
STATUTORY INSTRUMENTS

1998 No. 1238

PENSIONS

**The Local Government Pension Scheme
Regulations 1997 (Amendment) Regulations 1998**

<i>Made</i>	- - - -	<i>15th May 1998</i>
<i>Laid before Parliament</i>		<i>22nd May 1998</i>
<i>Coming into force</i>	- -	<i>12th June 1998</i>

The Secretary of State, in exercise of the powers conferred on him by sections 7 and 12 of the Superannuation Act 1972(1) and of all other powers enabling him in that behalf, after consultation with such associations of local authorities as appeared to him to be concerned, the local authorities with whom consultation appeared to him to be desirable and such representatives of other persons likely to be affected by the Regulations as appeared to him to be appropriate, hereby makes the following Regulations:-

Citation and commencement and interpretation

1. These Regulations may be cited as the Local Government Pension Scheme Regulations 1997 (Amendment) Regulations 1998 and shall come into force on 12th June 1998 but shall have effect from 1st April 1998.

Amendment of Regulations

2. The Local Government Pension Scheme Regulations 1997(2) shall be amended in accordance with the following provisions of these Regulations.

General eligibility for membership: employees of Scheme employers etc.

3. In regulations 4(6), add at the end as new sub-paragraphs the following-

- “(g) the Service Authority for the National Crime Intelligence Service;
- (h) the Service Authority for the National Crime Squad(3).”

(1) 1972 c. 11; section 12 was amended by section 10 of the Pensions (Miscellaneous Provisions) Act 1990 (c. 7).

(2) S.I. 1997/1612.

(3) The Service Authority for the National Crime Intelligence Service and the Service Authority for the National Crime Squad were established under sections 1 and 47 respectively of the Police Act 1997 (c. 50).

Further restrictions on eligibility

4. In regulation 6(8), for “(3)” substitute “(4)”.

Excluded membership

5. In regulation 10(2)(b), for “Chapter III” substitute “Chapter II”.

Meaning of pay

6. In regulation 13–
 - (a) delete sub-paragraph (b) of paragraphs (1) and (8);
 - (b) in paragraph (2)(f), for “(but see paragraphs (8) and (9))” substitute “(but see paragraph (8))”;
 - (c) in paragraph (8)(a) delete “and”; and
 - (d) delete paragraph (9).

Members with lower rate rights

7. In regulation 14–
 - (a) in paragraph (1), delete “or (3)”; and
 - (b) in paragraph (2)(b), for paragraph (ii) substitute–
“(ii) he falls within paragraph (3)”.

Inland Revenue limits on contributions

8. In regulation 16(2), for “pay” substitute “remuneration”.

Calculations

9. In regulation 20(6), after sub-paragraph (a) insert–
“(aa) regulation 31 (elections for early payment)”.

Final pay

10. In regulation 21(4), add at the end “or, in calculating death grant, three eightieths of final pay multiplied by total membership if greater”.

Other final pay periods

11. In regulation 22–
 - (a) in paragraph (4), insert “to whom paragraph (4A) applies” after “A member”; and
 - (b) insert after paragraph (4)–
“(4A) This paragraph applies to a member whose pay in the period which he would elect as his final pay period if he made an election under paragraph (4) is higher than his pay in a final pay period determined under regulation 21(2) or paragraph (1), (2) or (3).”.

Permanent reductions in pay: certificates of protection of pension benefits

12. In regulation 23(3), insert after paragraph (3)–

“(3A) A member is not entitled to be issued with a certificate under this regulation if the reduction in his rate of pay–

- (a) is temporary, or
- (b) consists in the termination of, or a reduction in, a temporary increase in the rate of pay.”.

Amounts of ill-health pension and grant

13. In regulation 28, insert after paragraph (4)–

“(4A) The maximum period which may be added to a member’s total membership period to calculate his enhanced membership period in respect of all his local government employments is 10 years.”.

Other early leavers: deferred retirement benefits and election for early payment

14. In regulation 31(6), for sub-paragraph (a) substitute–

“(a) he may elect to receive payment of the retirement benefits immediately, whatever his age, and”.

Re-employed and rejoining deferred members

15. In regulation 32(10), delete “with a different Scheme employer”.

Death grants

16. In regulation 38(1), after “the administering authority” insert “at their absolute discretion” and after “the member’s nominee” insert “or personal representatives”.

Reduction of some surviving spouses' pensions

17. In regulation 42(3), add at the end–

“where the widower was married to the member at some time while she was in local government employment after 31st March 1972”.

Children’s short-term pensions

18. In regulation 45(6), add at the end “if the child is in the care of the surviving spouse”.

Children’s long term pension

19. In regulation 46(9)(a)(i), delete “and the child is in the care of the spouse”.

Power of employing authority to increase total membership of new members

20. In regulation 53(7), insert “payment of” after “immediately entitled to”.

Payments to increase total membership

21. In regulation 55, delete paragraph (5).

Elections to pay AVCs

22. In regulation 60(2), for “his pay” substitute “his remuneration”.

Interest

23. In regulation 82–

- (a) in paragraph (2), for “regulation 94(1)” substitute “regulation 87(1) and (2A), 89(5) or 94”; and
- (b) delete paragraph (3).

Right to return of contributions

24. In regulation 87–

- (a) in paragraph (1), for “and, if repayment” to the end of the paragraph substitute “with interest calculated to the date he ceased to be employed”;
- (b) in paragraph (2), after “ceased to be a member” insert “by reason of a notification under regulation 8(2) or”; and
- (c) after paragraph (2) insert–

“(2A) If repayment of the contributions (with interest due under paragraph (1), if applicable) has not been made before the expiry of the period of one year beginning with the date when active membership ceases, the person is entitled to interest on the repayment which should have been made, calculated as provided in regulation 82(2), the due date being the date when active membership ceased.”.

Exclusion of rights to return of contributions

25. In Regulation 88–

- (a) in paragraph (2), for “grave misconduct” substitute “an offence of a fraudulent character”; and
- (b) in paragraph (3), for sub-paragraph (b) substitute–
“(b) a transfer value has been credited to the appropriate fund for him”.

Deduction and recovery of member’s contributions

26. In regulation 89–

- (a) for paragraph (5) substitute–
“(5) If–
 - (a) an employing authority deduct any amount in error from a person’s pay or any other sum due to him in respect of contributions, other than contributions due to be repaid to him by virtue of his having left without any rights under the Scheme (which are dealt with under regulation 87), and
 - (b) the amount has not been repaid to him before the expiry of the period of one month beginning with the date of deduction,the appropriate body must pay him interest on that amount calculated as provided in regulation 82(2), the due date being the date of deduction.”; and
- (b) add as paragraphs (5A) and (6)–
“(5A) Where the employee’s contributions have been paid into the appropriate fund, the repayment and interest shall be made out of that fund.
(6) “The appropriate body” for the purpose of paragraph (5) is–
 - (a) the appropriate administering authority where the employee’s contributions have been paid into the appropriate fund, and

- (b) the person’s employing authority where the employee’s contributions have not yet been paid into the appropriate fund.”.

Interest on late payment of certain benefits

27. In regulation 94–

- (a) in paragraph (1), for paragraphs (a) and (b) substitute “calculated from the due date as provided in regulation 82(2)”;
- (b) as a new paragraph (1A) insert–
 - “(1A) The relevant period–
 - (a) in the case of a pension is one year;
 - (b) in the case of a payment made under regulation 38(1), is the period ending one month after the date on which the administering authority receives notification of the member’s death; and
 - (c) otherwise is one month.”;
- (c) in paragraph (2), for “one month after the amount” substitute “the date on which it”;
- (d) after paragraph (2) insert–
 - “(2A) In the case of a retirement grant, the due date is the date on which it is payable.”;
- (e) in paragraph (3), for sub-paragraphs (a) and (b) substitute “the member dies”; and
- (f) add–
 - “(4) In the case of an ill-health grant, the due date is the day after the member ceased to hold his employment.
 - (5) In the case of a payment of a lump sum under regulation 49 or 50, the due date is the day after the member would otherwise become entitled to payment of a pension.”.

First instance decisions

28. In regulation 97–

- (a) in paragraph (3), for “the employment ends” substitute “the earlier of the date the employment ends or the date specified in the notification mentioned in regulation 8(3)”;
- and
- (b) in paragraph (10), for “that authority’s approval” substitute “the approval of the appropriate administering authority to their choice of registered medical practitioner”.

Statements of policy concerning exercise of discretionary functions

29. In regulation 106(3), add at the end “and each such employer or authority shall publish that statement”.

Statements of policy concerning abatement of retirement pensions in new employment

30. In regulation 109(3), before “authority” insert “administering”.

Forfeiture of pension rights after conviction of employment-related offences

31. In regulation 111(6), after “given” insert “if an application for a forfeiture certificate has been made by the former employing authority”.

Members employed by magistrates' courts committees

32. In regulation 133(11)(b), for “paragraph (3) of regulation 103” substitute “the words “(otherwise than in the exercise of a discretion)” in paragraph (1)(a)”.

Definitions

33. In Schedule 1, in the definition of “City of London employing body” delete “or” at the end of paragraph (c) and add after paragraph (d)–

“, or

(e) the Corporation of the City of London;”.

Revenue Restrictions

34. Schedule 4 is amended as set out in the Schedule to these Regulations.

Right to opt out

35.—(1) Where–

- (a) apart from this regulation, the amendments made by these Regulations would place any relevant beneficiary in a worse position than he would otherwise be, and
- (b) that relevant beneficiary so elects by notice in writing given to the appropriate administering authority within the period of six months beginning with the date on which these Regulations come into force,

then the Local Government Pension Scheme Regulations 1997 shall have effect in relation to him as if those amendments had never been made.

(2) For the purposes of paragraph (1), a relevant beneficiary is a person to whom any benefit is or may become payable being a benefit payable to or in respect of a person who

- (a) ceased to hold an employment in respect of which he was a member (whether or not he had subsequently recommenced any such employment), or
- (b) died while in such employment,

before the date on which these Regulations come into force.

Signed by authority of the Secretary of State

Hilary Armstrong
Minister of State,
Department of the Environment, Transport and
the Regions

15th May 1998

SCHEDULE

Regulation 34

AMENDMENT TO SCHEDULE 4

1. For “final pay” wherever those words appear substitute “final remuneration”.
2. For “his total membership”, “the total membership” and “the member’s total membership” substitute “years of service” except in—
 - (a) sub-paragraph (7) of paragraph 4 (as amended by these Regulations), and
 - (b) paragraph 8.
3. In paragraph 1(1), in the definition of “Class B member”, in paragraph (a) after “1st June 1989” insert “or is to be treated as a Class B member by virtue of a Revenue agreement”.
4. In paragraph 1(2)—
 - (a) for “is a retained rights member” substitute “has retained rights”;
 - (b) in paragraph (a), add at the end “or a scheme in respect of which approval is sought”; and
 - (c) add after paragraph (e)—
 - “(f) transfer payments from overseas schemes held in a type of arrangement mentioned in sub-paragraph (a), (b) or (e).”.
5. In paragraph 1(3)—
 - (a) for “relevant benefits” substitute “retained rights”; and
 - (b) in paragraph (a), for “exceeds” substitute “does not exceed” and for “ends” substitute “begins”.
6. In paragraph 1, insert after sub-paragraph (3)—

“(3A) Retained rights may be disregarded if the member started to purchase benefits under Part III, or was given extra benefits under Part III after August 1991, and

 - (a) where the member became a member on or after 14th March 1989, his remuneration in the first year of his employment during which he is a member does not exceed one quarter of the Revenue permitted maximum for the year of assessment in which the first year begins, or
 - (b) where the member became a member before 14th March 1989, his remuneration in the first year in which he starts to accrue benefits under Part III does not exceed one quarter of the Revenue permitted maximum for the year of assessment in which the first year begins.”.
7. In paragraph 1, add at the end—

“(5) In this Schedule “final remuneration” means, subject as provided in sub-paragraphs (6) to (9), the greater of—

 - (a) the highest total remuneration for any period of twelve complete and consecutive months (ending on the last day of the month) falling wholly within the five years preceding the relevant date; and
 - (b) the yearly average of the total emoluments from the employer which are assessable to income tax under Case I or II of Schedule E and upon which income tax liability has been determined in any three or more consecutive years ending at the end of any month not earlier than 10 years before the relevant date.

(6) Where final remuneration is calculated by reference to any period other than the last complete year ending on the relevant date, the member’s total remuneration or total emoluments may be increased for any year in proportion to any increase in the retail prices

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index from the last day of that period up to the relevant date, but for a Class C member this shall not apply to the calculation of the maximum retirement grant benefit unless the member's aggregate retirement benefit is similarly increased beyond the maximum amount which could have been paid but for this provision and the similar provision in the definition of total remuneration and then only to the same extent.

(7) In respect of a Class B member, final remuneration for the purpose of the calculation of the retirement grant shall not exceed £100,000 or such other sum as may for the time being be specified in an order made by the Treasury under section 590(3) of the Taxes Act⁽⁴⁾.

(8) In respect of any member whose remuneration in any tax year after 5th April 1987 used for the purpose of calculating retirement benefits has exceeded £100,000 (or such other sum as may for the time being be specified in an order made by the Treasury under section 590(3) of the Taxes Act) final remuneration shall not exceed the amount ascertained in accordance with sub-paragraph (5)(b) and sub-paragraph (5)(a) shall not apply unless the member chooses to adopt £100,000 (or such other sum as may for the time being be specified in an order made by the Treasury under section 590(3) of the Taxes Act).

(9) Remuneration and total emoluments shall not include any amounts which arise from the acquisition or disposal of shares or any interest in shares or from a right to acquire shares or anything in respect of which tax is chargeable by virtue of section 148 of the Taxes Act.

(10) In this Schedule—

- (a) “relevant date” means the last day on which the member is an active member;
- (b) “service” means service in local government employment;
- (c) “total remuneration” in relation to any member means the aggregate of—
 - (i) actual amounts received for the twelve complete and consecutive months ending on or immediately prior to the date for which total remuneration is to be calculated (in this definition called “the calculation date”) which correspond to the fixed annual rates of salary for the time being in respect of that member's service; and
 - (ii) that member's average annual remuneration from the employer or otherwise in respect of service by way of commissions, fluctuating emoluments or other benefits assessed to income tax under Schedule E (but not within sub-paragraph (i)) for the 36 complete and consecutive months ending on or immediately prior to the calculation date, but remuneration within the scope of this sub-paragraph for a year prior to that ending with the calculation date may be increased in proportion to any increase in the retail price index from the last day of that year up to the calculation date.”.

8. In paragraph 2(1), for “Parts II and III” substitute “these Regulations”.

9. Delete sub-paragraph (2) of paragraph 2.

10. After paragraph 2(3) insert—

“(3A) Subject to sub-paragraph (3), the aggregate pension payable on retirement must not exceed the lesser of—

- (a) one thirtieth of the member's final remuneration multiplied by the member's years of service or 20 years if less; and
- (b) two-thirds of the member's final remuneration less the value of any retained rights.”.

(4) 1988 c. 1; the provisions of schedule 6 to the Finance Act 1989 (c. 26) which amend section 590(3) of the Taxes Act do not have effect as regards a person who became a member of the Scheme before 1st June 1989.

11. In paragraph 2(4), for “one sixtieth of the member’s final pay multiplied by the total membership the member would have had if” substitute “the maximum retirement grant payable under sub-paragraph (6) or (7) assuming”.

12. In paragraph 2, for sub-paragraph (5) substitute–

“(5) The aggregate pension payable to a member who has elected under regulation 8 to leave the Scheme but remains in local government employment is the greater of–

- (a) one sixtieth of the member’s final remuneration multiplied by his years of service prior to leaving the Scheme or 40 years if less; and
- (b) the maximum pension that could have been payable at NRD under sub-paragraph (3) or (3A) multiplied by the fraction of which
 - (i) the numerator is the member’s years of service prior to leaving the scheme or 40 years if less, and
 - (ii) the denominator is his total period of membership assuming he had remained an active member until his NRD or 40 years if less.

This amount may be increased by 5 per cent. for each complete year, or in line with any increase in the retail prices index if greater, between the relevant date and the date on which the pension becomes payable.”.

13. In paragraph 2(6), after (3) insert “(3A),”.

14. In paragraph 2, insert after sub-paragraph (7)–

“(7A) Subject to sub-paragraph (7), the aggregate benefit payable by way of lump sum must not exceed the lesser of–

- (a) three times the initial pension paid to the member under Part II and Part III excluding Chapter IV of Part III, and
- (b) one and a half times the member’s final remuneration.”.

15. In paragraph 2(8), for “three eightieths of the member’s final pay, multiplied by the total membership the member would have had if” substitute “the maximum retirement grant payable under sub-paragraph (7) or (7A) assuming”.

16. In paragraph 2(9), for “four times his final pay” substitute “four times his final remuneration (disregarding the provisos in paragraph 1(8) and (9) and paragraph 9(6)) less any lump sum death in service retained rights (other than a refund of the member’s contributions and any interest on such contributions)”.

17. In paragraph 2(10), for “The total membership taken into account” substitute “The years of service”.

18. In paragraph 2, for sub-paragraph (11) substitute–

“(11) The aggregate pension in respect of local government employment for a surviving spouse or eligible child of a member (other than a pension provided by surrender of the member’s own pension under regulation 33) payable or prospectively payable to that surviving spouse or eligible child shall not exceed–

- (a) in the case of an active or deferred member, an amount equal to two thirds of the amount which would be payable under sub-paragraph (4), ignoring any retained rights, if the member had retired under regulation 27 on the date of his death, and
- (b) in the case of a pensioner member, an amount equal to two thirds of the amount payable at the date of death under sub-paragraph (3), (3A), (4) or (5), ignoring any retained rights.

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(11A) If pensions are payable to more than one of the member’s surviving spouse and eligible children, the aggregate of all such pensions shall not exceed–

- (a) on the death of an active member or deferred member the amount payable under sub-paragraph (4), and
- (b) on the death of a pensioner member, the amount payable under sub-paragraph (3), (3A), (4) or (5).”.

19. In paragraph 3, for “Parts II and III” substitute “these Regulations”.

20. In paragraph 4 for sub-paragraph (1) substitute–

“(1) Subject to sub-paragraph (1A), the aggregate pensions payable on retirement at NRD must not exceed the lesser of–

- (a) for Class B members, one thirtieth of the member’s final remuneration multiplied by his years of service, or 20 years if less
- (b) for Class C members with less than 10 years service, the member’s final remuneration multiplied by the fraction specified below–

1 to 5 years	1/60th for each year
6 years	8/60ths
7 years	16/60ths
8 years	24/60ths
9 years	32/60ths

- (c) two thirds of the member’s final remuneration less the value of any retained rights.

(1A) But if it results in a higher sum than the maximum under sub-paragraph (1), the maximum aggregate pension on retirement at NRD is one sixtieth of the member’s final remuneration multiplied by his years of service or 40 years if less.”.

21. In paragraph 4(2), for “one sixtieth of the member’s final pay” substitute “the maximum pension payable under sub-paragraph (1) or (1A)”.

22. In paragraph 4(3)–

- (a) before the number “31” insert “26 or”,
- (b) for “sub-paragraph (1)” substitute “sub-paragraph (1A)”,
- (c) for “under that sub-paragraph” substitute “under sub-paragraph (1)”,
- (d) delete “(taking into account any reduction for retained benefits)”, and
- (e) at the end add–

“This amount may be increased by 5 per cent. for each complete year, or in line with any increase in the retail prices index if greater, between the relevant date and the date on which the pension becomes payable.”.

23. Delete paragraph 4(4).

24. In paragraph 4(5)–

- (a) for paragraph (a) substitute–
 - “(a) the amount payable under sub-paragraph (1) or (1A) on the basis the actual retirement date was the member’s NRD;”;

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- (b) in paragraph (b), for “one sixtieth of the member’s final pay at his NRD, multiplied by his total membership at his NRD” substitute “the amount that could have been payable under sub-paragraph (1) or (1A) on retirement at NRD”.

25. In paragraph 4 insert as sub-paragraphs (8) and (9)–

“(8) The aggregate pension in respect of local government employment for a surviving spouse or eligible child of a member (other than a pension provided by surrender of the member’s own pension under regulation 33) payable or prospectively payable to that surviving spouse or eligible child shall not exceed–

- (a) in the case of an active or deferred member, an amount equal to two thirds of the amount which would be payable under sub-paragraph (2), ignoring any retained rights, if the member had retired in circumstances entitling him to an ill-health pension and grant under regulation 27 on the date of his death, and
- (b) in the case of a pensioner member, an amount equal to two thirds of the amount payable at the date of death under sub-paragraph (1), (1A), (2), (3) or (5) ignoring any retained rights and increased in line with any subsequent increase in the retail prices index.

(9) If pensions are payable to more than one of the member’s surviving spouse and eligible children, the aggregate of all such pensions shall not exceed–

- (a) on the death of an active member or deferred member the amount payable under sub-paragraph (2), and
- (b) on the death of a pensioner member, the amount payable under sub-paragraph (1), (1A), (2), (3) or (5).”.

26. For paragraph 5, substitute–

“**5.**—(1) Subject to sub-paragraph (3), the aggregate benefit payable by way of a retirement grant for a Class B member on retirement at or before NRD must not exceed the lesser of–

- (a) three times the initial pension paid to the member under Part II and Part III, excluding Chapter IV of Part III; and
- (b) one and a half times the member’s final remuneration less the value of any retained benefits in lump sum form.

(2) Subject to sub-paragraph (3), the aggregate benefit payable by way of a retirement grant on retirement at NRD for a Class C member must not exceed the lesser of–

- (a) if the member has less than 20 years service, his final remuneration multiplied by the fraction set out in the table below–

Years of service to NRD	80ths of final remuneration
1 to 8	3 for each year
9	30
10	36
11	42
12	48
13	54
14	63

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Years of service to NRD	80ths of final remuneration
15	72
16	81
17	90
18	99
19	108; and

(b) one and a half times the member's final remuneration less the value of any retained rights in lump sum form.

(3) If it results in a higher sum than the maximum under sub-paragraphs (1) or (2), the maximum aggregate retirement grant is three eightieths of the member's final remuneration multiplied by each year of service or 40 years if less.

(4) But for a retirement grant payable under regulation 27, the limit is the maximum retirement grant payable under sub-paragraph (1), (2) or (3) assuming he continued as an active member until his NRD.

(5) The aggregate benefit payable to a Class C member by way of retirement grant before NRD is the greater of—

- (a) three eightieths of the member's final remuneration multiplied by his years of service or 40 years if less; and
- (b) the maximum lump sum that could have been payable on retirement at NRD under sub-paragraph (2) multiplied by the fraction of which
 - (i) the numerator is the member's actual period of local government employment prior to leaving the Scheme or 40 years if less, and
 - (ii) the denominator is his total period of membership assuming he had remained an active member until his NRD or 40 years if less.

This amount may be increased in line with any increase in the retail prices index between the relevant date and the date on which the benefit becomes payable.

(6) The aggregate benefit payable to a Class B member or a Class C member by way of a retirement grant on retirement after NRD must not exceed the greatest of

- (a) the amount payable under sub-paragraph (1), (2) or (3) on the basis that the actual retirement date was the member's NRD;
- (b) the amount that could have been payable under sub-paragraph (1), (2) or (3) on retirement at NRD together with interest in respect of the period of the delay in payment between his NRD and the actual date of payment;
- (c) three eightieths of the member's final remuneration multiplied by his increased period of membership.

(7) A member's increased period of membership is the aggregate of

- (a) his total membership ending with his NRD; and
- (b) his total period of membership after his NRD

but must not exceed 45 years.

(8) The benefits payable by way of lump sum on the death of an active or deferred member must not exceed four times his final remuneration (disregarding the provisos in paragraph 1(8) and (9) and paragraph 9(6)) less any lump sum death in service retained rights (other than a refund of the member's contributions and any interest on such contributions) or, if greater, £5,000.?"

27. In paragraph 6, for sub-paragraph (1) substitute—
“(1) The years of service taken into account under paragraph 4(1) and (2) and the total membership taken into account under paragraphs 4(7)(a) and 5(7)(a) must not exceed 40 years.”.
28. In paragraph 7(1), after “regulations 12, 17 and 18” insert “and any FSAVC scheme” and for “his pay” substitute “his remuneration”.
29. In paragraph 8(2)(b), for “he was aged 65” substitute “his NRD”.
30. In paragraph 8(3), for “retained benefits” substitute “retained rights”.
31. In paragraph 8(4)(b), after “retirement grant” insert “or, in the case of a Class C member, the aggregate of the retirement grant attributable to his period of membership before his NRD and any retained rights in lump sum form,”.
32. In paragraph 8(5), for “relevant benefits” substitute “retained rights”.
33. In paragraph 9(5)—
(a) for “paragraph 1(3)(a)” substitute “paragraphs 1(3)(a) and 1(3A)”, and
(b) add the following—
“(6) Final remuneration shall be ascertained in accordance with paragraph 1(5)(b) and paragraph 1(5)(a) shall not apply.”.
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EXPLANATORY NOTE

(This note does not form part of these Regulations)

These Regulations make various amendments to the Local Government Pension Scheme Regulations 1997 (“the principal Regulations”) which regulate the Local Government Pension Scheme (“the LGPS”). The Regulations take effect on 1st April 1998, the date when the principal Regulations came into force. Section 12 of the Superannuation Act 1972 provides that regulations made under section 7 of that Act may have retrospective effect.

Regulation 3 adds the Service Authority for the National Crime Intelligence Service and the Service Authority for the National Crime Squad as resolution bodies.

Regulations 4, 5, 20, 28, 30, 32 and 33 make minor amendments.

Regulations 6 (meaning of pay), 9 (calculation of benefits), 10 (final pay), 11 (alternative final pay periods), 12 (temporary reductions in pay and certificates of protection of pension benefits), 14 (early leavers and ill-health pensions), 15 (re-employed and rejoining deferred members), 16 (death grants), 17 (reduction of some surviving spouses' pensions), 18 (children's short-term pensions), 19 (children's long-term pensions), 25 (exclusion of rights to return of contributions), and 31 (forfeiture of pension rights after conviction of employment-related offences) amend the principal Regulations to ensure continuity with the corresponding provision in the Local Government Pension Scheme Regulations 1995 (S.I.1995/1019) (as amended) which they replace.

Regulation 7 clarifies the provisions in connection with members' lower rate contribution rates to provide that there must be continuity of employment for the right to contribute to the lower rate of 5% to carry forward from before the commencement date of the principal Regulations.

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Regulations 8 and 22 substitute the word “remuneration” for the word “pay” which is defined in the principal Regulations and which has a narrower meaning. The wider meaning is required in the context.

Regulation 13 introduces a provision to avoid double enhancement on grounds of ill-health.

Regulation 21 introduces an administrative simplification by removing a time restraint in connection with an administering authority’s passing of a resolution to require evidence of health in connection with payments to increase total membership.

Regulation 23 provides that the rate of interest for all overdue payments is 1% above base rate on a day to day basis with three monthly rests.

Regulations 24 (interest in connection with a right to return of contributions), 26 (interest on deductions made in error) and 27 (interest on late payment of benefits) make changes concerning when and from which date interest is payable in connection with the repayment to members of contributions and the payment of benefits.

Regulation 29 requires employers and administering authorities to publish any policy statements concerning their exercise of discretionary functions under the principal Regulations.

Regulation 34 amends Schedule 4 to the principal Regulations, which sets out Inland Revenue restrictions, by reference to the Schedule to these Regulations.

Regulation 35 allows certain persons who would be placed in a worse position by amendments made in these Regulations to elect for the amendments not to apply in their case.