

---

STATUTORY INSTRUMENTS

---

**1988 No. 1652**

**The Teachers' Superannuation (Consolidation) Regulations 1988**

**PART C**

**TEACHERS' CONTRIBUTIONS**

**Salary on which contributions are payable**

- C1.**—(1) Subject to paragraphs (2) to (11), a person's contributable salary is the total of—
- (a) the amounts payable by his employer, in respect of his pensionable employment—
    - (i) by way of salary, and
    - (ii) in satisfaction of any statutory liability arising out of sickness or maternity, and
  - (b) if the employer has satisfied the Secretary of State that it is expedient for residential accommodation to be provided free in connection with the employment, the money value as an allowance in kind of—
    - (i) the accommodation provided, and
    - (ii) any heat, lighting or water provided free in connection with it.
- (2) If the money value of any accommodation provided exceeds one sixth of the amounts mentioned in paragraph (1)(a), the excess is not part of the person's contributable salary.
- (3) A person's contributable salary does not include—
- (a) any allowance in kind not falling within paragraph (1)(b),
  - (b) any payment in respect of overtime, or
  - (c) any payment by way of travelling or expense allowance.
- (4) The contributable salary of a person employed as mentioned in paragraph 12 of Schedule 2 (teachers in European Schools) does not include any amount not payable by, or money value not attributable to, the Secretary of State.
- (5) The contributable salary of a services education officer is the amount that would for the time being be payable by way of salary, in accordance with provision made under section 3 of the Teachers' Pay and Conditions Act 1987<sup>(1)</sup>, to a teacher of his age, qualifications and experience employed in a school outside the London area (within the meaning of any document referred to in an order for the time being in force under that section).
- (6) A person who continues in full-time pensionable employment but whose contributable salary is reduced, otherwise than by reason of sick leave or maternity leave, may elect that it is to be treated as having continued at the rate applicable immediately before the reduction ("the notional rate").
- (7) An election for the purposes of paragraph (6)—
- (a) must be made by giving written notice to the Secretary of State within 6 months after the reduction,

- (b) has effect from the first day of the month following that in which the notice was received, and
- (c) subject to paragraph (9), continues to have effect until a relevant event occurs.
- (8) The relevant events are—
  - (a) the actual rate's exceeding the notional rate,
  - (b) the person's entering part-time pensionable employment, and
  - (c) unless he elects to pay additional contributions under regulation C8, his ceasing to be in pensionable employment.
- (9) An election made for the purposes of paragraph (6) may be cancelled by giving written notice to the Secretary of State at any time.
- (10) Notice of cancellation—
  - (a) has effect from the first day of the month following that in which it was received, and
  - (b) is irrevocable.
- (11) If while an election made for the purposes of paragraph (6) has effect there is any further reduction during a period of sick leave or maternity leave, the notional rate is, during that period, to be treated as having been reduced in the same proportion as the actual rate.

### **Ordinary contributions**

- C2.**—(1) Subject to paragraph (3), a person, other than a services education officer, who is in pensionable employment is to pay contributions of 6 per cent of this contributable salary for the time being.
- (2) Subject to paragraph (3), a services education officer is to pay contributions of the aggregate of—
- (a) 6 per cent of his contributable salary for the time being, and
  - (b) the employer's contributions that would have been payable if regulation G5 had applied.
- (3) No contributions are to be paid by anyone to whom regulation E30(2)(a) (restriction of reckonable service to 45 years) has become applicable.

### **Additional contributions for past period**

- C3.**—(1) This regulation applies to a person who—
- (a) except where paragraph (5) applies, is in pensionable employment, and
  - (b) first became employed in pensionable employment, or has been credited with reckonable service on the receipt of a transfer value in respect of comparable British service that began, before he attained the age of 55, and
  - (c) has not become entitled to payment of retirement benefits under regulation E4(2) to (5).
- (2) Subject to paragraphs (3) to (12), a person to whom this regulation applies may elect to pay additional contributions in accordance with—
- (a) Part I of Schedule 4 ("Method A"),
  - (b) Part II of Schedule 4 ("Method B"),
  - (c) Part III of Schedule 4 ("Method C"), or
  - (d) where paragraph (5) applies, Part IV of Schedule 4 ("Method D"),
- in order to become entitled to count an additional period ("the past period") as reckonable service.

(3) Except where paragraph (5) applies, or the person's pensionable employment is part-time, payment may be made by Method A, B or C.

(4) Where the person's pensionable employment is part-time, payment may only be made by Method B.

(5) This paragraph applies where—

- (a) the election is a further election made by a person whose last pensionable employment was full-time, and
- (b) his previous election was one made after 29th August 1982 to make payment by Method A and the notice of it contained a statement of the kind mentioned in paragraph (12)(d)(ii), and
- (c) he has not elected under paragraph 4 of Schedule 4 to shorten the period during which additional contributions were to be paid so that it ends before his 69th birthday, and
- (d) when notice of the further election is given he has applied for payment of retirement benefits but has not been paid a retirement lump sum.

(6) The past period must not exceed the maximum calculated in accordance with Schedule 3, and—

- (a) must have begun after the person attained the age of 20,
- (b) must have ended—
  - (i) before he attained the age of 60,
  - (ii) before the date of the election, and
  - (iii) if he has become entitled to payment of retirement benefits by virtue of regulation E4(7) (redundancy, etc.), before the relevant termination of employment,
- (c) must be one during which he was not in full-time pensionable employment, unless—
  - (i) contributions in respect of the period have been repaid after 31st May 1973, or
  - (ii) the right to count reckonable service in respect of it has been extinguished by payment of a transfer value,
- (d) if payment is to be made by Method A, must satisfy paragraph 2 of Schedule 4,
- (e) if payment is to be made by Method B and the election is a further election, must have begun after the date of the previous election,
- (f) if payment is to be made by Method C, must—
  - (i) satisfy paragraph 13 of Schedule 4, and
  - (ii) if the election is a further election, have begun after the date of the previous election,
- (g) unless—
  - (i) payment is to be made by Method B and notice of the election is given no earlier than the date of applying for payment of retirement benefits, or
  - (ii) payment is to be made by Method D,

must be a period of not less than 30 days, and

- (h) if payment is to be made by Method D, must have ended before the date of the previous election.

(7) If the person is already entitled to count any reckonable service in respect of the past period, that period is for the purposes of payment under this regulation and those of regulation D1 (reckonable service) reduced by the length of that service.

(8) The period during which additional contributions are to be paid ("the contribution period") must—

- (a) where payment is to be made by Method A, satisfy paragraph 2 of Schedule 4, and
  - (b) where payment is to be made by Method C, satisfy paragraph 13 of Schedule 4.
- (9) Subject to paragraphs (10) and (11), an election under this regulation may be made at any time.
- (10) A further election to make payment by Method B or C, other than an election by a part-time employee to make payment by Method B, must be made within 6 months after the start of the person's latest pensionable employment.
- (11) A person may not simultaneously make different elections under this regulation, except that an election to make payment by Method A or C may be made at the same time as an election to make payment by Method B in respect of a different past period.
- (12) An election under this regulation must be made by giving written notice to the Secretary of State, which—
- (a) is to specify the past period,
  - (b) is to specify the method by which payment is to be made,
  - (c) where payment is to be made by Method A or C, is to specify the length of the contribution period, and
  - (d) where payment is to be made by Method A—
    - (i) is to contain a declaration that the person has no reason to believe that his health may prevent him from continuing in pensionable employment until payment has been completed, and
    - (ii) where the contribution period is such that payment cannot be completed until he has attained the age of 69 and he wishes to reserve the right to make a further election to make payment by Method D, is to contain a statement to that effect.
- (13) Subject to paragraph 4 of Schedule 4 (shortening of contribution period where payment to be made by Method A), an election becomes irrevocable one month after the date on which the Secretary of State notifies the person in writing that it has been accepted.
- (14) Where payment is to be made by Method A and—
- (a) within 12 months after the date of the election the person becomes incapacitated, and
  - (b) the declaration required by paragraph (12)(d)(i) was not made in good faith,
- the election is to be treated as not having been made and any additional contributions paid are to be refunded.
- (15) In this regulation “further election” means an election made after 29th August 1982 which was not the person's first election, and “previous election” means the last election before the one being made.

#### **Additional contributions for past period by family pensioner**

- C4.—**(1) This regulation applies where a person dies and—
- (a) if on the date of his death he had ceased to hold his employment he—
    - (i) would have become entitled under regulation E4 to payment of retirement benefits, and
    - (ii) would on applying for them have become entitled under regulation C3 to elect to pay additional contributions by Method D, and
  - (b) another person (“the pensioner”) is entitled under regulation E25 to a long-term pension in respect of him.
- (2) Where this regulation applies the pensioner, or in the case of a child a person acting on his behalf, may by giving written notice to the Secretary of State within 3 months after the death make

any election which, on the hypothesis stated in paragraph (1)(a), the deceased person could have made under regulation C3.

(3) Subject to paragraph (4), an election under this regulation has effect as if it had been made under regulation C3 by the deceased person.

(4) The additional contributions—

(a) are to be calculated under paragraph 16(1) of Schedule 4 even if the deceased person had attained the age of 60, and

(b) except to the extent that they are, with the consent of any person entitled to it, met out of a terminal sum, are payable by the pensioner.

#### **Additional contributions for past period under earlier provisions**

**C5.**—(1) Part I of Schedule 5 has effect where immediately before 1st November 1988 additional contributions remained to be paid by virtue of regulations 25 to 28 of the 1976 Regulations (elections made before 30th August 1982.)

(2) Part II of Schedule 5 has effect where immediately before 1st November 1988 additional contributions remained to be paid by virtue of regulation 29 of the 1976 Regulations (payments commenced before 1973).

#### **Reduction of past period on account of war service**

**C6.**—(1) This regulation applies where—

(a) an election has been made under regulation C3 or C4, and

(b) the person by or in respect of whom it was made subsequently becomes entitled to count as reckonable service, by virtue of regulation D5 or D6, a period related to war service, and

(c) apart from this regulation some of his reckonable service (“the excess period”) consequently would, or would if he continued in pensionable employment until his 60th birthday, be left out of account, by reason of regulation E30(2), for the purpose of calculating benefits.

(2) Where this regulation applies the period in respect of which the election mentioned in paragraph (1)(a) was made is to be treated as reduced by the excess period.

(3) Where the additional contributions already paid exceed those required for the reduced period, the excess is to be refunded.

#### **Additional contributions in respect of war service**

**C7.**—(1) This regulation applies to a person who became entitled by virtue of regulations 7 and 72(1)(b) of the 1976 Regulations to count as reckonable service a period related to war service (“the war service period”).

(2) Subject to paragraph (6), there is to be paid by or in respect of a person to whom this regulation applies, by way of deduction from the appropriate terminal sum, an additional contribution of A + B, where—

A is 3.75 per cent of the salary notionally received during the person’s war service, and

B is interest on A at 3.5 per cent per annum, compounded with yearly rests, from 1st July 1950 to the relevant date.

(3) The salary notionally received during the person’s war service is £200 per annum in the case of a man and £175 per annum in the case of a woman.

(4) The relevant date is—

- (a) 1st September 1974 if the person was then receiving a teacher's pension,
  - (b) if a transfer value has become payable in respect of him after 31st August 1974, the date on which he became subject to the receiving scheme, and
  - (c) in any other case, the date on which the terminal sum is paid.
- (5) If the additional contribution exceeds the terminal sum the excess is to be paid in such manner as may be agreed.
- (6) If—
- (a) the counting of the war service period does not increase the retirement benefits payable, and
  - (b) no election is made under paragraph (8),
- no additional contribution is payable under paragraph (2).
- (7) This paragraph applies where the whole of the person's other reckonable service would, in the event of his death, count in the calculation under regulation E26 of a spouse's or nominated beneficiary's pension ("the family pension").
- (8) Where paragraph (7) applies the person may elect that there is to be paid, by way of a further deduction from the appropriate terminal sum, an additional contribution in respect of his war service.
- (9) The amount of the additional contribution is the actuarial cost of the increase in the family pension that would result from the war service period's counting under regulation E26(4)(c).
- (10) An election under paragraph (8) must be made by giving written notice to the Secretary of State before the appropriate terminal sum is paid.
- (11) If a person who could have made an election under paragraph (8) dies without having made it, the election may be made by the nominated beneficiary or surviving spouse before the appropriate terminal sum has been paid.

#### **Additional contributions for current period**

- C8.**—(1) Subject to paragraphs (11) to (13), this regulation applies, unless his pensionable employment was employment as a relief teacher, to a person who—
- (a) before attaining the age of 60 has ceased to be in pensionable employment, otherwise than by virtue of an election under regulation B6, and
  - (b) was not then incapacitated, and
  - (c) did not then become entitled to payment of retirement benefits, and
  - (d) has not become a member of another occupational pension scheme.
- (2) Subject to paragraphs (3), (4) and (10), a person to whom this regulation applies may elect to pay additional contributions in order to become entitled to count as reckonable service a period ("the period") beginning on the day after the cessation of the pensionable employment, or where paragraph (4)(a) applies on the day after the last day of the earlier period.
- (3) The period—
- (a) must end before his 60th birthday, and
  - (b) must not in any case exceed the maximum calculated in accordance with Schedule 3, and
  - (c) if he has become employed as a teacher or supervisor in a school or educational service outside the British Islands, must not exceed 6 years, and
  - (d) in any other case, must not exceed 3 years.
- (4) If the person has paid additional contributions under this regulation for an earlier period and—
- (a) he has not since the end of that period been in pensionable employment, or

(b) he has since been in pensionable employment but for less than 12 months, the earlier period is to be deducted from the maximum allowed by paragraph (3).

(5) If before the end of the period the person—

- (a) becomes entitled to payment of retirement benefits, or
- (b) becomes a member of another occupational pension scheme, or
- (c) dies,

the period is to be treated as having ended on the day on which the relevant event occurred; and if before the end of the period he fails to pay an additional contribution, or a late payment is not accepted under paragraph (9), it is to be treated as having ended on the day up to which contributions have been paid.

(6) An additional contribution is payable for each financial year and is a percentage of the notional salary for so much of the period as falls within that year.

(7) The notional salary is the salary that would have been payable if pensionable employment had not ceased and the person had continued to be employed in the same post and on the same terms; and the percentage is  $(A+B)$ , where  $A$  is the percentage specified under regulation G4(3) and  $B$  is any percentage specified under regulation G4(7) and (8).

(8) The contribution for a financial year is to be paid direct to the Secretary of State—

- (a) where the period has not ended during the financial year, within 3 weeks after the end of the financial year, and
- (b) in any other case, within 6 weeks after the end of the period or the date of a written notification by the Secretary of State that payment is due, whichever is the later.

(9) A late payment of a contribution may for special reasons be accepted by the Secretary of State; but if it is accepted the person is to pay interest on the amount of the contribution at 4 per cent per annum, compounded with yearly rests, from the due date of payment to the date of payment.

(10) An election under this regulation must be made by giving written notice to the Secretary of State, which must specify the period and must be given—

- (a) if paragraph (3)(c) applies, within 6 months, and
- (b) in any other case, within 3 months,

after the cessation of his pensionable employment or, if later, the end of a previous period for which he has paid additional contributions under this regulation.

(11) For the purposes only of this regulation a person remains in pensionable employment while he is absent from duty during and in consequence of a trade dispute.

(12) Paragraph (11) applies—

- (a) even if the person was not participating in or financing or otherwise directly interested in the trade dispute, and
- (b) even if his employer was not a party to the trade dispute.

(13) In this regulation “trade dispute” has the meaning given by section 29 of the Trade Union and Labour Relations Act 1974(2).

---

(2) 1974 c. 52; part of section 29(3) was repealed by the Trade Union and Labour Relations (Amendment) Act 1976 (c. 7), section 1(d), and section 29(7) was repealed by the Criminal Law Act 1977 (c. 45), section 65 and Schedule 13; further amendments were made to section 29 by the Employment Act 1982 (c. 46), section 18.

### **Additional contributions for family benefits**

**C9.**—(1) Parts I and III of Schedule 6 have effect for enabling men and unmarried women to pay additional contributions (“family benefit contributions”) in order to secure, or to increase, family benefits in respect of reckonable service before April 1972.

(2) Parts II and III of Schedule 6 have effect for enabling married women to pay family benefit contributions in respect of reckonable service before 6th April 1988.

### **Right to repayment of balance of contributions**

**C10.**—(1) Subject to paragraphs (3) and (4), this regulation applies where a person has ceased to be in pensionable employment and—

- (a) if he ceased to be in pensionable employment by virtue of an election under regulation B6, he had not completed one or more periods of the kinds described in Part I of Schedule 9 amounting to 2 years or more, and
- (b) in any other case, he is not qualified for retirement benefits, and
- (c) no transfer value has since been paid or become payable in respect of him, and
- (d) he has not since taken any right to a cash equivalent, and
- (e) he did not within the relevant period re-enter pensionable employment, and
- (f) the relevant period is not a period, or part of a period, for which he has elected to pay additional contributions under regulation C8.

(2) The relevant period is—

- (a) if he has ceased to be ordinarily resident within the area comprising the British Islands and the Republic of Ireland, the period of one month, and
- (b) in any other case, the period of 3 months,

beginning when he ceased to be in pensionable employment.

(3) Subject to paragraph (4), this regulation does not apply if—

- (a) the person ceased to be in pensionable employment before 6th April 1980, and
- (b) his contributable salary in any year had exceeded £5,000.

(4) If the Secretary of State is satisfied that the excess was caused solely by a general increase in the remuneration of teachers authorised after the person ceased to be in pensionable employment, he may after consulting the Commissioners of Inland Revenue apply this regulation to him.

(5) For the purposes of paragraph (1) a woman who ceased to be in pensionable employment wholly or partly because of pregnancy or confinement is to be treated—

- (a) as having remained in such employment while she enjoyed the right to return to work conferred by sections 45 and 47 of the Employment Protection (Consolidation) Act 1978(3), and
- (b) if she has exercised that right, as not having ceased to be in pensionable employment.

(6) Subject to regulation C13 (application for payment), where this regulation applies the person is entitled to be repaid the balance of his contributions, calculated in accordance with regulation C11.

(7) The entitlement takes effect at the end of the relevant period, or on his 70th birthday if earlier.

---

(3) 1978 c. 44; section 47 was amended by the Employment Act 1980 (c. 42), section 11(3).



### Calculation of balance of contributions

**C11.**—(1) The balance of contributions is to be calculated as at the date of the calculation, or the person’s 70th birthday if earlier (“the calculation date”).

(2) The balance is  $(A-B)-C$ , where—

A is the total of the amounts specified in paragraph (3),

B is the total of the deductions specified in paragraph (4), and

C is the amount of the tax chargeable on  $(A-B)$  under section 598 of the Income and Corporation Taxes Act 1988(4).

(3) The amounts are those of—

(a) all contributions paid, up to the date of receipt of the application for repayment, under regulations C2, C3, C8 and C9, except—

(i) any treated for the purposes of regulation G2 as employer’s contributions, and

(ii) any paid in respect of a period of employment for which a short service incapacity grant under regulation E17 has been received, and

(b) contributions paid in respect of any comparable British service in respect of which the person is entitled to count reckonable service by virtue of the receipt of a transfer value, and

(c) if the person was entitled to count any reckonable service by virtue of the receipt of a transfer value in respect of an employment that was not comparable British service, either—

(i) any payment by way of repayment of contributions, and interest, that he would otherwise have been entitled to receive under the rules of the superannuation scheme to which he was subject in the employment, or

(ii) if that scheme made no provision for the repayment of contributions, the contributions he paid under it in respect of the employment, and

(d) interest to the calculation date, at 3 per cent per annum, compounded with yearly rests—

(i) on the contributions mentioned in sub-paragraphs (a) and (b), from the first day of the financial year following that in which they were paid, and

(ii) where sub-paragraph (c) applies, from the first day of the financial year following that in which the transfer value was paid.

(4) The deductions are—

(a) the amount of any previous repayment of contributions,

(b) if the Secretary of State has made a payment in lieu of contributions, or the person is entitled to equivalent pension benefits, half the amount of the payment in lieu of contributions that was, or as the case may be would otherwise have been, made, and

(c) if the Secretary of State has paid a contributions equivalent premium, the amount recoverable by him under section 47 of the Pensions Act(5).

### Repayment of certain contributions paid for family benefits

**C12.**—(1) This paragraph applies where a member who has made no election under paragraph 3 of Schedule 6—

(a) becomes entitled under regulation C10 to the repayment of the balance of his contributions, or

---

(4) 1988 c. 1.

(5) 1975 c. 60; section 47 was amended by the Social Security Act 1985 (c. 53), Schedule 5, paragraphs 29 and 30.

- (b) becomes entitled to have a transfer value paid under regulation F1, unless by giving written notice to the Secretary of State he elects that this regulation is not to apply, or
  - (c) becomes entitled to payment of retirement benefits, unless on his death family benefits would become payable.
- (2) Subject to regulation C13, where paragraph (1) applies the member is entitled to be repaid an amount calculated in accordance with paragraphs (3) to (5).
- (3) Where no family benefit would have been payable if the member had died before 1st April 1972, the amount includes the whole of his normal contributions and any additional contributions.
- (4) Where paragraph (3) does not apply, the amount includes—
- (a) half the normal contributions paid in respect of any period during which family benefits would have been payable in the event of his death, and
  - (b) the whole of the normal contributions paid in respect of any other period, and
  - (c) the whole of any additional contributions.
- (5) The remainder of the amount consists of interest at 3 per cent per annum, compounded with yearly rests, from the first day of the financial year following that in which the contributions were paid to—
- (a) the date of the calculation, or
  - (b) the member's 70th birthday, or
  - (c) the date of his death,
- whichever is the earliest.
- (6) There is to be deducted from the amount the tax chargeable on it under section 598 of the Income and Corporation Taxes Act 1988.
- (7) Subject to regulation C13, where a member who has made no election under paragraph 3 of Schedule 6 dies and he was entitled under regulation C10 to be repaid the balance of his contributions or—
- (a) a death grant is payable under regulation E19, and
  - (b) no family benefit other than a children's pension is payable,
- his personal representatives are entitled to be paid an amount calculated in accordance with paragraphs (3) to (5) but with the interest component calculated to the date of his death.

### **Application for repayment**

**C13.**—(1) An amount to which a person is entitled under regulation C10 or C12 is to be paid to him only if the Secretary of State receives a written application for payment and paragraph (2), if applicable, is complied with.

(2) If the Secretary of State notifies him in writing that he so requires, the applicant is to provide any relevant information specified by the Secretary of State that is in his possession or that he can reasonably be expected to obtain.

### **Return of repaid contributions**

**C14.**—(1) A person to whom contributions were repaid before June 1973—

- (a) who is in pensionable employment, or
- (b) who is in comparable British service and in respect of whom no transfer value has been paid since the end of his last pensionable employment,

may at any time, by giving written notice to the Secretary of State, elect to return the contributions, with interest, to him.

(2) The return—

- (a) may in any case, and
- (b) if the amount of the contributions, together with the interest payable, does not exceed £500, must,

be made by a single payment.

(3) Except where paragraph (2)(b) applies, the person may elect to make the return—

- (a) if he is in full-time pensionable employment, by instalments under paragraph (5), or
- (b) if he is in part-time pensionable employment or in comparable British service, by instalments under paragraph (7).

(4) Interest is payable at the rate of 3.5 per cent per annum from the date on which the contributions were repaid to the date on which their return is completed, and—

- (a) where the return is made by a single payment, is payable on the full amount of the contributions and is compounded with yearly rests, and
- (b) where the return is made by instalments, is payable on the balance for the time being outstanding and is compounded with yearly rests on 31st March.

(5) Instalments payable under this paragraph are of equal amounts and are, subject to paragraph (6), payable by deduction from the person's salary for a number of whole years, not exceeding 5 and ending before his 61st birthday, to be specified in the notice of the election.

(6) Where the total of—

- (a) the instalments payable by a person under paragraph (5) in any year, and
- (b) the other amounts to be deducted in that year under regulation C16, would otherwise exceed 15 per cent of his contributable salary for that year, the instalments are payable for the smallest number of whole years that will secure that that total does not exceed 15 per cent of his annual contributable salary.

(7) Instalments payable under this paragraph are of equal amounts and are, subject to paragraph (8), payable—

- (a) at equal intervals, of not more than six months, and
- (b) for a period,

determined by the Secretary of State after consulting the person making the election.

(8) The annual amount of instalments paid under paragraph (7) is not to exceed the lesser of—

$$(A-D) \text{ and } \left\{ \frac{B}{C} - D \right\}$$

where—

A is 9 per cent of the annual rate of the person's contributable salary at the date on which notice of the election is received,

B is the amount of the contributions and the interest payable,

C is the length of the period mentioned in paragraph (7), and

D is the excess of any amounts to be deducted under regulation C16 over 6 per cent of the annual rate mentioned in A.

(9) Where immediately before 1st November 1988 instalments remained to be paid by virtue of regulation 19B(7) of the 1976 Regulations (certain elections made before April 1984), the person is

to be treated as having elected to pay instalments under paragraph (5), but payment is to be completed no later than—

- (a) the fifth anniversary of the first payment, or
- (b) if earlier, his 60th birthday.

### **Uncompleted return by instalments of repaid contributions**

#### **C15. —**

(1) This Regulation applies where instalments are payable by a person under regulation C14(5) or (7).

(2) If before all the instalments have been paid—

- (a) the person becomes entitled to payment of retirement benefits, or
- (b) a death grant becomes payable in respect of him,

the balance outstanding, discounted for early payment, is to be deducted from the appropriate terminal sum and the return of the contributions is to be treated as having been completed.

(3) This paragraph applies where the instalments are payable under regulation C14(5) and before they have all been paid the person—

- (a) ceases to be in full-time pensionable employment, and
- (b) does not become entitled to payment of retirement benefits, and
- (c) continues in part-time pensionable employment or in comparable British service.

(4) Where paragraph (3) applies—

- (a) the person may elect to pay the balance outstanding by instalments under regulation C14(7), and
- (b) if he does not so elect, he is to make a single payment of the balance outstanding, discounted for early payment.

(5) This paragraph applies where before all the instalments have been paid—

- (a) the person ceases to be in pensionable employment or in comparable British service, and
- (b) neither paragraph (2) nor paragraph (3) applies.

(6) Where paragraph (5) applies—

- (a) the person may, if he elects to pay additional contributions for a current period under regulation C8, elect to pay the balance outstanding by instalments under regulation C14(7) (but payable at the same times as the additional contributions), and
- (b) if he does not so elect, he is to make a single payment of the balance outstanding, discounted for early payment.

(7) Where paragraph (3) or (5) applies and the person has not within 3 months after the end of the relevant employment—

- (a) made a payment under paragraph (4)(b) or (6)(b), or
- (b) made any election he could have made under paragraph (4)(a) or (6)(a),

the amount of the instalments already paid is to be repaid to him.

(8) Where—

- (a) a person who has elected as mentioned in regulation C14(3)(b) is in part-time pensionable employment or in comparable British service and an instalment has not been paid by the due date, or

(b) a person has made an election under paragraph (4)(a) and an instalment has not been paid by the due date, or

(c) a person has made an election under paragraph (6)(a) and an instalment is not paid by 21st April in the financial year following that in which it fell due,

then unless within 3 months he makes a single payment of the balance outstanding, discounted for early payment, the amount of the instalments already paid is to be repaid to him.

### **Deduction, payment and recovery of contributions**

**C16.**—(1) The employer of a person in pensionable employment, other than a services education officer, is to deduct from his salary each month—

(a) the contributions payable under regulation C2(1),

(b) any additional contributions payable in accordance with Part I or III of Schedule 4 as a result of an election under regulation C3,

(c) any additional contributions payable by virtue of regulation C5 or C9, and

(d) any instalments payable under regulation C14(5),

and any amount not so deducted in any month is to be deducted from the employee's salary no later than 30th April next following the end of the financial year in which it ought to have been deducted.

(2) If and so far as deductions are not made under paragraph (1), any sum remaining due is to be paid by the employee to the Secretary of State on receipt of a written demand specifying the sum.

(3) If the sum is not paid within 6 weeks after the date of the demand, interest is payable on it at 4 per cent per annum, compounded with yearly rests, from the expiry of the 6 weeks to the date of payment.

(4) Without prejudice to any other means of recovery, any sum due to the Secretary of State under paragraph (2) or (3) may be recovered by deducting it from any benefits payable under Part E.

(5) Amounts due from a person under this Part which are not deductible under paragraph (1) are to be paid by him to the Secretary of State.

(6) If any amount to which paragraph (5) applies, except one due under regulation C8, C14 or C15, is not paid within 6 months after the end of the period to which it relates, but remains payable, interest is payable on it at 4 per cent per annum, compounded with yearly rests, from the expiry of the 6 months to the date of payment.