



# Public Service Pensions Act 2013

CHAPTER 25

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Explanatory Notes have been produced to assist in the understanding of this Act and are available separately

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# Public Service Pensions Act 2013

## CHAPTER 25

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# Public Service Pensions Act 2013

## 2013 CHAPTER 25

An Act to make provision for public service pension schemes; and for connected purposes. [25th April 2013]

**B**E IT ENACTED by the Queen’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

### *Establishment of new schemes*

#### **1 Schemes for persons in public service**

- (1) Regulations may establish schemes for the payment of pensions and other benefits to or in respect of persons specified in subsection (2).
- (2) Those persons are—
  - (a) civil servants;
  - (b) the judiciary;
  - (c) local government workers for England, Wales and Scotland;
  - (d) teachers for England, Wales and Scotland;
  - (e) health service workers for England, Wales and Scotland;
  - (f) fire and rescue workers for England, Wales and Scotland;
  - (g) members of police forces for England, Wales and Scotland;
  - (h) the armed forces.
- (3) These terms are defined in Schedule 1.
- (4) In this Act, regulations under this section are called “scheme regulations”.

#### **2 Responsible authority for schemes**

- (1) The persons who may make scheme regulations are set out in Schedule 2.

- (2) In this Act, the person who may make scheme regulations for any description of persons specified in section 1(2) is called the “responsible authority” for the scheme for those persons.

### **3 Scheme regulations**

- (1) Scheme regulations may, subject to this Act, make such provision in relation to a scheme under section 1 as the responsible authority considers appropriate.
- (2) That includes in particular –
  - (a) provision as to any of the matters specified in Schedule 3;
  - (b) consequential, supplementary, incidental or transitional provision in relation to the scheme or any provision of this Act.
- (3) Scheme regulations may –
  - (a) make different provision for different purposes or cases (including different provision for different descriptions of persons);
  - (b) make retrospective provision (but see section 23);
  - (c) allow any person to exercise a discretion.
- (4) The consequential provision referred to in subsection (2)(b) includes consequential provision amending any primary legislation passed before or in the same session as this Act (as well as consequential provision amending any secondary legislation).
- (5) Scheme regulations require the consent of the Treasury before being made, unless one of the following exceptions applies.
- (6) The exceptions are –
  - (a) scheme regulations of the Scottish Ministers relating to local government workers, fire and rescue workers and members of a police force;
  - (b) scheme regulations of the Welsh Ministers relating to fire and rescue workers.

### *Governance*

### **4 Scheme manager**

- (1) Scheme regulations for a scheme under section 1 must provide for a person to be responsible for managing or administering –
  - (a) the scheme, and
  - (b) any statutory pension scheme that is connected with it.
- (2) In this Act, that person is called the “scheme manager” for the scheme (or schemes).
- (3) The scheme manager may in particular be the responsible authority.
- (4) Subsection (1) does not apply to a scheme under section 1 which is an injury or compensation scheme.
- (5) Scheme regulations may comply with the requirement in subsection (1)(a) or (b) by providing for different persons to be responsible for managing or administering different parts of a scheme (and references in this Act to the “scheme manager”, in such a case, are to be construed accordingly).

- (6) For the purposes of this Act, a scheme under section 1 and another statutory pension scheme are connected if and to the extent that the schemes make provision in relation to persons of the same description.
- (7) Scheme regulations may specify exceptions to subsection (6).

## 5 Pension board

- (1) Scheme regulations for a scheme under section 1 must provide for the establishment of a board with responsibility for assisting the scheme manager (or each scheme manager) in relation to the following matters.
- (2) Those matters are –
  - (a) securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that is connected with it;
  - (b) securing compliance with requirements imposed in relation to the scheme and any connected scheme by the Pensions Regulator;
  - (c) such other matters as the scheme regulations may specify.
- (3) In making the regulations the responsible authority must have regard to the desirability of securing the effective and efficient governance and administration of the scheme and any connected scheme.
- (4) The regulations must include provision –
  - (a) requiring the scheme manager –
    - (i) to be satisfied that a person to be appointed as a member of the board does not have a conflict of interest, and
    - (ii) to be satisfied from time to time that none of the members of the board has a conflict of interest;
  - (b) requiring a member of the board, or a person proposed to be appointed as a member of the board, to provide the scheme manager with such information as the scheme manager reasonably requires for the purposes of provision under paragraph (a);
  - (c) requiring the board to include employer representatives and member representatives in equal numbers.
- (5) In subsection (4)(a) “conflict of interest”, in relation to a person, means a financial or other interest which is likely to prejudice the person’s exercise of functions as a member of the board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme).
- (6) In subsection (4)(c) –
  - (a) “employer representatives” means persons appointed to the board for the purpose of representing employers for the scheme and any connected scheme;
  - (b) “member representatives” means persons appointed to the board for the purpose of representing members of the scheme and any connected scheme.
- (7) Where the scheme manager of a scheme under section 1 is a committee of a local authority, the scheme regulations may provide for that committee also to be the board for the purposes of this section.
- (8) In this Act, a board established under this section is called a “pension board”.

- (9) This section does not apply to a scheme under section 1 which is an injury or compensation scheme.

## 6 Pension board: information

- (1) The scheme manager for a scheme under section 1 and any statutory pension scheme that is connected with it must publish information about the pension board for the scheme or schemes (and keep that information up-to-date).
- (2) That information must include information about –
- (a) who the members of the board are,
  - (b) representation on the board of members of the scheme or schemes, and
  - (c) the matters falling within the board's responsibility.
- (3) This section does not apply to a scheme under section 1 which is an injury or compensation scheme.

## 7 Scheme advisory board

- (1) Scheme regulations for a scheme under section 1 which is a defined benefits scheme must provide for the establishment of a board with responsibility for providing advice to the responsible authority, at the authority's request, on the desirability of changes to the scheme.
- (2) Where, by virtue of section 4(5), there is more than one scheme manager for a scheme mentioned in subsection (1) (and accordingly there is more than one pension board for the scheme), the regulations may also provide for the board to provide advice (on request or otherwise) to the scheme managers or the scheme's pension boards in relation to the effective and efficient administration and management of –
- (a) the scheme and any statutory pension scheme that is connected with it, or
  - (b) any pension fund of the scheme and any connected scheme.
- (3) A person to whom advice is given by virtue of subsection (1) or (2) must have regard to the advice.
- (4) The regulations must include provision –
- (a) requiring the responsible authority –
    - (i) to be satisfied that a person to be appointed as a member of the board does not have a conflict of interest, and
    - (ii) to be satisfied from time to time that none of the members of the board has a conflict of interest;
  - (b) requiring a member of the board, or a person proposed to be appointed as a member of the board, to provide the responsible authority with such information as the authority reasonably requires for the purposes of provision under paragraph (a).
- (5) In subsection (4)(a) "conflict of interest", in relation to a person, means a financial or other interest which is likely to prejudice the person's exercise of functions as a member of the board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme).
- (6) In this Act, a board established under this section is called a "scheme advisory board".

*Design***8 Types of scheme**

- (1) Scheme regulations may establish a scheme under section 1 as—
  - (a) a defined benefits scheme,
  - (b) a defined contributions scheme, or
  - (c) a scheme of any other description.
- (2) A scheme under section 1 which is a defined benefits scheme must be—
  - (a) a career average revalued earnings scheme, or
  - (b) a defined benefits scheme of such other description as Treasury regulations may specify.
- (3) Treasury regulations may not specify a final salary scheme under subsection (2)(b).
- (4) A scheme under section 1 is a “career average revalued earnings scheme” if—
  - (a) the pension payable to or in respect of a person, so far as it is based on the person’s pensionable service, is determined by reference to the person’s pensionable earnings in each year of pensionable service, and
  - (b) those earnings, or a proportion of those earnings accrued as a pension, are under the scheme revalued each year until the person leaves pensionable service.
- (5) Treasury regulations under this section are subject to the negative Commons procedure.

**9 Revaluation**

- (1) This section applies in relation to a scheme under section 1 which—
  - (a) requires a revaluation of pensionable earnings of a person, or a proportion of those earnings accrued as a pension, until the person leaves pensionable service, and
  - (b) requires such a revaluation to be by reference to a change in prices or earnings (or both) in a given period.
- (2) The change in prices or earnings to be applied for the purposes of such a revaluation is to be such percentage increase or decrease as a Treasury order may specify in relation to the period.
- (3) For the purposes of making such an order the Treasury may determine the change in prices or earnings in any period by reference to the general level of prices or earnings estimated in such manner as the Treasury consider appropriate.
- (4) A Treasury order under this section—
  - (a) must be made in each year;
  - (b) may make different provision for different purposes.
- (5) A Treasury order under this section is subject to—
  - (a) the affirmative Commons procedure, if the order specifies a percentage decrease for the purposes of subsection (2), and
  - (b) the negative Commons procedure, in any other case.

- (6) For the purposes of subsection (1) any gap in the person's pensionable service which does not exceed five years is to be disregarded.

## 10 Pension age

- (1) The normal pension age of a person under a scheme under section 1 must be—
- (a) the same as the person's state pension age, or
  - (b) 65, if that is higher.
- (2) Subsection (1) does not apply in relation to—
- (a) fire and rescue workers who are firefighters,
  - (b) members of a police force, and
  - (c) members of the armed forces.

The normal pension age of such persons under a scheme under section 1 must be 60.

- (3) The deferred pension age of a person under a scheme under section 1 must be—
- (a) the same as the person's state pension age, or
  - (b) 65, if that is higher.
- (4) Where—
- (a) a person's state pension age changes, and
  - (b) the person's normal or deferred pension age under a scheme under section 1 changes as a result of subsection (1) or (3),

the change to the person's normal or deferred pension age must under the scheme apply in relation to all the benefits (including benefits already accrued under the scheme) which may be paid to or in respect of the person under the scheme and to which the normal or deferred pension age is relevant.

- (5) In this Act—
- (a) "normal pension age", in relation to a person and a scheme, means the earliest age at which the person is entitled to receive benefits under the scheme (without actuarial adjustment) on leaving the service to which the scheme relates (and disregarding any special provision as to early payment of benefits on the grounds of ill-health or otherwise);
  - (b) "deferred pension age", in relation to a person and a scheme, means the earliest age at which the person is entitled to receive benefits under the scheme (without actuarial adjustment) after leaving the service to which the scheme relates at a time before normal pension age (and disregarding any special provision as to early payment of benefits on the grounds of ill-health or otherwise);
  - (c) "state pension age", in relation to a person, means the pensionable age of the person as specified from time to time in Part 1 of Schedule 4 to the Pensions Act 1995.

### *Cost control*

## 11 Valuations

- (1) Scheme regulations for a scheme under section 1 which is a defined benefits scheme must provide for actuarial valuations to be made of—
- (a) the scheme, and

- (b) any statutory pension scheme that is connected with it.
- (2) Such a valuation is to be carried out in accordance with Treasury directions.
- (3) Treasury directions under subsection (2) may in particular specify –
  - (a) how and when a valuation is to be carried out;
  - (b) the time in relation to which a valuation is to be carried out;
  - (c) the data, methodology and assumptions to be used in a valuation;
  - (d) the matters to be covered by a valuation;
  - (e) where a scheme under section 1 and another statutory pension scheme are connected, whether the schemes are to be valued separately or together (and if together, how);
  - (f) the period within which any changes to the employer contribution rate under a scheme under section 1 must take effect following a valuation.
- (4) Treasury directions under subsection (2), and variations and revocations of such directions, may only be made after the Treasury has consulted the Government Actuary.
- (5) Scheme regulations for a scheme under section 1 which is not a defined benefits scheme may provide for actuarial valuations to be made of the scheme and any statutory pension scheme that is connected with it; and if they do, subsections (2) to (4) apply.

## 12 Employer cost cap

- (1) Scheme regulations for a scheme under section 1 which is a defined benefits scheme must set a rate, expressed as a percentage of pensionable earnings of members of the scheme, to be used for the purpose of measuring changes in the cost of the scheme.
- (2) In this section, the rate set under subsection (1) is called the “employer cost cap”.
- (3) The employer cost cap is to be set in accordance with Treasury directions.
- (4) Treasury directions may in particular specify –
  - (a) how the first valuation under section 11 of a scheme under section 1 is to be taken into account in setting the cap;
  - (b) the costs, or changes in costs, that are to be taken into account on subsequent valuations of a scheme under section 1 for the purposes of measuring changes in the cost of the scheme against the cap;
  - (c) the extent to which costs or changes in the costs of any statutory pension scheme which is connected with a scheme under section 1 are to be taken into account for the purposes of this section.
- (5) Treasury regulations must make –
  - (a) provision requiring the cost of a scheme (and any connected scheme) to remain within specified margins either side of the employer cost cap, and
  - (b) for cases where the cost of a scheme would otherwise go beyond either of those margins, provision specifying a target cost within the margins.
- (6) For cases where the cost of the scheme would otherwise go beyond the margins, scheme regulations may provide for –

- (a) a procedure for the responsible authority, the scheme manager (if different), employers and members (or representatives of employers and members) to reach agreement on the steps required to achieve the target cost for the scheme, and
  - (b) the steps to be taken for that purpose if agreement is not reached under that procedure.
- (7) The steps referred to in subsection (6) may include the increase or decrease of members' benefits or contributions.
- (8) Treasury regulations under this section may –
  - (a) include consequential or supplementary provision;
  - (b) make different provision for different schemes.
- (9) Treasury regulations under this section are subject to the negative Commons procedure.

### **13 Employer contributions in funded schemes**

- (1) This section applies in relation to a scheme under section 1 which is a defined benefits scheme with a pension fund.
- (2) Scheme regulations must provide for the rate of employer contributions to be set at an appropriate level to ensure –
  - (a) the solvency of the pension fund, and
  - (b) the long-term cost-efficiency of the scheme, so far as relating to the pension fund.
- (3) For that purpose, scheme regulations must require actuarial valuations of the pension fund.
- (4) Where an actuarial valuation under subsection (3) has taken place, a person appointed by the responsible authority is to report on whether the following aims are achieved –
  - (a) the valuation is in accordance with the scheme regulations;
  - (b) the valuation has been carried out in a way which is not inconsistent with other valuations under subsection (3);
  - (c) the rate of employer contributions is set as specified in subsection (2).
- (5) A report under subsection (4) must be published; and a copy must be sent to the scheme manager and (if different) the responsible authority.
- (6) If a report under subsection (4) states that, in the view of the person making the report, any of the aims in that subsection has not been achieved –
  - (a) the report may recommend remedial steps;
  - (b) the scheme manager must –
    - (i) take such remedial steps as the scheme manager considers appropriate, and
    - (ii) publish details of those steps and the reasons for taking them;
  - (c) the responsible authority may –
    - (i) require the scheme manager to report on progress in taking remedial steps;
    - (ii) direct the scheme manager to take such remedial steps as the responsible authority considers appropriate.

- (7) The person appointed under subsection (4) must, in the view of the responsible authority, be appropriately qualified.

#### *Administration*

### **14 Information about benefits**

- (1) Scheme regulations must require the scheme manager for a scheme under section 1 which is a defined benefits scheme to provide benefit information statements to each person in pensionable service under the scheme in accordance with this section.
- (2) A benefit information statement must include—
  - (a) a description of the benefits earned by the person in respect of his or her pensionable service, and
  - (b) such other information as Treasury directions may specify.
- (3) The information included in a benefit information statement must comply with such requirements as Treasury directions may specify.
- (4) A benefit information statement must be provided—
  - (a) no later than the relevant date, and
  - (b) at least once in each year ending with the anniversary of that date.
- (5) The relevant date is the last day of the period of 17 months beginning with the day on which scheme regulations establishing the scheme come into force.
- (6) A benefit information statement must be provided in such manner as Treasury directions may specify.

### **15 Information about schemes**

- (1) Treasury directions may require the scheme manager or responsible authority of a scheme under section 1 to—
  - (a) publish scheme information, or
  - (b) provide scheme information to the Treasury.
- (2) In subsection (1), “scheme information” means information about the scheme and any statutory pension scheme that is connected with it.
- (3) The information to which Treasury directions under this section may relate includes in particular—
  - (a) scheme accounts;
  - (b) information about any scheme funding, assets and liabilities;
  - (c) information about scheme membership;
  - (d) information about employer and member contributions;
  - (e) information about scheme administration and governance.
- (4) Treasury directions under this section may specify how and when information is to be published or provided.
- (5) Treasury directions under this section may not require publication or provision of anything that the scheme manager or responsible authority could not otherwise lawfully publish or provide.

**16 Records**

- (1) The scheme manager for a scheme under section 1 and any statutory pension scheme that is connected with it must keep such records as may be specified in regulations made by the Secretary of State.
- (2) Regulations under this section are subject to the negative procedure.

**17 Regulatory oversight**

- (1) Schedule 4 contains provision relating to the regulation of schemes under section 1, new public body pension schemes and connected schemes.
- (2) The Secretary of State may by order make—
  - (a) provision consequential on Schedule 4, and
  - (b) further provision for, or in connection with, the regulation of public service pension schemes within the meaning of the Pensions Act 2004 (as amended by that Schedule).
- (3) The provision referred to in subsection (2) includes provision made by amending any legislation (including this Act).
- (4) An order under this section may make different provision for different purposes.
- (5) An order under this section is subject to—
  - (a) the affirmative procedure, if it amends primary legislation, and
  - (b) the negative procedure, in any other case.

*Transitional***18 Restriction of existing pension schemes**

- (1) No benefits are to be provided under an existing scheme to or in respect of a person in relation to the person's service after the closing date.
- (2) In this Act "existing scheme" means a scheme listed in Schedule 5 (whether made before or after this section comes into force).
- (3) Subsection (1) does not apply—
  - (a) in relation to an existing scheme which is a defined contributions scheme;
  - (b) to benefits excepted by Schedule 5.
- (4) The closing date is—
  - (a) 31 March 2014 for an existing scheme which is a relevant local government scheme, and
  - (b) 31 March 2015 in any other case.This is subject to subsection (7).
- (5) Scheme regulations may provide for exceptions to subsection (1) in the case of—
  - (a) persons who were members of an existing scheme, or who were eligible to be members of such a scheme, immediately before 1 April 2012, and

- (b) such other persons as the regulations may specify, being persons who before that date had ceased to be members of an existing scheme or to be eligible for membership of such a scheme.
- (6) Exceptions under subsection (5) may, in particular, be framed by reference to the satisfaction of a specified condition (for example, the attainment of normal pension age under the existing scheme or another specified age) before a specified date.
- (7) Where an exception to subsection (1) is framed by reference to the satisfaction of a specified condition before a specified date, scheme regulations may also provide for a different closing date for persons in whose case the condition –
  - (a) is not satisfied before the specified date, but
  - (b) is satisfied no more than 4 years after that date.
- (8) Provision made under subsection (5) or (7) may in particular be made by amending the relevant existing scheme.
- (9) In subsection (1), the reference to benefits in relation to a person’s service includes benefits relating to the person’s death in service.
- (10) In subsection (4), “relevant local government scheme” means regulations under section 7 of the Superannuation Act 1972 which relate to persons in England and Wales.

## **19 Closure of existing injury and compensation schemes**

- (1) Scheme regulations for a scheme under section 1 may secure that no benefits are to be provided under a scheme listed in Schedule 6 that is connected with it.
- (2) Where Schedule 6 specifies particular benefits in relation to a scheme, the power under subsection (1) is exercisable only in relation to those benefits.
- (3) Scheme regulations may provide for exceptions to subsection (1).
- (4) Provision made under this section may in particular be made by amending the connected scheme.

## **20 Final salary link**

Schedule 7 contains provision for a “final salary link” in relation to schemes to which section 18(1) applies (and see section 31(14)).

### *Procedure for scheme regulations*

## **21 Consultation**

- (1) Before making scheme regulations the responsible authority must consult such persons (or representatives of such persons) as appear to the authority likely to be affected by them.
- (2) The responsible authority must publish a statement indicating the persons that the authority would normally expect to consult under subsection (1) (and keep the statement up-to-date).
- (3) Subsection (1) may be satisfied by consultation before, as well as by consultation after, the coming into force of this section.

## 22 Procedure for protected elements

- (1) This section applies where, after the coming into force of scheme regulations establishing a scheme under section 1, the responsible authority proposes to make further scheme regulations containing provision changing the protected elements of the scheme within the protected period.
- (2) The responsible authority must –
  - (a) consult the persons specified in subsection (3) with a view to reaching agreement with them, and
  - (b) lay a report before the appropriate legislature.
- (3) The persons referred to in subsection (2)(a) are the persons (or representatives of the persons) who appear to the responsible authority to be likely to be affected by the regulations if they were made.
- (4) The report under subsection (2)(b) must set out why the responsible authority proposes to make the regulations, having regard to the desirability of not making a change to the protected elements of a scheme under section 1 within the protected period.
- (5) In this section –
 

“the appropriate legislature” means –

  - (a) Parliament, where the responsible authority is the Secretary of State, the Minister for the Civil Service or the Lord Chancellor;
  - (b) the Scottish Parliament, where the responsible authority is the Scottish Ministers;
  - (c) the National Assembly for Wales, where the responsible authority is the Welsh Ministers;

“protected period” means the period beginning with the coming into force of this section and ending with 31 March 2040;

“protected elements”, in relation to a scheme under section 1, means –

  - (a) the extent to which the scheme is a career average revalued earnings scheme;
  - (b) members’ contribution rates under the scheme;
  - (c) benefit accrual rates under the scheme.
- (6) In this section, references to a change to the protected elements do not include a change appearing to the responsible authority to be required by or consequential upon section 12 (employer cost cap).
- (7) In a case where this section applies, there is no requirement to consult under section 21(1).

## 23 Procedure for retrospective provision

- (1) Where the responsible authority proposes to make scheme regulations containing retrospective provision which appears to the authority to have significant adverse effects in relation to the pension payable to or in respect of members of the scheme, the authority must first obtain the consent of the persons referred to in subsection (3).
- (2) Where the responsible authority proposes to make scheme regulations containing retrospective provision which appears to the authority –
  - (a) not to have significant adverse effects as specified in subsection (1), but

- (b) to have significant adverse effects in any other way in relation to members of the scheme (for example, in relation to injury or compensation benefits),  
the authority must first consult the persons specified in subsection (3) with a view to reaching agreement with them.
- (3) The persons referred to in subsections (1) and (2) are the persons (or representatives of the persons) who appear to the responsible authority to be likely to be affected by the provision if it were made.
- (4) The responsible authority must, in a case falling within subsection (1) or (2), lay a report before the appropriate legislature (as defined in section 22).
- (5) In a case falling within subsection (1) or (2) there is no requirement to consult under section 21(1).

## 24 Other procedure

- (1) Scheme regulations are subject to the affirmative procedure if –
  - (a) they amend primary legislation,
  - (b) section 23(1) or (2) (procedure for retrospective provision having significant adverse effects) applies, or
  - (c) they are scheme regulations for a scheme relating to the judiciary, unless the pension board for that scheme has stated that it considers the regulations to be minor or wholly beneficial.
- (2) Scheme regulations are subject to the negative procedure in any other case.
- (3) If scheme regulations otherwise subject to the negative procedure are combined with scheme regulations subject to the affirmative procedure, the combined regulations are subject to the affirmative procedure.

### *New schemes: supplementary*

## 25 Extension of schemes

- (1) Scheme regulations for a scheme under section 1 may make provision for the payment of pensions and other benefits to or in respect of –
  - (a) persons who are specified in section 1(2), but
  - (b) in relation to whom the responsible authority could not otherwise make a scheme under section 1.
- (2) Scheme regulations for a scheme under section 1 may make provision to deem persons of any description to fall within a given description of persons specified in section 1(2).
- (3) Scheme regulations for a scheme under section 1 may specify persons, not being persons specified in section 1(2), as persons to whom the scheme may potentially relate.
- (4) The persons specified under subsection (3) may be any persons (other than persons specified in section 1(2)) that the responsible authority considers appropriate.
- (5) The responsible authority may then at any time determine that the scheme is to relate to some or all of those persons.

- (6) By virtue of a determination under subsection (5) the scheme regulations then apply to the persons to whom the determination relates as they apply to other persons to or in respect of whom pensions and other benefits are provided under the scheme (or such class of other persons as may be specified in the determination).
- (7) Subsection (6) is subject to—
  - (a) any special provision made in the scheme regulations, and
  - (b) a direction under subsection (8).
- (8) Scheme regulations made under subsection (2) or (3) in relation to any persons may include provision authorising the responsible authority by direction to modify provisions of the regulations in their application to those persons for the purpose of—
  - (a) securing appropriate protection against additional costs to the scheme that might result from the application of the scheme regulations to those persons,
  - (b) obtaining information about those persons, their employers and other relevant persons, or
  - (c) taking appropriate account of—
    - (i) the arrangements under which those persons are employed, and
    - (ii) the organisational structures of their employers.
- (9) The responsible authority for a scheme under section 1 must publish a list of the persons to whom the scheme relates by virtue of determinations under subsection (5) (and keep the published list up-to-date).
- (10) A determination under subsection (5) may have retrospective effect.
- (11) Where, by virtue of section 4(5), there is more than one scheme manager for a scheme under section 1, the responsible authority may delegate its functions under subsection (5) or (9) to the scheme managers, subject to such conditions as the responsible authority considers appropriate.

## **26 Non-scheme benefits**

- (1) The scheme manager or employer for a scheme under section 1 may make such payments as the scheme manager or employer considers appropriate towards the provision, otherwise than by virtue of the scheme, of pensions and other benefits to or in respect of—
  - (a) persons within the description of persons specified in section 1(2) for which the responsible authority may make the scheme, and
  - (b) any other persons to whom the scheme relates by virtue of section 25.
- (2) Subsection (1) is subject to any provision made in the scheme regulations for the scheme that restricts or otherwise affects the power to make payments under that subsection.

## **27 Consequential and minor amendments**

Schedule 8 contains consequential and minor amendments.

*Existing schemes: supplementary***28 Existing local government schemes**

- (1) This section applies in relation to regulations under section 7 of the Superannuation Act 1972 which relate to persons in England and Wales which are in force immediately before the coming into force of this section.
- (2) To the extent that—
  - (a) such regulations make provision for the payment of pensions and other benefits to or in respect of a person in relation to the person's service on or after 1 April 2014, and
  - (b) that provision could be made under scheme regulations, the regulations are to have effect as if they were scheme regulations relating to local government workers in England and Wales.
- (3) Accordingly, to that extent a scheme under such regulations is to have effect as a scheme under section 1.

**29 Existing schemes for civil servants: extension of access**

Schedule 9 amends the Superannuation Act 1972 so as to extend access to schemes under section 1 of that Act (schemes as respects civil servants, etc).

*Public body pension schemes***30 New public body pension schemes**

- (1) The following provisions of this Act apply in relation to a new public body pension scheme (and any statutory pension scheme that is connected with it) as to a scheme under section 1 (and any connected scheme)—
  - (a) section 3(1) and (2) and Schedule 3 (scheme regulations);
  - (b) section 4 (scheme manager);
  - (c) sections 5 and 6 (pension board), if the scheme has more than one member;
  - (d) sections 8 to 10 (scheme design);
  - (e) sections 11 and 12 (cost control);
  - (f) sections 14 to 16 (information and records).
- (2) For the purposes of subsection (1), the provisions referred to in that subsection are to be read with the following modifications—
  - (a) references to scheme regulations are to be read as references to the rules of the scheme;
  - (b) references to the responsible authority are to be read as references to the public authority which established the scheme.
- (3) A new public body pension scheme, and any variation to the rules of the scheme, requires the consent of the Treasury.
- (4) This section does not apply to a new public body pension scheme which relates to a devolved body or office.
- (5) In this Act—

“public body pension scheme” means a scheme (other than an existing scheme) established by a public authority for the payment of pensions and other benefits to or in respect of members or staff of a statutory body or the holder of a statutory office;

“new public body pension scheme” means a public body pension scheme established after the coming into force of this section.

### **31 Restriction of certain existing public body pension schemes**

- (1) This section applies to a public body pension scheme which relates to members or staff of a body, or the holder of an office, listed in Schedule 10.
- (2) The public authority responsible for the scheme must make provision to secure that no benefits are provided under the scheme to or in respect of a person in relation to the person’s service after a date determined by the authority.
- (3) Subsection (2) does not apply –
  - (a) in relation to a public body pension scheme which is a defined contributions scheme, or
  - (b) to injury or compensation benefits.
- (4) The public authority responsible for a scheme to which subsection (2) applies may provide for exceptions to the provision made under subsection (2), and section 18(6) and (7) apply in relation to any such exceptions (reading references to scheme regulations as references to rules of the scheme).
- (5) Provision made under subsection (2) or (4) may in particular be made by amending the public body pension scheme.
- (6) In subsection (2), the reference to benefits in relation to a person’s service includes benefits relating to the person’s death in service.
- (7) If any of the persons to whom a scheme to which subsection (2) applies relates are not eligible for membership of a scheme under section 1, the public authority responsible for the scheme may establish a new scheme for the payment of pensions or other benefits to or in respect of those persons (and see section 30).
- (8) Where a scheme to which subsection (2) applies was established in exercise of a statutory function or other power, the function or power may not be exercised again so as to establish a new defined benefits scheme in relation to the body or office.
- (9) In the case of a scheme established by deed of trust, subsections (2) and (4) apply irrespective of the provisions of the deed or the law relating to trusts.
- (10) A Treasury order may amend Schedule 10 so as to –
  - (a) remove any body or office specified there;
  - (b) add any body or office to it (by name or description),but may not add a devolved body or office.
- (11) A Treasury order under subsection (10) may make consequential or supplementary provision, including in particular provision made by amending any legislation.
- (12) A Treasury order under subsection (10) is subject to the negative procedure.

- (13) It is immaterial for the purposes of subsection (1) whether a scheme is made before or after the coming into force of this section.
- (14) Schedule 7 contains provision for a “final salary link” in relation to schemes to which subsection (2) applies.

### **32 Existing public body pension schemes: pension age**

- (1) A public body pension scheme established before the coming into force of this section may include –
  - (a) provision securing that the normal and deferred pension age of a person under the scheme is –
    - (i) the same as the person’s state pension age, or
    - (ii) 65, if that is higher, and
  - (b) provision securing that changes in the person’s normal or deferred pension age occurring in consequence of provision under paragraph (a) apply in relation to relevant accrued benefits (as well as other benefits).
- (2) In subsection (1)(b) “relevant accrued benefits”, in relation to a person and a scheme, means benefits accrued after the coming into force of the provision under subsection (1) which may be paid to or in respect of the person under the scheme and to which the normal or deferred pension age is relevant.
- (3) This section does not apply to a public body pension scheme which relates to a devolved body or office.

#### *Parliamentary and other pension schemes*

### **33 Great offices of state**

Schedule 11 makes provision about pension arrangements for the offices of –

- (a) Prime Minister and First Lord of the Treasury,
- (b) Lord Chancellor, and
- (c) Speaker of the House of Commons.

### **34 Parliamentary and other pension schemes: pension age**

In Schedule 6 to the Constitutional Reform and Governance Act 2010 (Parliamentary and other pensions), after paragraph 29 there is inserted –

#### *“Pension age*

- 29A (1) Where the scheme provides for the normal or deferred pension age of a person under the scheme to be the same as the person’s state pension age, provision for a change in the person’s normal or deferred pension age in consequence of such provision to apply in relation to relevant accrued benefits (as well as other benefits).
- (2) Accordingly, paragraph 19(2) (protection of accrued rights) is to be disregarded in relation to any such provision.
- (3) In this paragraph –
  - (a) “normal pension age”, in relation to a person and a scheme, means the earliest age at which a person with relevant service

is entitled to receive benefits (without actuarial adjustment) on leaving that service (and disregarding any special provision as to early payment of benefits on the grounds of ill-health or otherwise);

- (b) “deferred pension age”, in relation to a person and a scheme, means the earliest age at which a person with relevant service is entitled to receive benefits under the scheme (without actuarial adjustment) after leaving that service at a time before normal pension age (and disregarding any special provision as to early payment of benefits on the grounds of ill-health or otherwise);
- (c) “state pension age”, in relation to a person, means the person’s pensionable age as specified from time to time in Part 1 of Schedule 4 to the Pensions Act 1995;
- (d) “relevant accrued benefits”, in relation to a scheme, means benefits accrued after the coming into force of provision under sub-paragraph (1) which may be paid to or in respect of the person under the scheme and to which the normal or deferred pension age is relevant.”

### 35 Members of the European Parliament

In section 4 of the European Parliament (Pay and Pensions) Act 1979 (pensions of MEPs), after subsection (3A) there is inserted –

“(3B) Where a scheme under this section provides for the normal or deferred pension age of a person under the scheme to be the same as the person’s state pension age, the scheme may make provision for a change in the person’s normal or deferred pension age in consequence of such provision to apply in relation to relevant accrued benefits (as well as other benefits).

(3C) In subsection (3B) –

- (a) “normal pension age”, in relation to a person and a scheme, means the earliest age at which a person with service as a Representative is entitled to receive benefits (without actuarial adjustment) on ceasing service as a Representative (and disregarding any special provision as to early payment of benefits on the grounds of ill-health or otherwise);
- (b) “deferred pension age”, in relation to a person and a scheme, means the earliest age at which a person with service as a Representative is entitled to receive benefits under the scheme (without actuarial adjustment) after ceasing service as a Representative at a time before normal pension age (and disregarding any special provision as to early payment of benefits on the grounds of ill-health or otherwise);
- (c) “state pension age”, in relation to a person, means the person’s pensionable age as specified from time to time in Part 1 of Schedule 4 to the Pensions Act 1995;
- (d) “relevant accrued benefits”, in relation to a scheme, means benefits accrued after the coming into force of provision under subsection (3B) which may be paid to or in respect of the person under the scheme and to which the normal or deferred pension age is relevant.

- (3D) A scheme under this section may provide for any statutory provision relating to any matter connected with the pensions payable to or in respect of Members to have effect with respect to or in connection with Representatives, with such additions, omissions, amendments or other modifications as may be specified in the scheme.

In this subsection “statutory provision” means any provision contained in an Act or in any instrument made under an Act (including an Act or instrument passed or made after the coming into force of this subsection).”

### *Review*

## **36 Defence Fire and Rescue Service and Ministry of Defence Police: review**

- (1) The Secretary of State must, before the end of the period of six months beginning with the day on which section 10 (pension age) comes into force, prepare and lay before Parliament a report on the likely effect of that section on members or future members of—
  - (a) the Defence Fire and Rescue Service, and
  - (b) the Ministry of Defence Police.
- (2) The report under this section must include a report on—
  - (a) the likely effect of section 10 on the health and well-being of members of the Defence Fire and Rescue Service and the Ministry of Defence Police,
  - (b) the likely effect of section 10 on the ability of the Defence Fire and Rescue Service and Ministry of Defence Police to continue to meet operational requirements, and
  - (c) the extent to which members of the Defence Fire and Rescue Service and Ministry of Defence Police are likely to take early retirement in consequence of section 10 (and on the consequences of taking early retirement for the persons taking it and for the taxpayer).
- (3) In this section “Defence Fire and Rescue Service” means the fire service maintained by the Secretary of State for Defence.

### *General*

## **37 General interpretation**

In this Act—

- “the affirmative procedure” and “the affirmative Commons procedure” have the meanings given in section 38;
- “armed forces” has the meaning given in Schedule 1;
- “body” includes an unincorporated body or organisation of persons (for example, a committee or board of trustees);
- “career average revalued earnings scheme” has the meaning given in section 8(4);
- “civil servants” has the meaning given in Schedule 1;
- “compensation benefits” means benefits by way of compensation for loss of office or employment;

- “connected”, in relation to a scheme under section 1 and another statutory pension scheme, or a new public body pension scheme and another statutory pension scheme, has the meaning given by section 4(6);
- “defined benefits scheme”: a pension scheme is a “defined benefits scheme” if or to the extent that the benefits that may be provided under the scheme are not money purchase benefits (within the meaning of the Pension Schemes Act 1993) or injury and compensation benefits;
- “defined contributions scheme”: a pension scheme is a “defined contributions scheme” if or to the extent that the benefits that may be provided under the scheme are money purchase benefits (within the meaning of the Pension Schemes Act 1993);
- “deferred pension age” has the meaning given in section 10(5);
- “devolved”: a body or office is “devolved” if or to the extent that provision about pensions payable to or in respect of members or staff of the body, or a holder of the office –
- (a) would be within the legislative competence of the Northern Ireland Assembly were that provision contained in an Act of the Assembly, or
  - (b) is not a reserved matter within the meaning of the Scotland Act 1998;
- “earnings” includes any remuneration or profit derived from an employment;
- “employer”, in relation to a pension scheme, means –
- (a) any employer of persons to whom the scheme relates,
  - (b) the person responsible for the remuneration of an office-holder to whom the scheme relates, or
  - (c) such other persons (in addition to, or instead of, any person falling within paragraph (a) or (b)) as scheme regulations or (in the case of a public body pension scheme) the rules of the scheme may provide;
- “existing scheme” has the meaning given in section 18(2);
- “final salary”, in relation to a person to or in respect of whom a pension under a pension scheme is payable, means the person’s pensionable earnings, or highest, average or representative pensionable earnings, in a specified period ending at, or defined by reference to, the time when the person’s pensionable service in relation to that scheme terminates;
- “final salary scheme”: a pension scheme is a “final salary scheme” if entitlement to the pension payable to or in respect of a person which is based on the pensionable service of that person is or may be determined to any extent by reference to the person’s final salary;
- “fire and rescue workers” has the meaning given in Schedule 1;
- “injury benefits” means benefits by way of compensation for incapacity or death as a result of injury or illness;
- “injury or compensation scheme”: a pension scheme is an “injury or compensation scheme” if it provides only for injury or compensation benefits (or both);
- “judiciary” has the meaning given in Schedule 1;
- “health service workers” has the meaning given in Schedule 1;
- “legislation” means primary or secondary legislation;
- “local authority” means –

- (a) a local authority in England and Wales within the meaning of Part 1 of the Local Government and Housing Act 1989, or
  - (b) a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994;
- “local government workers” has the meaning given in Schedule 1;
- “members of a police force” has the meaning given in Schedule 1;
- “the negative procedure” and “the negative Commons procedure” have the meanings given in section 38;
- “normal pension age” has the meaning given in section 10(5);
- “pension board” has the meaning given by section 5(8);
- “pension scheme” means a scheme for the payment of pensions or other benefits to or in respect of persons with service of a particular description;
- “pensionable earnings”, in relation to a pension scheme and a member of it, means earnings by reference to which a pension or other benefits under the scheme are calculated;
- “pensionable service”, in relation to a pension scheme, means service which qualifies a person to a pension or other benefits under that scheme;
- “primary legislation” means an Act, Act of the Scottish Parliament, Act or Measure of the National Assembly for Wales or Northern Ireland legislation;
- “public authority” means –
- (a) a Minister of the Crown (as defined by section 8 of the Ministers of the Crown Act 1975),
  - (b) a statutory body or the holder of a statutory office, or
  - (c) a person exercising a statutory function;
- “public body pension scheme” and “new public body pension scheme” have the meanings given in section 30(5);
- “responsible authority”, in relation to a scheme under section 1, has the meaning given by section 2(2);
- “scheme” includes arrangements of any description;
- “scheme advisory board” has the meaning given by section 7(6);
- “scheme manager”, in relation to a scheme under section 1, has the meaning given in section 4(2);
- “scheme regulations” has the meaning given in section 1(4);
- “secondary legislation” means an instrument made under primary legislation;
- “staff”, in relation to a body, includes any employee or officer of the body;
- “state pension age” has the meaning given in section 10(5);
- “statutory body” and “statutory office” mean a body or office established under any legislation;
- “statutory function” means a function conferred by any legislation;
- “statutory pension scheme” means –
- (a) a pension scheme which is established by or under any legislation, and
  - (b) a public body pension scheme which is not so established;
- “teachers” has the meaning given in Schedule 1;
- “Treasury directions” means directions given by the Treasury;
- “Treasury order” means an order made by the Treasury;

“Treasury regulations” means regulations made by the Treasury.

### 38 Regulations, orders and directions

- (1) For the purposes of this Act any power of the Secretary of State, the Minister for the Civil Service, the Treasury, the Lord Chancellor or the Welsh Ministers to make regulations or an order is exercisable by statutory instrument.
- (2) In this Act, the “affirmative procedure” means—
  - (a) in the case of regulations or an order of the Secretary of State, the Minister for the Civil Service or the Lord Chancellor, that the regulations or order may not be made unless a draft of the instrument containing them or it has been laid before, and approved by resolution of, each House of Parliament;
  - (b) in the case of regulations of the Welsh Ministers, that the regulations may not be made unless a draft of the instrument containing them has been laid before, and approved by resolution of, the National Assembly for Wales.
- (3) In this Act, the “negative procedure” means—
  - (a) in the case of regulations or an order of the Secretary of State, the Minister for the Civil Service, the Lord Chancellor or the Treasury, that the instrument containing them or it is subject to annulment in pursuance of a resolution of either House of Parliament;
  - (b) in the case of regulations or an order of the Welsh Ministers, that the instrument containing them or it is subject to annulment in pursuance of a resolution of the National Assembly for Wales.
- (4) In this Act, the “affirmative Commons procedure”, in relation to a Treasury order, means that the order may not be made unless a draft of the instrument containing it has been laid before, and approved by resolution of, the House of Commons.
- (5) In this Act, the “negative Commons procedure”, in relation to Treasury regulations or a Treasury order, means that the instrument containing them or it is subject to annulment in pursuance of a resolution of the House of Commons.
- (6) For regulations and orders of the Scottish Ministers, see Part 2 of the Interpretation and Legislative Reform (Scotland) Act 2010 (asp 10).
- (7) Treasury directions under this Act may be varied or revoked.

*Final*

### 39 Financial provision

- (1) Scheme regulations may provide for any pension or other sum payable under the regulations to or in respect of a person who has held an office specified in Part 1 of Schedule 1 to the Judicial Pensions and Retirement Act 1993 to be charged on, and paid out of, the Consolidated Fund.
- (2) There shall be paid out of money provided by Parliament—
  - (a) any expenditure incurred under or by virtue of this Act by a Minister of the Crown, and

- (b) any increase attributable to this Act in the sums payable under or by virtue of any other Act out of money so provided.

#### **40 Extent**

- (1) An amendment or repeal in this Act has the same extent as the provision amended or repealed.
- (2) That aside, this Act extends to England and Wales, Scotland and Northern Ireland.

#### **41 Commencement**

- (1) The following provisions of this Act come into force on the day on which this Act is passed –
  - (a) section 29 and Schedule 9 (existing schemes for civil servants: extension of access);
  - (b) section 33 and Schedule 11 (great offices of state);
  - (c) sections 37 to 40, this section and section 42.
- (2) The other provisions of this Act come into force on such day or days as may be appointed by Treasury order.
- (3) An order under subsection (2) may –
  - (a) appoint different days for different purposes;
  - (b) make transitional, transitory or saving provision.

#### **42 Short title**

This Act may be cited as the Public Service Pensions Act 2013.

## SCHEDULES

## SCHEDULE 1

Section 1(3)

## PERSONS IN PUBLIC SERVICE: DEFINITIONS

*Civil servants*

- 1 In this Act, “civil servants” means persons employed in the civil service of the State (not including the civil service of Northern Ireland).

*Judiciary*

- 2 (1) In this Act, “the judiciary” means holders of an office specified in an order made by –
- (a) the Secretary of State, in relation to an office with a jurisdiction exercised exclusively in relation to Scotland, or
  - (b) the Lord Chancellor, in any other case.
- (2) An order under sub-paragraph (1) may only specify an office in or as regards Scotland or Northern Ireland if the office is not a devolved office.
- (3) An order under this paragraph is subject to the negative procedure.

*Local government workers*

- 3 (1) In this Act, “local government workers” means persons employed in local government service and specified in scheme regulations.
- (2) In this paragraph, “local government service” means service specified in scheme regulations.

*Teachers*

- 4 In this Act, “teachers” includes persons who are employed otherwise than as teachers –
- (a) in a capacity connected with education which to a substantial extent involves the control or supervision of teachers, or
  - (b) in employment which involves the performance of duties in connection with the provision of education or services ancillary to education, and
- who are specified in scheme regulations.

*Health service workers*

- 5 (1) In this Act, “health service workers” means persons engaged in health services and specified in scheme regulations.

- (2) In this paragraph, “health services” means services specified in scheme regulations.

*Fire and rescue workers*

- 6 In this Act, “fire and rescue workers” means persons employed by –
- (a) a fire and rescue authority in England or Wales, or
  - (b) the Scottish Fire and Rescue Service.

*Police forces*

- 7 In this Act “members of a police force” –
- (a) in relation to England and Wales, includes special constables and police cadets;
  - (b) in relation to Scotland, means members of the Police Service of Scotland and police cadets.

*Armed forces*

- 8 In this Act, “the armed forces” means the naval, military and air forces of the Crown.

*Transitional provision*

- 9 In relation to a time before the coming into force of section 101 of the Police and Fire Reform (Scotland) Act 2012 (asp 8), the reference in paragraph 6(b) to the Scottish Fire and Rescue Service is to be read as a reference to a relevant authority (as defined in section 6 of the Fire (Scotland) Act 2005 (asp 5)).
- 10 In relation to a time before the coming into force of section 6 of the Police and Fire Reform (Scotland) Act 2012, the reference in paragraph 7(b) to the Police Service of Scotland is to be read as a reference to a police force within the meaning of the Police (Scotland) Act 1967.

SCHEDULE 2

Section 2(1)

RESPONSIBLE AUTHORITIES

*Civil servants and judiciary*

- 1 Scheme regulations for civil servants may be made by the Minister for the Civil Service.
- 2 (1) Scheme regulations for the judiciary may be made by the Lord Chancellor.
- (2) Before making scheme regulations in relation to an office with a jurisdiction exercised exclusively in relation to Scotland, the Lord Chancellor must consult the Secretary of State.

*Local government workers*

- 3 Scheme regulations for local government workers may be made by –

- (a) the Secretary of State, in or as regards England and Wales;
- (b) the Scottish Ministers, in or as regards Scotland.

*Teachers*

- 4 Scheme regulations for teachers may be made by –
- (a) the Secretary of State, in or as regards England and Wales;
  - (b) the Scottish Ministers, in or as regards Scotland.

*Health service workers*

- 5 Scheme regulations for health service workers may be made by –
- (a) the Secretary of State, in or as regards England and Wales;
  - (b) the Scottish Ministers, in or as regards Scotland.

*Fire and rescue workers*

- 6 Scheme regulations for fire and rescue workers may be made by –
- (a) the Secretary of State, in or as regards England;
  - (b) the Welsh Ministers, in or as regards Wales;
  - (c) the Scottish Ministers, in or as regards Scotland.

*Police forces*

- 7 Scheme regulations for members of a police force may be made by –
- (a) the Secretary of State, in or as regards England and Wales;
  - (b) the Scottish Ministers, in or as regards Scotland.

*Armed forces*

- 8 Scheme regulations for the armed forces may be made by the Secretary of State.

## SCHEDULE 3

Section 3(2)(a)

## SCOPE OF SCHEME REGULATIONS: SUPPLEMENTARY MATTERS

- 1 Eligibility and admission to membership.
- This includes –
- (a) specifying who, of the persons in relation to whom the scheme regulations may be made, is eligible for membership;
  - (b) conditions of eligibility.
- 2 The benefits which must or may be paid under the scheme.
- Those benefits may include –
- (a) pensions and other benefits on leaving service to which the scheme relates (whether before, at or after normal pension age);
  - (b) benefits payable on death (in service or otherwise);
  - (c) compensation payments (including for death, injury or redundancy);

(d) discretionary payments and concessions.

3 The persons to whom benefits under the scheme are payable.

Those persons may include –

- (a) active, deferred and pensioner members of the scheme;
- (b) pension credit members of the scheme;
- (c) widows, widowers, surviving civil partners and surviving dependants.

4 The conditions subject to which benefits are payable.

5 The assignment of benefits, including restrictions on assignment.

6 The forfeiture or suspension of benefits.

7 The recovery of overpaid benefits.

8 The exclusion of double recovery of compensation or damages.

This includes –

- (a) exclusion or modification of rights to compensation or damages in respect of any matter in a case where benefits are paid under the scheme in respect of the same matter;
- (b) exclusion or modification of rights to benefits under the scheme where compensation or damages are received in respect of the same matter from another source.

9 Contributions, including –

- (a) the making of contributions by employers and members;
- (b) contribution rates;
- (c) interest on late payment of contributions;
- (d) the return of contributions (with or without interest).

10 The payment or receipt of transfer values or other lump sum payments for the purpose of creating or restoring rights to benefits (under the scheme or otherwise).

11 Pension funds (for schemes which have them).

This includes the administration, management and winding-up of any pension funds.

12 The administration and management of the scheme, including –

- (a) the giving of guidance or directions by the responsible authority to the scheme manager (where those persons are different);
- (b) the person by whom benefits under the scheme are to be provided;
- (c) the provision or publication of information about the scheme.

13 The delegation of functions under scheme regulations, including –

- (a) delegation of functions by the scheme manager or responsible authority;
- (b) further delegation of functions by any delegatee.

14 The payment by an employer of –

- (a) any costs relating to the administration of the scheme;

- (b) any costs incurred because of a failure by the employer to comply with the employer’s obligations under the scheme;
  - (c) interest relating to payments to be made by virtue of this paragraph.
- 15 The resolution of disputes and appeals (including the referral to a court of law of questions of law which under the scheme fall to be determined by the responsible authority).

## SCHEDULE 4

Section 17(1)

## REGULATORY OVERSIGHT

- 1 The Pensions Act 2004 is amended as follows.
- 2 In section 11 (annual reports), in subsection (3), at the end there is inserted –
- “(d) the exercise of the Regulator’s functions in relation to public service pension schemes.”
- 3 (1) Section 13 (improvement notices) is amended as follows.
- (2) In subsection (3)(a), after “90” there is inserted “or 90A”.
- (3) In subsection (7) –
- (a) in paragraph (c), the final “or” is repealed;
  - (b) at the end there is inserted “or
  - (e) section 5(4) (pension board: conflicts of interest and representation), 6 (pension board: information), 14 (information about benefits) or 16 (records) of the Public Service Pensions Act 2013.”
- 4 After section 14 there is inserted –
- “14A Appointment of skilled person to assist public service pension scheme**
- (1) The Regulator may, if it considers it desirable for the purpose of ensuring compliance with pensions legislation, appoint a person to assist the pension board of a public service pension scheme in the discharge of its functions.
  - (2) A person appointed under this section may be any person appearing to the Regulator to have the necessary skills.
  - (3) The pension board of a public service pension scheme must have regard to the advice of a person appointed under this section.
  - (4) The costs of a person appointed under this section are to be met by the scheme manager of the scheme.
  - (5) In subsection (1) “pensions legislation” has the same meaning as in section 13.”
- 5 (1) In section 17 (power of the Regulator to recover unpaid contributions), subsection (3) is amended as follows.
- (2) In the definition of “due date” –
- (a) in paragraph (b), the final “and” is repealed;

- (b) after paragraph (c) there is inserted “and
  - (d) in relation to employer contributions payable under a public service pension scheme, the date on which the contributions are due under the scheme;”.
- (3) In the definition of “employer contribution” –
  - (a) in paragraph (a) –
    - (i) after “occupational pension scheme” there is inserted “other than a public service pension scheme”;
    - (ii) the final “and” is repealed;
  - (b) after paragraph (b) there is inserted “and
    - (c) in relation to a public service pension scheme, means any contributions payable under the scheme by the employer.”
- 6 In section 70 (duty to report breaches of the law), in subsection (1) –
  - (a) after paragraph (a) there is inserted –
    - “(aa) a member of the pension board of a public service pension scheme;”;
  - (b) in paragraph (b), for “such a scheme” there is substituted “an occupational or personal pension scheme”.
- 7 After section 70 there is inserted –

*“Reporting late payment of employer contributions*

**70A Duty to report late payment of employer contributions**

- (1) Where –
  - (a) any amount payable under a public service pension scheme by or on behalf of an employer in relation to the scheme by way of contributions is not paid on or before the date on which it is due under the scheme, and
  - (b) the scheme manager has reasonable cause to believe that the failure is likely to be of material significance to the Regulator in the exercise of any of its functions,the scheme manager must give a written report of the matter to the Regulator as soon as reasonably practicable.
- (2) No duty to which a person is subject is to be regarded as contravened merely because of any information or opinion contained in a written report under this section.  
This is subject to section 311 (protected items).
- (3) Section 10 of the Pensions Act 1995 (civil penalties) applies to any person who, without reasonable excuse, fails to comply with an obligation imposed on him by this section.”
- 8 (1) Section 71 (reports by skilled persons) is amended as follows.
  - (2) In subsection (1) –
    - (a) in paragraph (b), the final “or” is repealed;

- (b) after paragraph (b) there is inserted –
- “(ba) in the case of a work-based scheme which is a public service pension scheme, a member of the pension board of the scheme, or”;
- (c) in paragraph (c), for “such a scheme” there is substituted “a work-based pension scheme”.
- 9 In section 72 (provision of information), in subsection (2), after paragraph (a) there is inserted –
- “(aa) a member of the pension board of a public service pension scheme,”.
- 10 In section 73 (inspection of premises), in subsection (2) –
- (a) after paragraph (d) there is inserted –
- “(da) section 16 of the Public Service Pensions Act 2013;”;
- (b) in paragraph (e), for “(d)” there is substituted “(da)”.
- 11 In section 89 (reports), at the end there is inserted –
- “(4) Before making a report under this section which relates to a public service pension scheme, the Regulator must notify the scheme manager.”
- 12 After section 89 there is inserted –
- “89A Reports about misappropriation etc in public service pension schemes**
- (1) If the Regulator has reasonable grounds to suspect or believe that a member of the pension board of a public service pension scheme –
- (a) has misappropriated any assets of the scheme or is likely to do so, or
- (b) has a conflict of interest in relation to investment of assets of the scheme,
- the Regulator must report the matter to the scheme manager.
- (2) For the purposes of the law of defamation, the reporting of any matter by the Regulator under subsection (1) is privileged unless the reporting is shown to be made with malice.
- (3) For the purposes of subsection (1)(b) a person does not have a conflict of interest in relation to investment of assets merely by virtue of membership of the scheme.”
- 13 (1) Section 90 (codes of practice) is amended as follows.
- (2) In subsection (4), after “code of practice” (where first occurring) there is inserted “issued under this section”.
- (3) In subsection (7), at the end there is inserted “under this section”.
- (4) At the end of the section there is inserted –
- “(8) The Regulator may not issue codes of practice under this section in relation to a public service pension scheme (but see section 90A).”

14 After section 90 there is inserted –

**“90A Codes of practice: public service pension schemes**

- (1) The Regulator may, in relation to public service pension schemes, issue codes of practice –
  - (a) containing practical guidance in relation to the exercise of functions under relevant pensions legislation, and
  - (b) regarding the standards of conduct and practice expected from those who exercise such functions.
- (2) The Regulator must issue one or more such codes of practice relating to the following matters –
  - (a) the discharge of the duties imposed by sections 70 and 70A (duties to report breaches of the law and late payment of employer contributions);
  - (b) the obligations imposed by section 248A (requirements for knowledge and understanding: pension boards of public service pension schemes);
  - (c) the discharge of the duty imposed by section 249B (internal controls);
  - (d) the discharge of duties imposed under section 113 of the Pension Schemes Act 1993 (disclosure of information to members);
  - (e) the discharge of the duty imposed by section 49(9)(b) of the Pensions Act 1995 (duty of trustees or managers of occupational pension schemes to report material failures by employers to pay contributions deducted from employee’s earnings timeously);
  - (f) the discharge of the duty imposed by section 50 of the Pensions Act 1995 (internal dispute resolution);
  - (g) the discharge of duties imposed by virtue of section 5(4) of the Public Service Pensions Act 2013 (pensions board: conflicts of interest and representation) and other duties relating to conflicts of interest;
  - (h) the discharge of duties imposed under section 6 (pension board: information) of that Act and other duties relating to the publication of information about governance and administration;
  - (i) the discharge of duties imposed under section 14 of that Act (information about benefits);
  - (j) the discharge of duties imposed under section 16 (records) of that Act and other duties relating to record-keeping;
  - (k) such other matters as are prescribed for the purposes of this section.
- (3) The Regulator may from time to time revise the whole or any part of a code of practice issued under this section and issue that revised code.
- (4) A failure on the part of any person to observe any provision of a code of practice issued under this section does not of itself render that person liable to any legal proceedings.

This is subject to section 13(3)(a) and (8) (power for improvement notice to direct that person complies with code of practice and civil penalties for failure to comply).

- (5) A code of practice issued under this section is admissible in evidence in any legal proceedings (within the meaning of section 90) and, if any provision of such a code appears to the court or tribunal concerned to be relevant to any question arising in the proceedings, it must be taken into account in determining that question.
  - (6) A code of practice issued under this section may be –
    - (a) combined with a code of practice issued under section 90;
    - (b) combined with one or more other codes of practice issued under this section.
  - (7) A code of practice issued under this section may relate to all public service pension schemes or any one or more of them.
  - (8) In this section, “relevant pensions legislation” means –
    - (a) the enactments constituting “pensions legislation” within the meaning of section 90, and
    - (b) sections 5(4) (pension board: conflicts of interest and representation), 6 (pension board: information), 14 (information about benefits) and 16 (records) of the Public Service Pensions Act 2013.
  - (9) Sections 91 and 92 make provision about the procedure to be followed when a code of practice is issued or revoked under this section.”
- 15 (1) Section 91 (procedure for codes) is amended as follows.
- (2) In subsection (1), after “code of practice” there is inserted “under section 90 or 90A”.
  - (3) In subsections (4)(a) and (10), after “90” there is inserted “or 90A”.
- 16 In section 92 (revocation of codes), in subsection (1), after “code of practice” there is inserted “under section 90 or 90A”.
- 17 In section 93 (procedure for regulatory functions), in subsection (2), after paragraph (b) there is inserted –
- “(ba) the power to appoint a skilled person in relation to a public service pension scheme under section 14A.”.
- 18 In section 154 (requirement to wind up schemes with sufficient assets), in subsection (14), after “public service pension scheme” there is inserted “(within the meaning of the Pension Schemes Act 1993)”.
- 19 After section 248 there is inserted –
- “248A Requirement for knowledge and understanding: pension boards of public service pension schemes**
- (1) This section applies to every individual who is a member of the pension board of a public service pension scheme.
  - (2) An individual to whom this section applies must be conversant with –

- 
- (a) the rules of the scheme, and
      - (b) any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.
    - (3) An individual to whom this section applies must have knowledge and understanding of—
      - (a) the law relating to pensions, and
      - (b) such other matters as may be prescribed.
    - (4) The degree of knowledge and understanding required by subsection (3) is that appropriate for the purposes of enabling the individual properly to exercise the functions of a member of the pension board.”
  - 20 In section 249A (requirement for internal controls), in subsection (3) –
    - (a) before paragraph (a) there is inserted –
      - “(za) a public service pension scheme;”;
    - (b) in paragraph (a) for “a scheme” there is substituted “any other scheme”.
  - 21 After section 249A there is inserted –  
**“249B Requirement for internal controls: public service pension schemes**
    - (1) The scheme manager of a public service pension scheme must establish and operate internal controls which are adequate for the purpose of securing that the scheme is administered and managed –
      - (a) in accordance with the scheme rules, and
      - (b) in accordance with the requirements of the law.
    - (2) Nothing in this section affects any other obligations of the scheme manager to establish or operate internal controls, whether imposed by or by virtue of any enactment, the scheme rules or otherwise.
    - (3) In this section, “enactment” and “internal controls” have the same meanings as in section 249A.”
  - 22 (1) Section 318 (interpretation) is amended as follows.
    - (2) In subsection (1), after the definition of “occupational pension scheme” there is inserted –
      - ““pension board” has the same meaning as in the Public Service Pensions Act 2013 (see section 5 of that Act);”.
    - (3) After the definition of “professional adviser” in that subsection there is inserted –
      - ““public service pension scheme” means, subject to subsection (6) –
        - (a) a scheme under section 1 of the Public Service Pensions Act 2013 (new public service schemes);
        - (b) a new public body pension scheme (within the meaning of that Act);
        - (c) any statutory pension scheme which is connected with a scheme referred to in paragraph (a) or (b) (and for this purpose “statutory pension scheme” and “connected” have the meanings given in that Act);”.

- (4) After the definition of “the Regulator” in that subsection there is inserted –  
 ““scheme manager”, in relation to a public service pension scheme, has the same meaning as in the Public Service Pensions Act 2013 (see section 4 of that Act);”.
- (5) After subsection (5) there is inserted –  
 “(6) A scheme which would otherwise fall within the definition of “public service pension scheme” in subsection (1) does not fall within that definition if –  
 (a) it is an injury or compensation scheme (within the meaning of the Public Service Pensions Act 2013), or  
 (b) it is specified in an order made by the Secretary of State after consulting the Treasury.”

## SCHEDULE 5

Section 18

## EXISTING PENSION SCHEMES

*Civil servants*

- 1 A scheme under section 1 of the Superannuation Act 1972.  
*Exception:* injury benefits and compensation benefits

*Judiciary*

- 2 A scheme constituted by section 20 of the Sheriff Courts (Scotland) Act 1907.
- 3 A scheme constituted by paragraph 23 of Schedule 9 to the Agriculture Act 1947, so far as relating to payment of pension benefits.
- 4 A scheme constituted by or made under any provision of Part XIII of the County Courts Act (Northern Ireland) 1959 (c. 25 (N.I.)).
- 5 A scheme constituted by or made under any provision of the District Judges (Magistrates’ Courts) Pensions Act (Northern Ireland) 1960 (c. 2 (N.I.)).
- 6 A scheme constituted by or made under any provision of the Sheriffs’ Pensions (Scotland) Act 1961.
- 7 A scheme under paragraph 7A of Schedule 10 to the Rent Act 1977.  
*Exception:* injury benefits and compensation benefits
- 8 A scheme constituted by or made under any provision of the Judicial Pensions Act 1981.  
*Exception:* injury benefits under a scheme constituted by or made under Part 3 of Schedule 1 to that Act
- 9 A scheme constituted by paragraph 9 of Schedule 4 to the Rent (Scotland) Act 1984.
- 10 A scheme constituted by or made under any provision of Part 1 or section 19 of the Judicial Pensions and Retirement Act 1993.  
*Exception:* benefits payable to or in respect of a holder of a devolved office

- 11 A scheme constituted by paragraph 4(1) of Schedule 1 to the Scottish Land Court Act 1993.
- 12 A scheme constituted by or made under paragraph 6 of Schedule 2 to the Mental Health (Care and Treatment) (Scotland) Act 2003 (asp 13).
- 13 A scheme constituted by or made under paragraph 9 of Schedule 1 to the Education (Additional Support for Learning) (Scotland) Act 2004 (asp 4).
- 14 A scheme constituted by paragraph 2(1)(b) of Schedule 2 to the Charities and Trustee Investment (Scotland) Act 2005 (asp 10), so far as relating to payment of pension benefits.
- 15 A scheme constituted by paragraph 6(3) of Schedule 11 to the Welsh Language (Wales) Measure 2011 (nawm 1).

*Local government workers*

- 16 A scheme constituted by paragraph 2 of Schedule 1 to the Coroners Act 1988.
- 17 Regulations under section 7 of the Superannuation Act 1972.  
*Exception: injury benefits*

*Teachers*

- 18 Regulations under section 9 of the Superannuation Act 1972.  
*Exception: injury benefits*

*Health service workers*

- 19 Regulations under section 10 of the Superannuation Act 1972.  
*Exception: injury benefits*

*Fire and rescue workers*

- 20 A scheme under section 26 of the Fire Services Act 1947.
- 21 A scheme under section 34 of the Fire and Rescue Services Act 2004.  
*Exception: injury benefits and compensation benefits*

*Members of police forces*

- 22 Regulations under section 1 of the Police Pensions Act 1976.  
*Exception: injury benefits*
- 23 A scheme under section 48 of the Police and Fire Reform (Scotland) Act 2012 (asp 8).  
*Exception: injury benefits and compensation benefits*

*Armed forces*

- 24 The scheme constituted by the Royal Warrant of 19 December 1949 (see Army Order 151 of 1949).  
*Exception: injury benefits*
- 25 An Order in Council under section 3 of the Naval and Marine Pay and Pensions Act 1865.

- Exception: injury benefits*
- 26 An order under section 2 of the Pensions and Yeomanry Pay Act 1884.  
*Exception: injury benefits*
- 27 An order under section 2 of the Air Force (Constitution) Act 1917.  
*Exception: injury benefits*
- 28 Orders or regulations under section 4 of the Reserve Forces Act 1996 containing provision made under section 8 of that Act.  
*Exception: injury benefits and compensation benefits*
- 29 (1) A scheme under section 1(1) of the Armed Forces (Pensions and Compensation) Act 2004.  
*Exception: injury benefits and compensation benefits*
- (2) For the purposes of sub-paragraph (1), “compensation benefits” includes benefits by way of payments for resettlement or retraining.

## SCHEDULE 6

Section 19

## EXISTING INJURY AND COMPENSATION SCHEMES

*Civil servants*

- 1 A scheme under section 1 of the Superannuation Act 1972.  
*Specified benefits: injury benefits and compensation benefits*

*Judiciary*

- 2 A scheme under paragraph 7A of Schedule 10 to the Rent Act 1977.  
*Specified benefits: injury benefits and compensation benefits*
- 3 A scheme constituted by or made under Part 3 of Schedule 1 to the Judicial Pensions Act 1981.
- 4 A scheme constituted by section 11(b) of the Judicial Pensions Act 1981.

*Local government workers*

- 5 Regulations under section 7 of the Superannuation Act 1972.  
*Specified benefits: injury benefits*

*Teachers*

- 6 Regulations under section 9 of the Superannuation Act 1972.  
*Specified benefits: injury benefits*

*Health service workers*

- 7 Regulations under section 10 of the Superannuation Act 1972.  
*Specified benefits: injury benefits*

*Fire and rescue workers*

- 8 A scheme under section 34 of the Fire and Rescue Services Act 2004.  
*Specified benefits:* injury benefits and compensation benefits

*Members of police forces*

- 9 Regulations under section 1 of the Police Pensions Act 1976.  
*Specified benefits:* injury benefits
- 10 A scheme under section 48 of the Police and Fire Reform (Scotland) Act 2012 (asp 8).  
*Specified benefits:* injury benefits and compensation benefits

*Armed forces*

- 11 The scheme constituted by the Royal Warrant of 19 December 1949 (see Army Order 151 of 1949).  
*Specified benefits:* injury benefits
- 12 An Order in Council under section 3 of the Naval and Marine Pay and Pensions Act 1865.  
*Specified benefits:* injury benefits
- 13 An order under section 2 of the Pensions and Yeomanry Pay Act 1884.  
*Specified benefits:* injury benefits
- 14 An order under section 2 of the Air Force (Constitution) Act 1917.  
*Specified benefits:* injury benefits
- 15 An order or regulations under section 4 of the Reserve Forces Act 1996 containing provision made under section 8 of that Act.  
*Specified benefits:* injury benefits and compensation benefits
- 16 (1) A scheme under section 1(1) of the Armed Forces (Pensions and Compensation) Act 2004.  
*Specified benefits:* injury benefits and compensation benefits
- (2) For the purposes of sub-paragraph (1), “compensation benefits” includes benefits by way of payments for resettlement or retraining.
- 17 A scheme under section 1(2) of the Armed Forces (Pensions and Compensation) Act 2004.

*Compensation schemes for loss of office etc*

- 18 Regulations under section 24 of the Superannuation Act 1972.

## SCHEDULE 7

Sections 20 and 31

## FINAL SALARY LINK

*Persons who remain in an old scheme for past service*

- 1 (1) This paragraph applies in a case where—
  - (a) a person is a member of an existing scheme to which section 18(1) applies or a scheme to which section 31(2) applies (“the old scheme”) by virtue of his or her pensionable service for that scheme (“the old scheme service”), and
  - (b) the person is also a member of a scheme under section 1 or a new public body pension scheme (“the new scheme”) by virtue of his or her pensionable service for that scheme (“the new scheme service”).
- (2) If, in a case where this paragraph applies—
  - (a) the old scheme service and the new scheme service are continuous, and
  - (b) the person’s employer in relation to the old scheme service is the person’s employer in relation to the new scheme service (or any other employer in relation to the new scheme),then, in determining the person’s final salary for any purpose of the old scheme—
  - (i) the old scheme service is to be regarded as having ended when the new scheme service ended, and
  - (ii) such earnings as scheme regulations for the new scheme may specify, being earnings derived by the person from the new scheme service, are to be regarded as derived from the old scheme service (subject to sub-paragraph (3)).
- (3) The amount of the earnings that are to be regarded as derived from the old scheme service must not be materially less than the amount of the earnings that would have been the person’s pensionable earnings derived from that service had the new scheme service been old scheme service.

*Persons whose benefits under an old scheme are transferred to another closed scheme*

- 2 (1) This paragraph applies in a case where—
  - (a) a person has been a member of an existing scheme to which section 18(1) applies or a scheme to which section 31(2) applies (“the old scheme”) by virtue of his or her pensionable service for that scheme (“the old scheme service”),
  - (b) the person is also a member of a scheme under section 1 or a new public body pension scheme (“the new scheme”) by virtue of his or her pensionable service for that scheme (“the new scheme service”),
  - (c) the person’s rights to benefit under the old scheme have been transferred after the date referred to in section 18(1) or 31(2) to an existing scheme to which section 18(1) applies or a scheme to which section 31(2) applies (“the transfer scheme”), and
  - (d) the old scheme service is treated, by virtue of that transfer, as pensionable service of the person for the transfer scheme (“the deemed transfer scheme service”).
- (2) If, in a case where this paragraph applies—

- (a) the deemed transfer scheme service and the new scheme service are continuous, and
- (b) the person’s employer in relation to the new scheme service is an employer in relation to the transfer scheme,

then, in determining the person’s final salary for any purpose of the transfer scheme –

- (i) the deemed transfer scheme service is to be regarded as having ended when the new scheme service ended, and
  - (ii) such earnings as scheme regulations for the new scheme may specify, being earnings derived by the person from the new scheme service, are to be regarded as derived from the deemed transfer scheme service (subject to sub-paragraph (3)).
- (3) The amount of the earnings that are to be regarded as derived from the deemed transfer scheme service must not be materially less than the amount of the earnings that would have been the person’s pensionable earnings derived from that service had the new scheme service been deemed transfer scheme service.
- (4) In sub-paragraph (1)(c), the reference to a transfer of rights to benefit includes the making of a transfer payment in respect of such rights.

#### *Continuity of employment*

- 3 (1) For the purposes of paragraphs 1(2)(a) and 2(2)(a), there are to be disregarded –
- (a) any gap in service where the person was in pensionable public service;
  - (b) a single gap of service where the person was not in pensionable public service, if that gap does not exceed five years;
  - (c) two or more gaps in service where the person was not in pensionable public service, if none of the gaps exceeds five years.
- (2) In this paragraph, “pensionable public service” means service which is pensionable service in relation to –
- (a) a scheme under section 1, or
  - (b) a new public body pension scheme.

#### *Movement between new schemes*

- 4 Where the condition in sub-paragraph (1)(b) of paragraph 1 or 2 applies by virtue of periods of pensionable service for two or more different schemes –
- (a) identify the last period of pensionable service by virtue of which that paragraph applies and the scheme to which that service relates, and
  - (b) disregard, for the purposes of that sub-paragraph, periods of pensionable service relating to other schemes.

#### *Final salary link not to apply again to a pension in payment*

- 5 (1) Scheme regulations may provide that where a pension in payment under a scheme to which section 18(1) or 31(2) applies has been calculated by reference to this Schedule, the pension cannot be recalculated by reference to this Schedule where there is a subsequent period of pensionable public service (within the meaning of paragraph 3).

- (2) Provision made under sub-paragraph (1) may in particular be made by amending the scheme under which the pension is in payment.

## SCHEDULE 8

Section 27

## CONSEQUENTIAL AND MINOR AMENDMENTS

*County Courts Act (Northern Ireland) 1959 (c. 25 (N.I.))*

- 1 In section 116 of the County Courts Act (Northern Ireland) 1959 (pensions of judges), at the end there is inserted –
- “(8) This Part is subject to section 18 of the Public Service Pensions Act 2013 (restrictions on benefits provided under existing schemes).”

*District Judges (Magistrates’ Courts) Pensions Act (Northern Ireland) 1960 (c. 2 (N.I.))*

- 2 In section 2 of the District Judges (Magistrates’ Courts) Pensions Act (Northern Ireland) 1960, after subsection (1A) there is inserted –
- “(1B) This Act is subject to section 18 of the Public Service Pensions Act 2013 (restrictions on benefits provided under existing schemes).”

*Sheriffs’ Pensions (Scotland) Act 1961 (c. 2)*

- 3 In section 1 of the Sheriffs’ Pensions (Scotland) Act 1961, after subsection (1) there is inserted –
- “(1A) This Act is subject to section 18 of the Public Service Pensions Act 2013 (restrictions on benefits provided under existing schemes).”

*Pensions (Increase) Act 1971 (c. 56)*

- 4 After section 8 of the Pensions (Increase) Act 1971 there is inserted –

**“8A Section 8(2): references to “service”**

- (1) In a case where –
- (a) paragraph 1 or 2 of Schedule 7 to the 2013 Act (final salary link for persons who remain in or are transferred to closed scheme for past service) applies in relation to a person, and
  - (b) the person’s final salary falls to be determined by reference to that paragraph,
- references in section 8(2) above to the service in respect of which a pension is payable include the person’s new scheme service (within the meaning of Schedule 7 to the 2013 Act).
- (2) In a case where –
- (a) a person is a member of a relevant old scheme by virtue of pensionable service for that scheme (“the relevant old scheme service”),
  - (b) the person is also a member of a scheme under section 1 of the 2013 Act or a new public body pension scheme (“the new

- scheme”) by virtue of pensionable service for that scheme (“the new scheme service”),
- (c) the relevant old scheme service and the new scheme service are continuous, and
  - (d) the person’s employer in relation to the relevant old scheme service is the person’s employer in relation to the new scheme service (or any other employer in relation to the new scheme),

references in section 8(2) above to the service in respect of which a pension is payable include the person’s new scheme service.

- (3) In this section –
  - (a) “relevant old scheme” means a career average revalued earnings scheme (within the meaning of the 2013 Act) to which section 18(1) or 31(2) of that Act applies (restriction of benefits under existing schemes);
  - (b) “employer”, “new public body pension scheme” and “pensionable service” have the same meanings as in that Act.
- (4) For the purposes of subsection (2) –
  - (a) paragraphs 3 and 4 of Schedule 7 to the 2013 Act (continuity of employment etc) apply as they apply for the purposes of paragraphs 1(2) and 2(2) of that Schedule;
  - (b) regulations under section 1 of the 2013 Act (in the case of a new scheme under that section) or rules (in the case of a new public body pension scheme) may provide that where a pension is in payment under a relevant old scheme, references in section 8(2) above to the service in respect of which a pension is payable do not include any subsequent period of pensionable service in relation to a scheme under section 1 of the 2013 Act or a new public body pension scheme.
- (5) Provision made under subsection (4)(b) may in particular be made by amending the relevant old scheme.
- (6) In this section, “the 2013 Act” means the Public Service Pensions Act 2013.”

5 (1) Schedule 2 to the Pensions (Increase) Act 1971 (official pensions) is amended as follows.

(2) After paragraph 4 there is inserted –

“4ZA A pension payable under a scheme made by the Minister for the Civil Service under section 1 of the Public Service Pensions Act 2013 by virtue of section 1(2)(a) of that Act (civil servants).”

(3) After paragraph 4A there is inserted –

“4B A pension payable under a scheme made by the Minister for the Civil Service under section 1 of the Public Service Pensions Act 2013 by virtue of section 1(2)(b) of that Act (judiciary).”

(4) After paragraph 15A there is inserted –

“15B A pension payable by the Secretary of State under a scheme made by the Secretary of State under section 1 of the Public Service

Pensions Act 2013 by virtue of section 1(2)(g) of that Act (members of police forces) to or in respect of such a person as is referred to in paragraph 15 above.”

(5) After paragraph 16A there is inserted –

“16B A pension payable by the Secretary of State under a scheme made by the Secretary of State under section 1 of the Public Service Pensions Act 2013 by virtue of section 1(2)(f) of that Act (fire and rescue workers).”

(6) After paragraph 20A there is inserted –

“20B A pension payable by the Secretary of State under a scheme made by the Secretary of State under section 1 of the Public Service Pensions Act 2013 by virtue of section 1(2)(d) of that Act (teachers).

20C A pension payable under a scheme made by the Scottish Ministers under section 1 of the Public Service Pensions Act 2013 by virtue of section 1(2)(d) of that Act (teachers).”

(7) After paragraph 22 there is inserted –

“22A A pension payable by the Secretary of State under a scheme made by the Secretary of State under section 1 of the Public Service Pensions Act 2013 by virtue of section 1(2)(e) of that Act (health service workers).

22B A pension payable under a scheme made by the Scottish Ministers under section 1 of the Public Service Pensions Act 2013 by virtue of section 1(2)(e) of that Act (health service workers).”

(8) After paragraph 29 there is inserted –

*“Armed forces*

29A A pension payable under a scheme made under section 1 of the Public Service Pensions Act 2013 by virtue of section 1(2)(h) of that Act (armed forces).”

(9) After paragraph 39 there is inserted –

“39A A pension payable under a defined benefits scheme, within the meaning of the Public Service Pensions Act 2013, made by the Secretary of State or the Scottish Ministers under section 1 of that Act by virtue of section 1(2)(c) of that Act (local government workers).”

(10) After paragraph 43 there is inserted –

“43A A pension payable under a defined benefits scheme, within the meaning of the Public Service Pensions Act 2013, made by the Secretary of State or the Scottish Ministers under section 1 of that Act by virtue of section 1(2)(g) of that Act (police).  
In the case of a scheme made by the Secretary of State, this paragraph does not include a pension referred to in paragraph 15B above.”

(11) After paragraph 44 there is inserted –

“44A A pension payable under a defined benefits scheme, within the meaning of the Public Service Pensions Act 2013, made by the Secretary of State, the Scottish Ministers or the Welsh Ministers under section 1 of that Act by virtue of section 1(2)(f) of that Act (fire and rescue workers).  
In the case of a scheme made by the Secretary of State, this paragraph does not include a pension referred to in paragraph 16B above.”

*Superannuation Act 1972 (c. 11)*

6 The Superannuation Act 1972 is amended as follows.

7 In section 1 (superannuation schemes as respects civil servants, etc), after subsection (1) there is inserted –

“(1A) Subsection (1) is subject to sections 18 and 19 of the Public Service Pensions Act 2013 (restrictions on benefits provided under existing schemes).”

8 In section 7 (superannuation of persons employed in local government service, etc), after subsection (1) there is inserted –

“(1A) Subsection (1) is subject to sections 18 and 19 of the Public Service Pensions Act 2013 (restrictions on benefits provided under existing schemes).”

9 In section 9 (superannuation of teachers), after subsection (1) there is inserted –

“(1A) Subsection (1) is subject to sections 18 and 19 of the Public Service Pensions Act 2013 (restrictions on benefits provided under existing schemes).”

10 In section 10 (superannuation of persons engaged in health services, etc), after subsection (1) there is inserted –

“(1A) Subsection (1) is subject to sections 18 and 19 of the Public Service Pensions Act 2013 (restrictions on benefits provided under existing schemes).”

11 In section 24 (compensation for loss of office, etc), after subsection (1) there is inserted –

“(1A) Subsection (1) is subject to section 19 of the Public Service Pensions Act 2013 (restrictions on benefits provided under existing schemes).”

*Police Pensions Act 1976 (c. 35)*

12 In section 1 of the Police Pensions Act 1976 (police pensions regulations), after subsection (1) there is inserted –

“(1A) Subsection (1) is subject to sections 18 and 19 of the Public Service Pensions Act 2013 (restrictions on benefits provided under existing schemes).”

*House of Commons (Administration) Act 1978 (c. 36)*

- 13 In section 2 of the House of Commons (Administration) Act 1978 (functions of House of Commons Commission), in subsection (3), after “kept in line with the provisions of” there is inserted “, or provided under,”.

*Judicial Pensions Act 1981 (c. 20)*

- 14 In the Judicial Pensions Act 1981, before section 29A there is inserted –  
**“29ZA Restriction of schemes under this Act**

This Act is subject to sections 18 and 19 of the Public Service Pensions Act 2013 (restrictions on benefits provided under existing schemes).”

*Local Government and Housing Act 1989 (c. 42)*

- 15 In section 13 of the Local Government and Housing Act 1989 (voting rights of members of certain committees), in subsection (4), after paragraph (fa) there is inserted –  
    “(fb) a committee of a relevant authority which is the scheme manager (or scheme manager and pension board) of a scheme under section 1 of the Public Service Pensions Act 2013;”.

*Judicial Pensions and Retirement Act 1993 (c. 8)*

- 16 In section 1 of the Judicial Pensions and Retirement Act 1993, after subsection (1) there is inserted –  
    “(1A) This Part is subject to section 18 of the Public Service Pensions Act 2013 (restrictions on benefits provided under existing schemes).”
- 17 In section 11 of that Act (provision against pensions under two or more judicial pension schemes), at the end there is inserted –  
    “(5) This section does not prevent a scheme under section 1 of the Public Service Pensions Act 2013 having effect in relation to a person.”

*Pension Schemes Act 1993 (c. 48)*

- 18 The Pension Schemes Act 1993 is amended as follows.
- 19 (1) Section 71 (short service benefit) is amended as follows.
- (2) In subsection (3), for “subsection (4)” there is substituted “subsections (4) and (5A)”.
- (3) After subsection (5) there is inserted –  
    “(5A) Subsection (3) does not apply in relation to a scheme under section 1 of the Public Service Pensions Act 2013.”
- 20 In section 83 (scope of Chapter 2: revaluation of accrued benefits), after subsection (1A) there is inserted –  
    “(1B) The reference in subsection (1)(a)(iii) to normal pension age is to be read, in relation to a person who is an active or deferred member of

a scheme under section 1 or 31(7) of the Public Service Pensions Act 2013, as –

- (a) the member’s normal pension age within the meaning of that Act, or
- (b) the member’s deferred pension age within the meaning of that Act, if that is later.

In this subsection “active member” and “deferred member”, in relation to such a scheme, have the meanings given by section 124(1) of the Pensions Act 1995.”

*Merchant Shipping Act 1995 (c. 21)*

- 21 (1) Section 214 of the Merchant Shipping Act 1995 (pension rights of persons whose salaries are paid out of the General Lighthouse Fund) is amended as follows.
  - (2) The existing provision is numbered as subsection (1).
  - (3) After that subsection there is inserted –
    - “(2) Where pensions, allowances and gratuities to or in respect of persons whose salaries are paid out of the General Lighthouse Fund are payable otherwise than under subsection (1), sums in respect of those benefits may with the approval of the Secretary of State be paid out of that Fund.”

*Police Act 1996 (c. 16)*

- 22 The Police Act 1996 is amended as follows.
- 23 In section 50 (regulations for police forces), after subsection (2) there is inserted –
  - “(2ZA) Regulations under this section may not make any provision which may be made under section 1 of the Public Service Pensions Act 2013 in relation to members of police forces.”
- 24 (1) Section 51 (regulations for special constables) is amended as follows.
  - (2) In subsection (2) –
    - (a) at the end of paragraph (c) there is inserted “and”;
    - (b) paragraph (e) is repealed.
  - (3) After subsection (2) there is inserted –
    - “(2ZA) Regulations under this section may not make any provision which may be made under section 1 of the Public Service Pensions Act 2013 in relation to special constables.”
  - (4) Subsection (3) is repealed.
- 25 In section 52 (regulations for police cadets), after subsection (1) there is inserted –
  - “(1ZA) Regulations under this section may not make any provision which may be made under section 1 of the Public Service Pensions Act 2013 in relation to police cadets.”

*Human Rights Act 1998 (c. 42)*

- 26 In Schedule 4 to the Human Rights Act 1998 (judicial pensions), in the definition of “pensions Act” in paragraph 4, after paragraph (d) (but before the final “and”) there is inserted –
- “(e) the Public Service Pensions Act 2013;”.

*Fire and Rescue Services Act 2004 (c. 21)*

- 27 In section 34 of the Fire and Rescue Services Act 2004 (pensions etc), after subsection (1) there is inserted –
- “(1A) Subsection (1) is subject to sections 18 and 19 of the Public Service Pensions Act 2013 (restrictions on benefits provided under existing schemes).”

*Armed Forces (Pensions and Compensation) Act 2004 (c. 32)*

- 28 In section 1 of the Armed Forces (Pensions and Compensation) Act 2004 (pension and compensation schemes for the armed and reserve forces), after subsection (2) there is inserted –
- “(2A) Subsections (1) and (2) are subject to sections 18 and 19 of the Public Service Pensions Act 2013 (restrictions on benefits provided under existing schemes).”

*Constitutional Reform Act 2005 (c. 4)*

- 29 In Schedule 7 to the Constitutional Reform Act 2005 (protected functions of the Lord Chancellor), in Part A of paragraph 4, at the end there is inserted –
- “Public Service Pensions Act 2013
- Schedule 1, paragraph 2(1).
- Schedule 2, paragraph 2”.

*Parliament (Joint Departments) Act 2007 (c. 16)*

- 30 In section 3 of the Parliament (Joint Departments) Act 2007 (staff), in subsection (2)(c), after “kept in line with the provisions of” there is inserted “, or provided under,”.

*Legal Aid, Sentencing and Punishment of Offenders Act 2012 (c. 10)*

- 31 In Schedule 4 to the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (transfer of employees etc of Legal Services Commission), in paragraph 4 (pension schemes), after sub-paragraph (11) there is inserted –
- “(11A) Where an individual –
- (a) was a member of a relevant LSC scheme immediately before the transfer day,
- (b) had been a member of that scheme immediately before 1 April 2012, and

- (c) becomes, on or after the transfer day, a member of a civil service scheme by virtue of employment in the civil service of the State,

the individual is to be regarded, for the purposes of section 18(5) of the Public Service Pensions Act 2013 (transitional protection under existing schemes), as having been a member of the civil service scheme immediately before 1 April 2012.

(11B) In sub-paragraph (11A) –

- (a) “relevant LSC scheme” means a scheme made or treated as made under paragraph 10(1) of Schedule 1 to the Access to Justice Act 1999;
- (b) “civil service scheme” means a scheme under section 1 of the Superannuation Act 1972.”

## SCHEDULE 9

Section 29

### EXISTING SCHEMES FOR CIVIL SERVANTS: EXTENSION OF ACCESS

- 1 The Superannuation Act 1972 is amended as follows.
- 2 In section 1 (superannuation schemes as respects civil servants, etc), after subsection (4) there is inserted –
  - “(4A) This section also applies to persons serving in employment or in an office, not being service in employment or in an office of a kind mentioned in subsection (4), where the employment or office is specified in a list produced for the purposes of this subsection (see section 1A).”
- 3 After section 1 there is inserted –
  - “1A List of employments and offices for purposes of section 1(4A)**
    - (1) The Minister may specify an employment or office in a list produced for the purposes of section 1(4A) if subsection (2), (3) or (4) applies in relation to the employment or office.
    - (2) This subsection applies to an employment or office if –
      - (a) at any time on or after the commencement of this section, the employment or office ceases to be of a kind mentioned in section 1(4), and
      - (b) immediately before that time, persons serving in the employment or office are, or are eligible to be, members of a scheme under section 1 by virtue of section 1(4).
    - (3) This subsection applies to an employment or office if –
      - (a) at any time before the commencement of this section, the employment or office ceased to be of a kind mentioned in section 1(4), and
      - (b) at that time, persons serving in the employment or office ceased to be members of a scheme under section 1 or to be eligible for membership of such a scheme.
    - (4) This subsection applies to an employment or office if –

- (a) it is of a description prescribed by regulations, and
  - (b) the Minister determines that it is appropriate for it to be specified for the purposes of section 1(4A).
- (5) The power to specify an employment or office in reliance on subsection (4) may be exercised so as to have retrospective effect.
- (6) The Minister –
- (a) may at any time amend a list produced under this section, and
  - (b) must publish the list (and any amendments to it).
- (7) The published list must comply with such requirements, and contain such information, as may be prescribed by regulations.
- (8) Regulations made under this section must be made by the Minister by statutory instrument; and an instrument containing such regulations is subject to annulment in pursuance of a resolution of either House of Parliament.”

#### SCHEDULE 10

Section 31(1)

##### PUBLIC BODIES WHOSE PENSION SCHEMES MUST BE RESTRICTED

- 1 Arts and Humanities Research Council.
- 2 Biotechnology and Biological Sciences Research Council.
- 3 Civil Nuclear Police Authority.
- 4 Commissioners of Irish Lights.
- 5 Economic and Social Research Council.
- 6 Engineering and Physical Sciences Research Council.
- 7 Natural Environment Research Council.
- 8 Commissioners of Northern Lighthouses.
- 9 Science and Technology Facilities Council.
- 10 Secret Intelligence Service.
- 11 Security Service.
- 12 Technology Strategy Board.
- 13 Trinity House Lighthouse Service.
- 14 United Kingdom Atomic Energy Authority.

SCHEDULE 11

Section 33

PRIME MINISTER, LORD CHANCELLOR AND COMMONS SPEAKER

*Extension of MPs' and Ministerial pension schemes*

- 1 (1) Schedule 6 to the Constitutional Reform and Governance Act 2010 (parliamentary and other pensions) is amended as follows.
  - (2) Paragraph 12(2) to (5) (exclusion from MPs' scheme of persons with service as Lord Chancellor, Prime Minister or Commons Speaker) is repealed.
  - (3) In paragraph 16 (Ministers' etc pension scheme) –
    - (a) in sub-paragraph (2), after paragraph (b) there is inserted –
      - “(ba) Lord Chancellor,
      - (bb) Speaker of the House of Commons;”;
    - (b) sub-paragraph (3) (exclusion from scheme of persons with service as Lord Chancellor, Prime Minister or Commons Speaker) is repealed.
- 2 In section 4 of the Ministerial and other Pensions and Salaries Act 1991 (grants to persons ceasing to hold ministerial and other offices), in subsection (6) –
  - (a) in paragraph (a), “, other than that of Prime Minister and First Lord of the Treasury,” is repealed;
  - (b) after paragraph (ba) there is inserted –
    - “(bb) the office of Lord Chancellor;
    - (bc) the office of Speaker of the House of Commons;”.

*Lord Chancellor's salary*

- 3 (1) The Ministerial and other Salaries Act 1975 is amended as follows.
  - (2) In section 1 (salaries), in subsection (2), for the words from “at such rate” to the end there is substituted “of –
    - (a) £68,827, where the Lord Chancellor is a member of the House of Commons;
    - (b) otherwise, £101,038.”
  - (3) In that section, after subsection (5) there is inserted –
    - “(6) Where a person who holds office as Lord Chancellor (and to whom a salary is accordingly payable under subsection (2)) is also the holder of one or more other offices in respect of which a salary is payable under this section, he shall only be entitled to one of those salaries.
    - (7) If, in the case of a person mentioned in subsection (6), there is a difference between the salaries payable in respect of the offices held by him, the office in respect of which a salary is payable to him shall be that in respect of which the highest salary is payable.”
  - (4) In section 1A (alteration of salaries), in subsection (1), after “section 1(1),” insert “(2)(a) or (b),”.

*Closure of existing arrangements*

- 4 The Lord Chancellor’s Pension Act 1832 is repealed.
- 5 Sections 26 to 28 of the Parliamentary and other Pensions Act 1972 (pensions of Prime Minister, Commons Speaker and Lord Chancellor etc) are repealed.
- 6 In the Judicial Pensions Act 1981 –
- (a) in section 16 (application and interpretation of Part 2 of Act), in the Table, the entry relating to the office of Lord Chancellor is repealed;
  - (b) section 26 (references to retirement, in relation to Lord Chancellor, to be read as resignation from office) is repealed.
- 7 The provisions listed in the following table (which includes spent provisions) are repealed –

<i>Act</i>	<i>Extent of repeal</i>
Pensions (Increase) Act 1971 (c. 56)	In Schedule 2, paragraphs 1 to 3.
Parliamentary and other Pensions Act 1972 (c. 48)	Sections 31, 36 and 37.
Ministerial and other Pensions and Salaries Act 1991 (c. 5)	Sections 1 and 3(1).
Parliamentary and other Pensions Act 1987 (c. 45)	In Schedule 3, paragraph 4.
Pensions Act 1995 (c. 26)	Section 170.
Civil Partnership Act 2004 (c. 33)	In Schedule 25, paragraph 3.
Constitutional Reform and Governance Act 2010 (c. 25)	In Schedule 6, paragraphs 36 and 37.

*Saving and transitional*

- 8 (1) Subject to sub-paragraph (2), this Schedule does not have effect in relation to any term of service as Prime Minister and First Lord of the Treasury, Lord Chancellor, or Speaker of the House of Commons beginning before the day on which section 33 comes into force.
- (2) In relation to a term of service as Lord Chancellor beginning on or after 4 September 2012 (but before the day on which section 33 comes into force), the amendments made by paragraph 1 have effect from –
- (a) the day on which section 33 comes into force, or
  - (b) if later, the day after that on which the term of service ceases.

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