

SCHEDULE 3

MAXIMUM PURCHASE OF ADDED YEARS

- 2.—(1) This paragraph applies to a teacher who—
- (a) at the start of his or her most recent pensionable employment was entitled in respect of a former employment to material benefits, whether or not they had then become payable; or
 - (b) will become entitled to retirement benefits under the Teachers' Superannuation (Additional Voluntary Contributions) (Scotland) Regulations 1995(1) or under a scheme approved by virtue of section 591(2)(h) of the Taxes Act(2).
- (2) Material benefits comprise—
- (a) any benefits by way of pension, allowance, lump sum or grant whose actuarial equivalent as an annuity for life from the age of 60 would be more than £260 per year or such higher amount as may be prescribed from time to time by Regulations made under section 21(1) of the 1993 Act(3); and
 - (b) any refund of contributions which, together with any interest payable, exceeded £2,000.
- (3) Where this paragraph applies and the number of years calculated in accordance with subparagraph (4) is lower than the number specified against the teacher's adjusted age in the Table, paragraph 1(1) applies with the substitution of that lower number as "A".
- (4) The number of years is the highest one that secures that $E + F + G + H$ does not exceed J, where—
- E is the actuarial equivalent as an annuity for life from the age of 60 of any material benefits;
 - F is the actuarial value as such an annuity of any expected retirement benefits such as are mentioned in sub paragraph (1)(b);
 - G is the actuarial equivalent as such an annuity of the notional retirement lump sum;
 - H is the annual amount of the notional pension; and
 - J is two thirds of the notional pensionable salary.
- (5) The notional retirement lump sum, pension and pensionable salary—
- (a) where the election is made before the teacher attains the age of 60, are those resulting from the assumptions that he or she continues in pensionable employment until that age and then becomes entitled to retirement benefits and that the salary scale applicable at the date of the election continues to apply; and
 - (b) where the election is made after the teacher has attained the age of 60, are those resulting from the assumptions that he or she ceased to be in pensionable employment on his or her 60th birthday and then became entitled to retirement benefits.

(1) S.I. 1995/2814, as amended by S.I. 2001/3649 and S.S.I. 2000/444 and 2001/292.

(2) 1988 c. 1. Section 591 is prospectively repealed by the Finance Act 2004 (c. 12), Schedule 42, Part 3.

(3) 1993 c. 48 as amended by the Pensions Act 2004 (c. 35) section 284.