-half times its length shall be reckoned as service of that greater length.

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

(*a*) on the operative date, in the case of a person who is a Member on that date and who ceased to be employed in teaching service more than twelve months before that date; or

(*b*) on the date on which he became a Member, in the case of any other person who ceased to be employed in teaching service more than twelve months before becoming a Member.

(5) The transfer value shall be reduced by an amount equal to any sum which the Secretary of State is liable to pay by way of income tax by reason of its payment.

(6) In calculating the amount of the transfer value there shall be excluded—

(*a*) 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 the contributions remain unpaid at the time the transfer value is paid; and

(*b*) any period of service as a teacher in an admitted school to which Part VIII of the Teachers' Regulations applied and any period of contributory service under a scheme made under section 21(1)(a) of the Teachers (Superannuation) Act 1925(**d**).

Benefits under Teachers' Regulations

5. Subject as in Part III provided, 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 the transfer value paid by the Secretary of State under rule 4 of these Rules.

(**a**) 1965 c. 51. (**b**) 1939 c. 95. (**c**) S.I. 1949/468 (1949 I, p. 1533).
(**d**) 1925 c. 59.

PART III—TRANSFER FROM PARLIAMENTARY SERVICE TO TEACHING SERVICE

Application

6. This Part of these Rules shall apply to a person who—

(*a*) within twelve months of ceasing to be a Member, or within such longer period of so ceasing as the Trustees and the Secretary of State may in any particular case approve, has become or becomes employed in teaching service, if either—

(i) he ceased to be a Member after 15th October 1964 and before the operative date and, being employed in teaching service on the operative date, the Trustees and the Secretary of State consent to this Part of these Rules applying to him; or

(ii) he ceases to be a Member on or after the operative date;

(*b*) has not become entitled to a pension under section 7 of the Members' Pensions Act;

(*c*) within three months after becoming employed in teaching service or within six months after the operative date, whichever period shall last expire, or within such longer period as the Trustees and the Secretary of State may in any particular case approve—

(i) gives notice in writing to the Secretary of State that he desires this Part of these Rules to apply to him; and

(ii) furnishes the Secretary of State with particulars of his Parliamentary service; and

(*d*) in respect of whom the Trustees pay to the Secretary of State under section 13(1) of the Members' Pensions Act a sum representing the value of his accrued pension rights in the Members' Contributory Pension Fund reduced by an amount equal to any sum which the Trustees are liable to pay by way of income tax by reason of the payment.

Reckoning of Parliamentary Service

7.—(1) In relation to a person to whom this Part of these Rules 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 salary 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 Trustees 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) The amount, if any, by which a person's Parliamentary service exceeds the period which is reckoned as reckonable service under this rule shall be class C external service for the purposes of the Teachers' Regulations.

Average Salary

8. For the purpose of calculating under section 4(3) and (4) of the Act of 1967 the average salary of a person to whom this Part of these Rules has applied—

(*a*) any period which is reckoned as reckonable service under rule 7 of these Rules shall, subject as hereafter in this rule provided, be deemed not to have been reckonable service; and

(*b*) in relation to a person whose teaching service after ceasing to be a member consists wholly of service as a teacher in an admitted school, his salary on the date of becoming employed in teaching service shall be deemed to have been his salary throughout the period reckoned as aforesaid.

Commencement of Employment

9. For the purposes of regulation 41(1)(*a*)(ii) of the Teachers' Regulations the date on which a person to whom this Part of these Rules applies became a Member shall be deemed to be a date on which he became employed in teaching service.

Repayment of Contributions

10. Where a person to whom this Part of these Rules applies ceases to be employed in teaching service or dies and any sum is payable to or in respect of him by way of repayment of the balance of his contributions there shall be included in that sum—

(*a*) a sum equal to that which would have been payable in respect of him by way of refund of contributions and interest thereon under section 11(1) of the Members' Pensions Act if he had died in the circumstances described in paragraph (*a*) of that sub-section on the day on which he ceased to be a Member; and

(*b*) compound interest on the sum last specified calculated at the rate of three per cent per annum with yearly rests from the date on which the person became employed in teaching service to the date at which the balance of his contributions payable to him is computed.

Payment into Exchequer

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

Given under the Official Seal of the Secretary of State for Education and Science on 6th October 1967.

(L.S.)

Patrick Gordon-Walker,
Secretary of State for Education
and Science

We concur,

Joseph Harper,
E. Alan Fitch,
Two of the Lords Commissioners
of Her Majesty's Treasury.

17th October 1967.

EXPLANATORY NOTE

(This Note is not part of the Rules.)

These rules provide for the preservation of the superannuation rights of persons who transfer from service pensionable under the Teachers' Superannuation Regulations 1967 to membership of the House of Commons 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, the Rules apply to transfers before their coming into operation. But a person who becomes a Member must have been first elected not earlier than 15th October 1964; and a person who transfers to teaching must have ceased to be a Member since that date.

Where a person's contributions in respect of teaching service have been repaid to him, they must be returned to the Secretary of State before a transfer value is paid to the Members' Pension Fund and, under powers conferred by Section 11 (6) of the Superannuation (Miscellaneous Provisions) Act 1967, the Rules provide for the charging of interest on the sum repaid.