

## SCHEDULE 4

adjustment on account of new employment

Regulation 13

### PART I

#### REDUCTION OF ANNUAL COMPENSATION DURING NEW EMPLOYMENT

1. The rate of annual compensation payable to a designated teacher shall, whilst he holds new employment, be so reduced or suspended (if necessary) as to ensure that his earnings together with his annual pension and his annual compensation (including any increase under Part I of the 1971 Act) shall not exceed his salary of reference.

2. For the purposes of this Part of this Schedule—

- (a) the rate of earnings at the commencement of the period of new employment shall be deemed to remain constant throughout the period of employment, provided that where there is a change of grade, or any other change in the conditions or terms of the employment which in the opinion of the employing authority constitutes a variation in the employment, the rate of earnings shall be taken to be that payable on the commencement of such change; and
- (b) the salary of reference of a designated teacher shall be the highest salary rate received during the last three years of pensionable employment or comparable British service, whether continuous or not, before his annual compensation became payable to him, provided that—
  - (i) if during that period the designated teacher has paid superannuation contributions on a previous higher salary under previous provisions and that salary is more favourable, it shall be the salary of reference;
  - (ii) the salary of reference shall be reduced by the amount of any part of the annual pension which the designated teacher has allocated under regulation E12 of the Superannuation Regulations or previous provisions or under any corresponding provisions applicable to teachers in comparable British service and by the amount of any part of the annual compensation which he has allocated under regulation 6;
  - (iii) the salary of reference so reduced by the amount (if any) specified in head (ii) above shall be increased by the amount (if any) which would have been due to the designated teacher under Part I of the 1971 Act if the salary of reference before being so reduced had been an annual pension coming into payment on the date following his last day of reckonable or comparable British service; and
- (c) “annual pension” includes any annual pension that would be payable to a designated teacher but for any transfer of benefits to another pension scheme.

Regulation 14(2)

### PART II

#### REDUCTION OF ANNUAL COMPENSATION ON CESSATION OF NEW EMPLOYMENT

3. The annual compensation of a designated teacher to whom regulation 14 applies shall be reduced as described in this Part of this Schedule.

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

4. The annual compensation shall be reduced by—

$$\frac{A}{80} \times B,$$

where—

A is the shortest of C, D or E; and

B is the smaller of his pensionable salary and the amount specified in paragraph 6.

5. For the purposes of paragraph 4—

C is the additional period of service with which he is credited under regulation 4,

D is, in relation to his new employment, the period he is entitled, or would be entitled if it had been reckonable service (excluded employment), to count as reckonable service; and

E is the period of excess calculated in accordance with regulation 14(2).

6. The amount is—

$$F - \frac{F \times G}{G + 100}$$

where—

F is the pensionable salary in his new employment; and

G is the amount by which an official pension within the meaning of the 1971 Act would, by the day after the cessation of the new employment, have increased if it had begun, and first qualified for increases under that Act, on the day after the material date and had then been payable at an annual rate of £100.

7.—(1) In addition to the reduction calculated in accordance with paragraph 4, the annual compensation shall be reduced by three times the reduction under paragraph 4 and payment of instalments of annual compensation shall be suspended until the reduction required by this paragraph has been achieved.

(2) For the purposes of sub-paragraph (1), “annual compensation” means the annual compensation payable to the designated teacher after reduction under paragraph 4.