STATUTORY INSTRUMENTS

1970 No. 1853 (S.155)

PENSIONS

The Superannuation (Local Government and Approved Employment) Interchange (Scotland) Rules 1970

Made - - -	*3rd December* 1970
Laid before Parliament	*18th December* 1970
Coming into Operation	*1st January* 1971

ARRANGEMENT OF RULES

PART I

PRELIMINARY

1. Title and commencement.
2. Interpretation.
3. Modifications in respect of certain approved pension schemes.
4. Meaning of "prescribed period".

PART II

TRANSFER FROM LOCAL GOVERNMENT EMPLOYMENT TO APPROVED EMPLOYMENT

5. Persons to whom Part II applies.
6. Conditions for application of Part II.
7. Payment of transfer value.
8. Exercise by local authority of discretionary powers to increase benefits.

PART III

TRANSFER FROM APPROVED EMPLOYMENT TO LOCAL GOVERNMENT EMPLOYMENT

9. Persons to whom Part III applies.
10. Conditions for application of Part III.
11. Reckoning of service.
12. Continuation of voluntary contributions.
13. Computation of contributions.
14. Modification of benefits and obligations in relation to National Insurance.
15. Application of section 11 of the Act of 1953.
16. Preservation of rights as designated employee.
17. Period of approved employment: effect on later period of local government employment and on transfer values.
18. Right of appeal.

PART IV

MISCELLANEOUS

19. Persons participating in pension schemes.
20. Extension of time.
21. Interest on returned contributions.
22. Revocations.

SCHEDULES

Schedule 1. 'Equal' pension schemes.
Schedule 2. 'Fractional' pension schemes.
Schedule 3. 'Unequal' pension schemes (pension rights on entering local government employment based on remuneration in former employment).
Schedule 4. Further 'unequal' pension schemes (pension rights on entering local government employment based on remuneration in new employment).
Schedule 5. Purchase of further reckonable service.

In exercise of the powers conferred on me by sections 2 and 15 of the Superannuation (Miscellaneous Provisions) Act 1948(**a**), as amended by section 11(6) of the Superannuation (Miscellaneous Provisions) Act 1967(**b**), and of all other powers enabling me in that behalf, I hereby make the following rules :—

PART I

PRELIMINARY

Title and commencement

1. These rules may be cited as the Superannuation (Local Government and Approved Employment) Interchange (Scotland) Rules 1970, and shall come into operation on 1st January 1971.

Interpretation

2.—(1) In these rules, unless the context otherwise requires—

"the Act of 1937" means the Local Government Superannuation (Scotland) Act 1937(**c**) ;

"the Act of 1948" means the Superannuation (Miscellaneous Provisions) Act 1948 ;

"the Act of 1953" means the Local Government Superannuation Act 1953(**d**) ;

"accrued pension rights", in relation to a person in approved employment, means such amount as the pension scheme trustees are entitled under the rules of the approved pension scheme to transfer in respect of that person upon his ceasing to be a member of that scheme ;

"added years" means—

(*a*) in relation to a person in local government employment, any additional years of service reckonable by him under regulation 12 of the benefits regulations or that regulation as applied by or under any enactment, and includes any additional years of service which, having

(**a**) 1948 c. 33.
(**b**) 1967 c. 28.
(**c**) 1937 c. 69.
(**d**) 1953 c. 25.

been granted thereunder, have subsequently become reckonable under or by virtue of any other enactment, and

(*b*) in relation to a person in approved employment, any additional years of service of the nature of the additional years of service referred to in (*a*) of this definition which have been granted in, or have otherwise become reckonable in, that employment ;

"approved body" means a public board or other body which is mentioned in column (1) of the table in schedule 1, 2, 3 or 4 ;

"approved employment" means employment with an approved body in which a person is a member of an approved pension scheme ;

"approved pension scheme" means a scheme or arrangement for the payment of pensions specified in column (2) of the table in schedule 1, 2, 3 or 4 against the name of an approved body in column (1) ;

"benefit" means any superannuation benefit payable to or in respect of any person ;

"the benefits regulations" means the Local Government Superannuation (Benefits) (Scotland) Regulations 1954(**a**) ;

"contributing service", "contributory employee", "designated employee" and "disqualifying break of service" have the same meanings as in the Act of 1937 ;

"enactment" includes any instrument made under any enactment ;

"fund authority" means a local authority maintaining a superannuation fund to which a person either became a contributor after he left approved employment or, as the case may be, was last a contributor before he entered approved employment ;

"interchange rules" means rules made under section 2 of the Act of 1948 ;

"local authority" has the same meaning as in the Act of 1937 ;

"local government employment" means employment by virtue of which the person employed is or is deemed to be a contributory employee ;

"the modification regulations" means the National Insurance (Modification of Local Government Superannuation Schemes) (Scotland) Regulations 1970(**b**) ;

"national service", in relation to any person, means service which is relevant service within the meaning of the Reserve and Auxiliary Forces (Protection of Civil Interests) Act 1951(**c**), and any similar service immediately following relevant service entered into with the consent of the authority or person by whom he was employed before undertaking that service or, in the case of a person who holds an appointment to an office and is not employed under a contract of employment, with the consent of the authority by whom he was appointed ;

"non-contributing service" has the same meaning as in the Act of 1937 ;

"pension scheme trustees" means the persons having the general control and management of the administration of an approved pension scheme ;

"prescribed date" means—

(*a*) in relation to transfers from local government employment to approved employment for which a date is specified in column (3) of the table in schedule 1, 2, 3 or 4 against the name of the approved body in column (1), the date so specified ; and

---

(a) S.I. 1954/1059 (1954 II, p. 1632). **(b)** S.I. 1970/1307 (1970 III, p. 4337).
(c) 1951 c. 65.

(*b*) in relation to transfers from approved employment to local government employment, the date specified in column (4) of the table aforesaid ;

"prescribed period" has the meaning assigned to it by rule 4 ;

"schedule 2 scheme", "schedule 3 scheme" and "schedule 4 scheme" mean an approved pension scheme mentioned in the table in schedule 2, schedule 3 and schedule 4 respectively (being schemes which provide benefits which are not reasonably equivalent actuarially to those provided under the Act of 1937);

"transfer value regulations" means the Local Government Superannuation (Transfer Value) (Scotland) Regulations 1954(**a**);

"voluntary contributions" means—

(*a*) in relation to a person who enters approved employment after leaving local government employment, payments made voluntarily by him, while in local government employment or in overseas employment within the meaning of the Superannuation (Local Government and Overseas Employment) Interchange (Scotland) Rules 1969(**b**), for the purpose of securing benefits for his widow, children or other dependants and payments (other than payments made in respect of a liability which has been wholly discharged) of any of the following categories :—

(i) additional contributory payments of the kind referred to in section 2(3) and (4) of the Act of 1953 ;

(ii) any similar payments made under a local Act scheme as a condition of reckoning any period of employment as service or as a period of contribution for the purposes of the scheme or, where the local Act scheme provides for the reckoning of non-contributing service, as contributing service for the purposes of the scheme ;

(iii) any payments made for the purpose of increasing the length at which any period of service or of contribution would be reckonable for the purpose of calculating a benefit under a local Act scheme ;

(iv) any payments made in respect of added years ; and

(*b*) in relation to a person who enters local government employment after leaving approved employment, any payments similar in character to those referred to in (*a*) of this definition for which provision was made in the approved pension scheme.

(2) Any references in these rules to a person as a contributory employee, or to contributing service, or to the Act of 1937, the Act of 1953, the benefits regulations, or any provision in any of those enactments in their application to that person shall be deemed to include references to a person as a local Act contributor within the meaning of the Act of 1937 and to a person entitled to participate in the benefits of a superannuation fund maintained under a local Act scheme, or to service for the purposes of a local Act scheme, or to any corresponding local Act or scheme or provision therein in their application to that person.

(3) References in these rules to a numbered rule or schedule shall, unless the reference is to a rule of or a schedule to a specified enactment, be construed as references to the rule or schedule bearing that number in these rules.

(**a**) S.I. 1954/1256 (1954 II, p. 1736). (**b**) S.I. 1969/1642 (1969 III, p. 5163).

(4) Unless the context otherwise requires, references in these rules to the provisions of any enactment or scheme shall be construed as references to those provisions as amended, extended, modified, applied or re-enacted by any subsequent enactment or scheme.

(5) The Interpretation Act 1889(**a**) shall apply for the interpretation of these rules as it applies for the interpretation of an Act of Parliament, and as if these rules and the rules revoked by rule 22 were Acts of Parliament.

Modifications in respect of certain approved pension schemes

3. The provisions of these rules shall apply to a schedule 2 scheme, to a schedule 3 scheme and to a schedule 4 scheme subject to the modifications contained in schedules 2, 3 and 4 respectively.

Meaning of "prescribed period"

4.—(1) Subject to the provisions of these rules, the expression "prescribed period" in rules 5 and 9 means a period of 12 months after the date on which a person left local government employment or, as the case may be, approved employment, and in the case of a person who immediately after leaving such employment became engaged in national service, a period of 6 months after the termination of that service.

(2) The reference in the preceding paragraph to a period of 12 months shall be construed in relation to a person to whom section 6 of the Act of 1948 applies (which makes special provision as to local government superannuation during periods of emergency) as a reference to a period of 5 years or such longer period as the Secretary of State may in any particular case allow.

PART II

TRANSFER FROM LOCAL GOVERNMENT EMPLOYMENT TO APPROVED EMPLOYMENT

Persons to whom Part II applies

5.—(1) Subject to the provisions of these rules and subject to the conditions specified in rule 6 being satisfied, this Part of these rules shall apply—

(*a*) to a person who on or after the commencement of these rules enters approved employment within the prescribed period, having left local government employment on or after the prescribed date, and

(*b*) if the fund authority consent, to a person who before the commencement of these rules entered approved employment within the prescribed period, having left local government employment on or after the prescribed date.

(2) This Part of these rules shall not apply to any person—

(*a*) who has become entitled to and received payment of any benefit (other than a return of contributions) in respect of his local government employment ; or

(*b*) in respect of whom a transfer value has been paid by the fund authority since he left his local government employment ; or

(*c*) who on entering approved employment became entitled, without any condition as to receipt of a transfer value, to reckon service in his local government employment in relation to his approved employment.

(**a**) 1889 c. 63.

(3) Where a person—

(*a*) left local government employment on or after 4th February 1948 ; and

(*b*) entered or enters overseas employment in which the Superannuation (Local Government and Overseas Employment) Interchange (Scotland) Rules 1969 (or any earlier rules corresponding thereto) applied or apply to him ; and

(*c*) entered or enters approved employment within 12 months after leaving that overseas employment (or within such longer period as the pension scheme trustees and the fund authority may agree),

this Part of these rules shall, if the fund authority consent, apply to him even though he may have left local government employment before the prescribed date in relation to transfers to that approved employment.

Conditions for application of Part II

6. The conditions referred to in rule 5 are that the person shall, before or within 3 months after entering approved employment or, if he entered that employment before the commencement of these rules, within 6 months after their commencement—

(*a*) notify the pension scheme trustees in writing that he desires these rules to apply to him ;

(*b*) furnish the pension scheme trustees with particulars in writing of any national service in which he has been engaged since leaving local government employment ; and

(*c*) pay to the pension scheme trustees an amount equal to any sum paid to him by way of return of contributions (other than voluntary contributions) on or after leaving local government employment, together with any further sum by way of interest required under rule 21.

Payment of transfer value

7.—(1) The fund authority shall, when this Part of these rules becomes applicable to a person—

(*a*) pay to the pension scheme trustees, subject to the provisions of these rules, the same transfer value as would have been payable under the transfer value regulations if that person had become a contributory employee under another local authority in the circumstances described in section 24 of the Act of 1937, less—

(i) an amount equal to any sum which the fund authority may become liable to pay by way of income tax in respect of the amount transferred by way of transfer value ; and

(ii) an amount equal to any interest required under rule 21 ; and

(*b*) furnish the pension scheme trustees and the person with the same particulars as to previous pensionable service as would have been furnished to the person if instead of entering approved employment he had become a contributory employee under another local authority.

(2) The transfer value payable in respect of a person who left local government employment before 1st January 1970 shall be calculated by reference to his age at 1st January 1971 unless—

(*a*) he was a person to whom the rules revoked by rule 22 could have applied and he entered approved employment on or after 1st October 1970 and before 1st January 1971, or

(*b*) he enters approved employment on or after 1st January 1971.

(3) The transfer value payable in respect of a person who enters approved employment on or after 1st January 1971 and more than 12 months after leaving local government employment shall be calculated by reference to his age on entering that approved employment.

(4) The transfer value payable in respect of a person who had been an established officer or servant within the meaning of the Asylums Officers' Superannuation Act 1909(**a**) (in this rule called "the Act of 1909") shall be calculated as if paragraph (*c*) had been omitted from the definition of "service" in paragraph 1 of schedule 1 to the transfer value regulations.

(5) Where—

(*a*) a transfer value is payable by a fund authority in respect of a person who before entering local government employment had been subject to the Act of 1909, and

(*b*) the body by whom he was last employed while subject to that Act (in this rule called "the hospital body") would, if he had become entitled to a superannuation allowance on leaving local government employment, have been liable to contribute to that allowance,

the hospital body shall pay to the fund authority a sum equal to the transfer value which they would have been liable to pay to the Secretary of State under regulation 52(4) of the National Health Service (Scotland) (Superannuation) Regulations 1950(**b**) if that regulation had become applicable to the person when he entered approved employment.

(6) Where the hospital body would have had in respect of any such contribution as aforesaid a right of contribution from any other body, that other body shall pay to the fund authority a sum equal to the transfer value which they would have been liable to pay to the Secretary of State under paragraph (5) of the said regulation 52 if that regulation had become applicable to the person when he entered approved employment.

(7) Where any body referred to in paragraph (5) or (6) hereof has been dissolved or has ceased to exercise functions as such, references to that body shall be construed as references to the appropriate authority as defined in paragraph (15) of the said regulation 52.

(8) Notwithstanding anything in the Act of 1937, when this Part of these rules becomes applicable to a person, he shall cease to be entitled to any payment out of the superannuation fund administered by the fund authority other than a payment by way of return of voluntary contributions.

Exercise by local authority of discretionary powers to increase benefits

8.—(1) Where a person enters, or before the commencement of these rules entered, approved employment after leaving local government employment and these rules have become applicable to him, the authority or body by whom he was employed may, within 6 months after the date on which they are informed by the pension scheme trustees of his notification that he desires these rules to apply to him, exercise any discretion which, with a view to increasing the benefits payable to him, they could have exercised at the time when he left their employment if he had then retired and had been entitled to a retirement pension under regulation 5 of the benefits regulations or (if that regulation was not applicable to him) to any corresponding benefit provided under the superannuation provisions which were applicable to him in that employment.

(**a**) 1909 c. 48. (**b**) S.I. 1950/498 (1950 I, p. 1458).

(2) A decision in the exercise of any discretion under this rule shall be subject to the limitations and restrictions (if any) and to the right of appeal (if any) to which it would have been subject if the discretion had been exercised on the person's retirement in the circumstances aforesaid.

(3) Where a discretion has been exercised under this rule, the service reckonable immediately before he left his former employment by the person in whose favour the discretion has been exercised shall be deemed to have been correspondingly increased, and the transfer value payable in respect of him shall be calculated accordingly.

(4) Any increase in service, if attributable to a decision under this rule to increase benefit otherwise than by any notional increase or extension of the service reckonable for the purpose of calculating benefit, or by treating any specified period of non-contributing service as contributing service or, under a local Act scheme, by similarly converting service of one category to service of another category, shall be ascertained by converting the service in respect of which the higher rate of benefit is payable into contributing service in the manner in which non-contributing service is converted into contributing service under section 2(4) of the Act of 1953.

(5) Where the amount of any transfer value payable under rule 7 is increased in consequence of the exercise by an authority or body of any power conferred upon them by this rule, that authority or body shall repay the amount of the said increase to the superannuation fund out of which the transfer value is payable.

PART III

TRANSFER FROM APPROVED EMPLOYMENT TO LOCAL GOVERNMENT EMPLOYMENT

Persons to whom Part III applies

9. Subject to the provisions of these rules and subject to the conditions specified in rule 10 being satisfied, this Part of these rules shall apply—

(*a*) to a person who on or after the commencement of these rules enters local government employment within the prescribed period, having left approved employment on or after the prescribed date, and

(*b*) if the pension scheme trustees consent, to a person who before the commencement of these rules entered local government employment within the prescribed period, having left approved employment on or after the prescribed date.

Conditions for application of Part III

10. The conditions referred to in rule 9 are that—

(*a*) the person shall, before or within 3 months after entering local government employment or, if he entered that employment before the commencement of these rules, within 6 months after their commencement—

(i) notify the fund authority in writing that he desires these rules to apply to him;

(ii) furnish the fund authority with particulars in writing of any national service in which he has been engaged since leaving approved employment; and

(iii) pay to the fund authority an amount equal to any sum paid to him by way of return of contributions (other than voluntary contri-

butions and compulsory contributions for family benefits) on or after leaving approved employment, together with any further sum by way of interest required under rule 21, and

(*b*) the fund authority shall receive from the pension scheme trustees a transfer value, calculated in accordance with schedule 1, paragraphs 5 and 6 of schedule 2, paragraph 5 of schedule 3 or paragraph 6 of schedule 4, as the case may be, in respect of the service which the person was entitled to reckon for purposes of the approved pension scheme immediately before leaving his approved employment.

Reckoning of service

11.—(1) Subject to the provisions of these rules, a person to whom this Part of these rules applies shall be entitled to reckon—

(*a*) the pensionable service he was entitled to reckon at full length for the purposes of the approved pension scheme, as contributing service; and

(*b*) any other service he was entitled to reckon for such purposes, as contributing service for a period adjusted by the fraction by which it would have been adjusted under that scheme.

(2) Where a person had been engaged in national service before entering local government employment, the period of service which he becomes entitled to reckon under the preceding paragraph shall, if the transfer value received under rule 10(*b*) is calculated so as to include the liability from which the pension scheme trustees were relieved in respect of the period of national service, be treated as increased by so much of that period as would have been reckonable as pensionable service had the person returned to the same approved employment on the termination of his national service.

(3) Any service which would have been reckonable under the approved pension scheme by a person to whom this Part of these rules applies for the purpose of determining whether he was entitled to receive a benefit thereunder shall be reckonable to the same extent for the purpose of determining whether he is entitled to receive a benefit as a contributory employee.

(4) Where any part of the service of a person to whom this Part of these rules applies is attributable to service, before he entered approved employment, which was non-contributing service for the purpose of these rules or of regulations made under section 66 of the National Health Service (Scotland) Act 1947**(a)**, such service shall be reckonable in the manner and to the extent to which it would be reckonable if instead of becoming a member of an approved pension scheme on entering approved employment he had become a contributory employee.

(5) A person to whom this Part of these rules applies shall not be entitled under section 12(2) of the Act of 1937 to reckon as non-contributing service any service as referred to therein before the date he entered approved employment if—

(*a*) a transfer value in respect of that service has been paid under rule 7, or

(*b*) a transfer value in respect of that service has been paid under the corresponding provision of any other interchange rules, or

(*c*) a transfer of assets in respect of his local government pension rights has been made out of a local authority's superannuation fund under any enactment.

(a) 1947 c. 27.

(6) Where at any time after a transfer value has been received under rule 10(*b*) or any corresponding rule revoked by rule 22, any further period of employment has become reckonable as service for purposes of the approved pension scheme, and the pension scheme trustees remit to the fund authority a further transfer value in respect of it, that further period shall be reckonable as it would have been if the further transfer value had been received under rule 10(*b*).

Continuation of voluntary contributions

12.—(1) The provisions of this rule shall have effect for the purpose of enabling a person to whom this Part of these rules applies to continue any voluntary contributions which are described herein and which he was in course of paying immediately before leaving approved employment.

(2) Where a person elects to continue any such contributions, he shall—

(*a*) when notifying the fund authority under rule 10(*a*)(i), notify them also that he wishes to continue the payment of voluntary contributions;

(*b*) within the period specified in rule 10(*a*) or allowed under rule 20, pay to the fund authority a sum equal to the sum (if any) paid to him by way of return of any such contributions; and

(*c*) make the payments required by this rule.

(3) Where the voluntary contributions were paid in respect of added years, the person shall pay the outstanding amounts as they would have been payable in his approved employment; and thereupon in respect of the added years to which the voluntary payments relate he shall enjoy rights and be subject to liabilities as if those years were added years in respect of which payments were being made under regulation 12 of the benefits regulations.

(4) Where the voluntary contributions were paid by way of—

(i) instalments in discharge of a fixed sum or

(ii) contributions of a fraction or percentage of emoluments,

as a condition of being entitled to reckon any period of service for the purposes of the approved pension scheme, or as a condition of increasing the length at which any period of service would be reckoned for those purposes, the person shall pay in the former case a sum or sums equivalent to the aggregate amount or value of the unpaid instalments, and in the latter case a sum or sums equivalent to the capital value of the outstanding liabilities (as certified by an actuary appointed by the pension scheme trustees), as if paragraphs 2, 4(*a*) and 4(*b*) of schedule 2 to the benefits regulations applied to the payment of any such sum or sums; and thereupon his service shall for purposes of rule 11 be affected as nearly as may be in the same manner as it would have been affected in his approved employment if he had completed those payments before leaving that employment.

(5) Notwithstanding the provisions of this rule, the person shall not be required to make payments between the date on which he retires from local government employment and the date on which he would ordinarily have expected to retire from his approved employment if he had continued therein.

Computation of contributions

13.—(1) Where any enactment relating to local government superannuation refers, in connection with assessing a return of contributions or a benefit, to the amount of the contributions paid by a person, the amount of the contributions paid by a person to whom this Part of these rules applies shall be deemed

to be increased, in accordance with the provisions of this rule, to take account of earlier periods of service which became reckonable under rule 11.

(2) Subject to the provisions of this rule, where the person was required to pay contributions under the approved pension scheme, the amount of the increase shall be the amount which would have been payable to him if, on leaving his approved employment, he had been entitled to a return of contributions without interest.

(3) Where an amount described in paragraph (1) of this rule is the amount of a person's contributions with interest thereon, interest shall also be payable on the amount by which those contributions are increased under paragraph (2), calculated—

(*a*) as respects the period ending immediately before he entered local government employment, at the rate at which it would have been calculated under his approved pension scheme if on leaving his approved employment he had been entitled to a return of contributions with interest; and

(*b*) as respects the period beginning on his entry into local government employment, in the manner described in section 10(1) of the Act of 1937.

(4) Subject to the provisions of this rule, where the person was not required to pay contributions under the approved pension scheme, he shall be deemed to have made to the appropriate superannuation fund, on becoming a contributor thereto, contributions in respect of the period of his approved employment of an aggregate amount equal to three-eightieths of his annual salary (as defined in paragraph (6) of this rule) immediately before he left approved employment, multiplied by the number of completed years of service reckonable under the approved pension scheme at that date and the increase required by this rule shall be calculated accordingly:

Provided that—

(*a*) no such increase shall be effected in the case of a person who is entitled, on leaving local government employment, to a return of contributions under section 10(2) or (4) of the Act of 1937;

(*b*) in so far as such service includes earlier service before entering approved employment in which the person was required to pay contributions to a superannuation scheme under any enactment, it shall be excluded from any calculation under this paragraph, and the amount of the increase in respect of that earlier service shall be the amount which would have been payable to him if on its termination he had been entitled to a return of contributions without interest.

(5) For the purposes of this rule no account shall be taken of—

(*a*) payments made voluntarily for securing family benefits;

(*b*) any sum in respect of contributions which were returned to and retained by the person who paid them;

(*c*) any voluntary contributions described in rule 12 which have not been continued under that rule; or

(*d*) any sum paid by way of interest under rule 10(*a*)(iii).

(6) For the purposes of this rule "annual salary" means the average annual amount of the pensionable salary and emoluments of the person's office during the three years ending with the last day of his period of service in approved employment or, when that period is less than three years, during the actual period of that service; and for the purposes of this paragraph any earlier period

of service in employment subject to a non-contributory superannuation scheme under any enactment which had become reckonable for the purposes of the approved pension scheme shall be aggregated with the period of service in approved employment.

Modification of benefits and obligations in relation to National Insurance

14.—(1) In this rule—

"insured person" means an insured person within the meaning of the National Insurance Act 1965**(a)** or, if the person left approved employment before 5th July 1948, an insured person under the National Health Insurance Acts 1936 to 1938**(b)** or the Widows', Orphans' and Old Age Contributory Pensions Act 1936**(c)**;

"pension scheme modification provisions" means any provisions analogous to the modification regulations and contained in or relating to an approved pension scheme, whereby the benefits provided under that scheme are modified in pursuance of any enactment re-enacted in the National Insurance Act 1965, whether directly, or indirectly, by adjustment of remuneration by reference to which benefits are calculated, or otherwise;

"unreduced" in relation to a transfer value, means without reduction pursuant to paragraph 8 of schedule 1 by reason of the provisions for flat-rate retirement pension in the National Insurance Act 1965.

(2) Where the following conditions are satisfied in relation to a person to whom this Part of these rules applies, namely—

(*a*) that he was an insured person in his approved employment, and

(*b*) that a transfer value is received which is unreduced in respect of the whole of the period of employment which he becomes entitled to reckon under these rules,

the modification regulations shall apply to him as a person who retains unmodified status.

(3) Where the conditions specified in paragraph (2) above are not satisfied in relation to such a person, the modification regulations shall apply to him as if any period of employment which he becomes entitled to reckon under these rules were service rendered after 5th July 1948:

Provided that—

(*a*) if part of the transfer value is received unreduced, the period of employment to which that part relates shall be treated as service before 1st September 1947; and

(*b*) if on or before 5th July 1948 the pension scheme modification provisions (or any corresponding provisions contained in any scheme to which he was formerly subject in employment which was reckonable as service for the purposes of the approved pension scheme) modified benefit by reference to a table and to age at a given date, schedule 1 to the modification regulations shall apply to him as a person entitled to the optant's rate, except that references to the material date shall be construed as references to the date which was relevant for purposes of the pension scheme modification provisions.

(4) Nothing in this rule shall affect the application of regulation 32 of the modification regulations (which provides for reduction of local government pensions in respect of certain former employments).

(a) 1965 c. 51. **(b)** 1936 c. 32; 1938 c. 14. **(c)** 1936 c. 33.

Application of section 11 of the Act of 1953

15. The provisions of section 11 of the Act of 1953 (which enables persons who would otherwise be debarred from becoming contributory employees on grounds of age to reckon, in relation to local government employment, previous service reckonable under a pension scheme) shall apply in relation to a person who entered the employment of a local authority from approved employment before the commencement of these rules; and the references in subsection (3) of that section to the passing of the Act shall be construed as including references to the commencement of these rules.

Preservation of rights as designated employee

16.—(1) Subject to the provisions of this rule, where a person to whom this Part of these rules applies—

(*a*) entered approved employment in such circumstances that, if that employment and any previous employment held by him as a pensionable employee of the body had been local government employment, he would have had the rights of a designated employee who, without a disqualifying break of service, is a contributory employee, and

(*b*) was afforded, and throughout his approved employment continued to enjoy, rights corresponding to those to which he would have been entitled if the Act of 1937 had been applicable to him in that employment,

then for the purposes of sections 6 and 26 of the Act of 1937 (which inter alia make provision for designated employees) he shall be deemed not to have had a disqualifying break of service between the date on which he first left local government employment and the date on which he again enters local government employment.

(2) This rule shall apply only to a person who under or in consequence of the Electricity Act 1947**(a)** or the Gas Act 1948**(b)** left local government employment and entered employment in which he became a member of a Protected Persons Superannuation Scheme of the British Electricity Authority, an Area Electricity Board or an Area Gas Board, and has remained such a member until immediately before his re-entry into local government employment.

Period of approved employment: effect on later period of local government employment and on transfer values

17. Where a person to whom this Part of these rules applies—

(*a*) had entered, and then left, local government employment before the commencement of these rules, and then

(*b*) had entered, or enters, further employment in such circumstances that a transfer value is paid under section 24 of the Act of 1937 or by virtue of interchange rules,

then, if the fund authority to whom the person first paid contributions after leaving approved employment receive a transfer value under rule 10(*b*), they shall—

(i) treat the service which becomes reckonable under rule 11 as though it had been reckonable at the time when he ceased to participate in their fund and

(ii) re-calculate the transfer value which they paid in respect of him.

(a) 1947 c. 54. **(b)** 1948 c. 67.

Right of appeal

18. The provisions of section 30 of the Act of 1937 (which provides for the decision of questions and appeals to the Secretary of State) shall have effect in relation to a person who enters local government employment in circumstances in which these rules apply as if the reference in that section to regulations made under that Act included a reference to these rules:

Provided that this rule shall not apply in relation to a person who is a local Act contributor.

PART IV

MISCELLANEOUS

Persons participating in pension schemes

19.—(1) Subject to the provisions of this rule, these rules shall apply to any person who on or after the prescribed date—

(*a*) having been in employment by virtue of which he was entitled to participate in an approved pension scheme, but not as an employee of an approved body, enters local government employment or

(*b*) having been in local government employment, enters employment by virtue of which he is entitled to participate in an approved pension scheme, but not as an employee of an approved body,

as if that participating employment were approved employment; and unless the context otherwise requires references in these rules to persons in approved employment shall be deemed to include references to persons employed in employment by virtue of which they are entitled to participate in an approved pension scheme, and references to pensionable employees and pensionable employment shall be construed accordingly.

(2) Where in consequence of this rule payment would be required to be made by a local authority or a fund authority, this rule shall apply only with the consent of that authority.

Extension of time

20.—(1) A fund authority and pension scheme trustees may at any time, on the application of a person who desires these rules to apply to him, agree to extend any of the following periods, namely—

(*a*) the periods of 6 and of 12 months refered to in rule 4(1) and

(*b*) the periods of 3 and of 6 months referred to in rules 6 and 10 within which the person must notify in writing that he desires these rules to apply to him.

(2) A fund authority or pension scheme trustees may, in respect of a person required to furnish particulars in writing of national service or pay any sum described in rule 6(*c*) or 10(*a*) (iii), at any time extend, on the application of that person, the period of 3 or of 6 months referred to in rule 6 or 10, as the case may be, within which he must take such action; and when the person receives notice in writing of their approval of his application, he shall be deemed to have complied with the relevant condition specified in that rule.

(3) Rule 16 shall not apply to a person in respect of whom a period is extended under paragraph (1) of this rule.

Interest on returned contributions

21.—(1) Where a period of 12 months is extended pursuant to rule 20(1)(*a*), the fund authority in respect of a person who has left local government employment, or the pension scheme trustees in respect of a person who has left approved employment, may require that person to pay compound interest on any sum paid to him by way of return of contributions (other than voluntary contributions and compulsory contributions for family benefits) on or after leaving that employment, at a rate of 3% per annum with half-yearly rests for a period beginning either with the date 12 months after the date on which he left that employment or, where this is later, the date on which he received such sum, and ending with the date on which he notified in writing that he desired these rules to apply to him.

(2) The interest payable under this rule shall not exceed a sum equal to one-half of the difference between the transfer value payable under these rules and the transfer value which would be payable if calculated by reference to the person's age on leaving such employment.

Revocations

22. The Superannuation (Local Government and Public Boards) (Scotland) Interchange Rules 1949**(a)** and the Superannuation (Local Government and Public Boards) Interchange (Scotland) Amendment Rules 1955**(b)** are hereby revoked:

Provided that the rules hereby revoked shall continue to apply in relation to any person to whom those rules became applicable before the commencement of these rules, following the taking of such action (including the service of notifications and the making of payments) as was required for such application.

Gordon Campbell,
One of Her Majesty's Principal
Secretaries of State.

St. Andrew's House,
Edinburgh.
3rd December 1970.

(a) S.I. 1949/2252 (1949 I, p. 3082).
(b) S.I. 1955/1660 (1955 II, p. 1792).

SCHEDULE 1

Rule 2(1)

'EQUAL' PENSION SCHEMES

TABLE

Approved body (1)	*Approved pension scheme* (2)	*Prescribed date for rule 5* (3)	*Prescribed date for rule 9* (4)
Agricultural Research Institutes and Colleges	Industrial Superannuation Scheme of the Department of Agriculture and Fisheries for Scotland	2 April 1960	1 April 1961
Area Electricity Boards	British Electricity Authority Superannuation (Protected Persons) Scheme	—	4 February 1948
	Electricity Boards' Superannuation (Protected Persons) Schemes	—	4 February 1948
	Electricity Supply (Manual Workers) Superannuation Scheme	4 February 1948	4 February 1948
	Electricity Supply (Staff) Superannuation Scheme	4 February 1948	4 February 1948
British Airports Authority	The British Airports Authority Superannuation Scheme	1 April 1965	1 April 1966
British Broadcasting Corporation	The B.B.C. New Pension Scheme	4 February 1948	4 February 1948
British Council	British Council Superannuation Scheme	4 February 1948	1 September 1957
British European Airways Corporation, or any subsidiary company participating in their approved pension scheme	The Airways Corporations Joint Pension Scheme for General Staff members	4 February 1948	1 April 1957

British Overseas Airways Corporation, or any subsidiary company participating in their approved pension scheme	The Airways Corporations Joint Pension Scheme for General Staff members	4 February 1948	1 April 1957
British Tourist Authority, or any body participating in their approved pension scheme	The British Tourist Boards' Staff Pension Scheme	14 July 1956	14 July 1957
Central Electricity Generating Board	British Electricity Authority Superannuation (Protected Persons) Scheme	—	4 February 1948
	Electricity Boards' Superannuation (Protected Persons) Schemes	—	4 February 1948
	Electricity Supply (Manual Workers) Superannuation Scheme	4 February 1948	4 February 1948
	Electricity Supply (Staff) Superannuation Scheme	4 February 1948	4 February 1948
Clyde Port Authority	Clyde Port Authority Superannuation Scheme	2 January 1965	1 January 1966
Commonwealth War Graves Commission	The Commonwealth War Graves Commission (Superannuation Scheme (1952))	4 February 1948	1 July 1952
Crown Estate Commissioners	Crown Estate Commissioners Superannuation Scheme	4 February 1948	4 February 1948
Electricity Council	British Electricity Authority Superannuation (Protected Persons) Scheme	—	4 February 1948
	Electricity Boards' Superannuation (Protected Persons) Schemes	—	4 February 1948
	Electricity Supply (Manual Workers) Superannuation Scheme	4 February 1948	4 February 1948
	Electricity Supply (Staff) Superannuation Scheme	4 February 1948	4 February 1948

SCHEDULE 1

Rule 2(1)

'EQUAL' PENSION SCHEMES

TABLE

Approved body (1)	*Approved pension scheme* (2)	*Prescribed date for rule 5* (3)	*Prescribed date for rule 9* (4)
Forestry Commission	The Forestry Commission Superannuation Scheme	4 February 1948	4 February 1948
Gas Council and any Area Gas Board	The Gas Boards' Protected Persons Superannuation Schemes	—	4 February 1948
	The Gas Staff Pension Schemes	4 February 1948	4 February 1948
Highlands and Islands Development Board	Highlands and Islands Development Board Superannuation and Cash Benefit Schemes	1 November 1964	1 November 1965
Independent Television Authority	The Independent Television Authority Staff Superannuation Fund and Staff Life Assurance Scheme	1 January 1967	1 January 1967
Industrial Training Boards	The Joint Pension and Retirement Benefits Funds for the Industrial Training Boards	2 November 1965	1 November 1966
Meat and Livestock Commission	Meat and Livestock Commission Pension Plan	1 October 1967	1 October 1968
Metropolitan Water Board	Metropolitan Water Board Superannuation and Provident Fund Scheme	1 January 1967	1 January 1967
National Building Agency	National Building Agency Staff Pension Fund and Retirement Benefits Scheme	17 March 1963	16 March 1964
National Coal Board	National Coal Board Staff Superannuation Scheme	4 February 1948	4 February 1948

Natural Environment Research Council	Natural Environment Research Council Superannuation Arrangements	1 June 1965	1 June 1965
North of Scotland Hydro-Electric Board	Hydroboard Superannuation Fund	4 February 1948	4 February 1948
Post Office	The Post Office Staff Superannuation Scheme	1 October 1968	1 October 1969
Science Research Council	Science Research Council Superannuation Scheme	2 April 1964	1 April 1965
	Principal Non-Industrial Superannuation Scheme of the United Kingdom Atomic Energy Authority	2 April 1964	1 April 1965
	Protected Persons Superannuation Scheme of the United Kingdom Atomic Energy Authority	—	1 April 1965
	United Kingdom Atomic Energy Authority's Industrial Superannuation Scheme	2 April 1964	1 April 1965
Scottish Land Court	Scottish Land Court Superannuation Scheme for lay members	1 May 1954	1 May 1954
Social Science Research Council	Social Science Research Council Superannuation Scheme	2 December 1964	1 December 1965
South of Scotland Electricity Board	The South of Scotland Electricity Boards' Superannuation Scheme	1 December 1953	1 December 1954
States of Guernsey	The Pension Scheme for the Established Staff and Employees of the States of Guernsey 1948 and the Rules and Regulations governing the Guernsey Civil Service Contingency Fund to provide Pensions to Widows or Orphans 1926 or the Guernsey Civil Service Contingency Fund No 2 Rules (1967)	1 June 1948	1 June 1948
United Kingdom Atomic Energy Authority	The Principal Non-Industrial Superannuation Scheme of the United Kingdom Atomic Energy Authority	1 August 1953	1 August 1954

SCHEDULE 1

Rule 2(1)

'EQUAL' PENSION SCHEMES

TABLE

Approved body (1)	*Approved pension scheme* (2)	*Prescribed date for rule 5* (3)	*Prescribed date for rule 9* (4)
United Kingdom Atomic Energy Authority (cont.)	Protected Persons Superannuation Scheme of the United Kingdom Atomic Energy Authority	—	1 August 1954
	United Kingdom Atomic Energy Authority's Industrial Superannuation Scheme	1 August 1953	1 August 1954

(Schedule 1)

TRANSFER VALUES RECEIVABLE FROM PENSION SCHEME TRUSTEES

Method of calculation

1. A transfer value receivable under these rules in respect of a person who leaves approved employment in which he was a member of an approved pension scheme mentioned in the table in this schedule shall be an amount equal to the transfer value which would have been payable under the transfer value regulations if—

(*a*) the person, at the date when he left the approved employment, had ceased to be a contributory employee under one local authority and had become such an employee under another local authority in the circumstances described in section 24 of the Act of 1937 and

(*b*) the transfer value regulations had, at that date, been subject to the modifications set out in this schedule and to such incidental and consequential modifications as might have been necessary.

Contributing service

2. References to contributing service shall be construed as references to service which—

(*a*) would have been reckonable for the purpose of calculating a benefit under the approved pension scheme and

(*b*) is not non-contributing service:

Provided that where such service would not have been reckonable at full length, it shall be reckonable as service for a period adjusted by the fraction by which it would have been adjusted under that scheme.

Non-contributing service

3. References to non-contributing service shall be construed as references to service which—

(*a*) would have been reckonable for the purpose of calculating a benefit under the approved pension scheme and

(*b*) is attributable to service, before entering approved employment, which was non-contributing service for the purpose of the Act of 1937 or of regulations made under section 66 of the National Health Service (Scotland) Act 1947.

Voluntary contributions

4. Where the person was formerly in local government employment and was making voluntary contributions which he had continued but not completed while in approved employment, or where the person was making similar payments originating in the approved employment or any other employment, and in either case has elected to continue payments under rule 12, then—

(*a*) the period in respect of which the payments were being made shall be treated as if the payments had been completed before he left approved employment; and

(*b*) the transfer value shall be reduced by the amount of the payments outstanding at the date of leaving approved employment.

Added years

5. References to added years shall be construed as references to added years as defined in rule 2(1).

Age

6.—(1) Where the person left approved employment before 1st January 1970, references to his age shall be construed as references to his age at 1st January 1971 unless—

(*a*) he was a person to whom the rules revoked by rule 22 could have applied and he entered local government employment on or after 1st October 1970 and before 1st January 1971, or

(*b*) he enters local government employment on or after 1st January 1971.

(2) Where the person entered local government employment on or after 1st January 1971 and more than 12 months after leaving approved employment, references to his age shall be construed as references to his age on entering local government employment.

(3) The transfer value payable in respect of a further period of employment described in rule 11(6) shall be calculated by reference to the person's age at the date on which the pension scheme trustees notify the fund authority that such a transfer value has become payable.

Remuneration

7. References to a person's remuneration shall be construed as references to his annual remuneration for the purpose of the approved pension scheme immediately before leaving approved employment.

National Insurance

8.—(1) Where a person's benefits under the approved pension scheme would have been reduced in respect of any period of approved employment by reason of the provisions for flat-rate retirement pension in the National Insurance Act 1965, the amount of the transfer value shall be reduced by the sum shown in the appropriate column of the table in schedule 5 to the modification regulations in relation to an age which corresponds—

(*a*) in the case of a person referred to in paragraph 6 of this schedule, with the age specified therein and

(*b*) in any other case, with his age at the date of leaving his approved employment,

in respect of each one pound of the amount by which any benefit by way of annual amounts to which he may become entitled under the approved pension scheme may be reduced thereunder in respect of any period of which account is taken in the calculation of the transfer value (excepting any period referred to in sub-paragraph (2) hereof), and by a proportionate sum in respect of any fraction of a pound included in the said amount.

(2) Where either—

(*a*) a person's benefits under the approved pension scheme would have been reduced in respect of any period of approved employment by reason of the provisions for graduated retirement benefit in the National Insurance Act 1965 or

(*b*) on or after leaving approved employment a payment in lieu of contributions has been made or equivalent pension benefits have been assured,

the amount of the transfer value (or such part of it as is attributable to the period of such employment) shall be reduced in the manner provided by regulation 28(3) of the modification regulations so far as it is applicable: and for this purpose references in the said regulation 28(3) to graduated reduction shall be construed as references to a reduction no part of which is made by reason of the provisions for flat-rate retirement pension in the National Insurance Act 1965, and references to paragraph (1) of that regulation shall be construed as references to sub-paragraph (1) of this paragraph.

Interest on returned contributions

9. The transfer value shall be reduced by an amount equal to that paid under rule 21 by the person in respect of interest on the contributions returned to him on or after he left approved employment.

Income tax

10. The transfer value shall be reduced by an amount equal to any income tax which the pension scheme trustees may have become liable to pay in respect of the transfer value.

Certain employees in the gas industry

11.—(1) Paragraph 3 of this schedule shall not apply to a person who transferred to a Gas Staff Pension Scheme having previously been a member of a Protected Persons Scheme of an Area Gas Board with his former local government superannuation rights.

(2) So far as any reduction required by paragraph 8 of this schedule is required solely by reason of the provisions for flat-rate retirement pension in the National Insurance Act 1965, it shall not be made in the case of a person leaving employment in which he was a member of a Gas Staff Pension Scheme if he served continuously in the gas industry during a period which commenced before 6th July 1948 and ended with his leaving that employment.

SCHEDULE 2

Rules 2(1) and 3

'FRACTIONAL' PENSION SCHEMES

TABLE

Approved body (1)	*Approved pension scheme* (2)	*Prescribed date for rule 5* (3)	*Prescribed date for rule 9* (4)	*Adjustment of service* (5)
Gas Council and any Area Gas Board	Gas Manual Workers Pension Schemes	2 June 1957	1 June 1958	Deduct 50%
University of Aberdeen	University of Aberdeen Superannuation Fund and Life Assurance Scheme	1 August 1962	1 August 1963	Deduct 25%
University of St Andrews	University of St Andrews Superannuation Fund and Life Assurance Scheme	1 August 1963	1 August 1964	Deduct 25%

(Schedule 2)

MODIFICATIONS APPLICABLE UNDER SCHEDULE 2

Reckoning of service

1. For paragraph (1) of rule 11 there shall be substituted the following paragraph:—

"(1) Subject to the provisions of these rules, a person to whom this Part of these rules applies shall be entitled to reckon as contributing service the service referred to in rule 10(*b*) adjusted by the percentage shown in column (5) of the table in schedule 2 against the name of the approved body in column (1), and any other service which becomes reckonable under those provisions.".

Continuation of voluntary contributions

2. At the end of rule 12 the following paragraph shall be added:—

"(6) Any period of service which becomes reckonable by virtue of this rule shall be adjusted by the percentage shown in column (5) of the table in schedule 2 against the name of the approved body in column (1).".

National Insurance modification

3. At the end of rule 14 the following paragraph shall be added:—

"(5) For the purposes of this rule, any period of approved employment shall be reckoned at its actual length.".

Rule 16 *not to apply*

4. The provisions of rule 16 shall not apply in relation to a schedule 2 scheme.

Computation of transfer value

5. The transfer value receivable under these rules in respect of a person who leaves approved employment in which he was a member of an approved pension scheme mentioned in the table in this schedule shall be calculated in accordance with the method described in schedule 1; but the service reckonable for the purpose of that scheme shall be adjusted by the percentage shown in column (5) of the table in this schedule against the name of the approved body in column (1).

Gas Manual Workers Pension Schemes

6.—(1) The reference in paragraph 11(1) of schedule 1 to a Gas Staff Pension Scheme shall be read as referring to a Gas Manual Workers Pension Scheme.

(2) So far as any reduction required by paragraph 8 of schedule 1 is required solely by reason of the provisions for flat-rate retirement pension in the National Insurance Act 1965, it shall not be made in respect of any period which is reckonable as approved employment by virtue of membership of a Gas Manual Workers Pension Scheme.

SCHEDULE 3

Rules 2(1) and 3

'UNEQUAL' PENSION SCHEMES

TABLE

(Pension rights on entering local government employment based on remuneration in former employment)

Approved body (1)	*Approved pension scheme* (2)	*Prescribed date for rule 5* (3)	*Prescribed date for rule 9* (4)
Forth Ports Authority	Forth Ports Authority Pension Scheme, excluding the Continuation Scheme as therein defined relating to the Leith Dock Commission Pension Arrangements	1 January 1967	1 January 1968
National Bus Company	The Tilling Group Pension Fund	1 June 1951	1 June 1952

(Schedule 3)

MODIFICATIONS APPLICABLE UNDER SCHEDULE 3

Reference in rule 10 *to a transfer value*

1. At the end of rule 10 there shall be added the following words:—

"The reference in this rule to a transfer value shall be construed as a reference to a transfer value which is not subject to reduction under the modification regulations.".

Reckoning of service

2. For paragraph (1) of rule 11 there shall be substituted the following:—

"(1) Subject to the provisions of this rule, a person to whom this Part of these rules applies shall be entitled to reckon as contributing service such number of completed years and months as having regard to—

(*a*) his age and remuneration at the date when he left approved employment and

(*b*) the class to which he belonged or the description under which he fell as an officer or a servant on entering local government employment,

would have produced a transfer value of the aggregate of—

(i) the amount of the transfer value received under rule 10(*b*), and

(ii) any amount paid under rule 10(*a*)(iii) in respect of returned contributions and interest,

had he left local government employment in the circumstances described in section 24 of the Act of 1937 at that date.

(1A) The reference in the last foregoing paragraph to the person's age shall be construed—

(*a*) where he left approved employment before 1st January 1970 and entered local government employment before 1st January 1971, as a reference to his age at 1st January 1971;

(*b*) where he enters local government employment on or after 1st January 1971 and more than 12 months after leaving approved employment, as a reference to his age on entering local government employment; and

(*c*) where a further transfer value is paid under paragraph (6) hereof, as a reference to his age at the date when the pension scheme trustees notify the fund authority that it has become payable.".

Continuation of voluntary contributions

3. In paragraph (3) and in paragraph (4) of rule 12, for the words from "and thereupon" to the end of the paragraph, there shall be substituted the words "and thereupon having regard to the total amount of voluntary contributions there shall be added to the service which he is entitled to reckon under rule 11 such period as may be certified to be appropriate by an actuary appointed by the fund authority.".

Certain rules not to apply

4. The provisions of rules 11(2) and (4), 14, 16 and 21(2) shall not apply in relation to a schedule 3 scheme.

Computation of transfer value

5. A transfer value receivable under these rules in respect of a person who leaves approved employment in which he was a member of an approved pension scheme mentioned in the table in this schedule shall be an amount equal to his accrued pension rights, less any sum which the pension scheme trustees become liable to pay by way of income tax.

SCHEDULE 4

Rules 2(1) and 3

FURTHER 'UNEQUAL' PENSION SCHEMES

TABLE

(Pension rights on entering local government employment based on remuneration in new employment)

Approved body (1)	*Approved pension scheme* (2)	*Prescribed date for rule 5* (3)	*Prescribed date for rule 9* (4)
British Railways Board	British Railways (Wages Grades) Pension Fund	14 August 1966	14 August 1967
	British Transport Police Force Superannuation Fund and Retirement Benefit Fund	1 October 1967	1 October 1968
Commission for the New Towns	Commission for the New Towns Pension Fund and Pension and Life Assurance Scheme	4 February 1948	1 April 1962
Development Corporations	New Towns' Pension Fund and Pension and Life Assurance Scheme	4 February 1948	4 February 1948
London Transport Executive	London Transport Pension Fund	1 January 1966	1 January 1967

(Schedule 4)

MODIFICATIONS APPLICABLE UNDER SCHEDULE 4

Reference in rule 10 *to a transfer value*

1. At the end of rule 10 there shall be added the following words:—

"The reference in this rule to a transfer value shall be construed as a reference to a transfer value which is not subject to reduction under the modification regulations.".

Reckoning of service

2. For paragraph (1) of rule 11 there shall be substituted the following:—

"(1) Subject to the provisions of this rule, a person to whom this Part of these rules applies shall be entitled to reckon as contributing service such number of completed years and months as having regard to—

(*a*) his age and remuneration at the date when he entered local government employment and

(*b*) the class to which he belonged or the description under which he fell as an officer or a servant on entering local government employment,

would have produced a transfer value of the aggregate of—

(i) the amount of the transfer value received under rule 10(*b*), and

(ii) any amount paid under rule 10(*a*)(iii) in respect of returned contributions and interest,

had he left local government employment in the circumstances described in section 24 of the Act of 1937 at that date.

(1A) The reference in the last foregoing paragraph to the person's age shall be construed—

(*a*) where he entered local government employment before 1st January 1971, as a reference to his age at 1st January 1971;

(*b*) where a further transfer value is paid under paragraph (6) hereof, as a reference to his age at the date when the pension scheme trustees notify the fund authority that it has become payable.

(1B) A person to whom this Part of these rules applies who transferred from approved employment subject to the Commission for the New Towns Pension Fund and Pension and Life Assurance Scheme or the New Towns' Pension Fund and Pension and Life Assurance Scheme and who has no retained rights in either of those Funds or Schemes may, within 3 months after receiving a notification as to reckonable service pursuant to the Local Government Superannuation (Administration) (Scotland) Regulations 1954**(a)** or such longer period as the fund authority may allow, elect to make additional payments for the purpose of reckoning additional years of service, subject to the following conditions:—

(*a*) the number of additional years which can become reckonable under this paragraph shall not, when aggregated with the years which are or will become reckonable under paragraph (1) above or under rule 12, exceed the actual length of service which was reckonable for purposes of the approved pension scheme;

(*b*) he shall, as from the date of election until he attains the age of 60 years or dies or retires (whichever first occurs), pay in respect of each additional year the percentage of remuneration specified in column (2) of schedule 5 at his age at the date of election as in column (1);

(*c*) if the aggregate of contributions and payments required from him under this paragraph, rule 12(3) and (4), section 6 of the Act of 1937 (which provides for the standard percentage contribution from remuneration) and regulation 12 of the benefits regulations (which provides for added years) exceeds 15% of his remuneration, he shall satisfy his liability in respect of the excess as follows:—

(a) S.I. 1954/1243 (1954 II, p. 1583).

(i) the payment to be made in aggregate shall be the percentage in excess of 15%, multiplied by his remuneration at the date of election, and then multiplied by the rate specified in column (3) of schedule 5 against his age at the date of election as in column (1); and

(ii) the method of payment shall be instalments or lump sum, as he and the fund authority may agree;

(*d*) for the purposes of regulations 11 and 20 of the modification regulations, payments made under this paragraph shall be treated as if they were payments by way of additional contributions under regulation 12 of the benefits regulations; but the sums shown in table I of schedule 2 to the first-mentioned regulations shall be treated as if they were doubled.".

Continuation of voluntary contributions

3. In paragraph (3) and in paragraph (4) of rule 12, for the words from "and thereupon" to the end of the paragraph, there shall be substituted the words "and thereupon having regard to the total amount of voluntary contributions there shall be added to the service which he is entitled to reckon under rule 11 such period as may be certified to be appropriate by an actuary appointed by the fund authority.".

Calculation of average remuneration

4. At the end of rule 13 there shall be inserted the following rule:—

"*Calculation of average remuneration for periods of less than 3 years*

13A. Where a person to whom this Part of these rules applies leaves local government employment within 3 years after entering such employment, and in such circumstances that he is entitled to a benefit (other than a return of contributions), his average remuneration for the purposes of calculating any such benefit shall be deemed to be the annual average of his remuneration during such period of employment.".

Certain rules not to apply

5. The provisions of rules 11(2) and (4), 14, 16 and 21(2) shall not apply in relation to a schedule 4 scheme.

Computation of transfer value

6. A transfer value receivable under these rules in respect of a person who leaves approved employment in which he was a member of an approved pension scheme mentioned in the table in this schedule shall be an amount equal to his accrued pension rights, less any sum which the pension scheme trustees become liable to pay by way of income tax.

SCHEDULE 5

Rule 11 (1B)

PURCHASE OF FURTHER RECKONABLE SERVICE

(Schedule 4, paragraph 2)

(1) *Age at date of election*	(2) *Percentage of remuneration required for each additional year*	(3) *Appropriate rate*
Under 25	·30	30·0
25 and under 26	·30	30·0
26 „ „ 27	·30	28·5
27 „ „ 28	·32	27·3
28 „ „ 29	·34	26·3
29 „ „ 30	·36	25·4
30 „ „ 31	·38	24·6
31 „ „ 32	·40	23·7
32 „ „ 33	·42	22·8
33 „ „ 34	·44	21·9
34 „ „ 35	·46	21·1
35 „ „ 36	·48	20·3
36 „ „ 37	·50	19·5
37 „ „ 38	·52	18·7
38 „ „ 39	·56	17·9
39 „ „ 40	·60	17·1
40 „ „ 41	·64	16·3
41 „ „ 42	·68	15·5
42 „ „ 43	·72	14·7
43 „ „ 44	·76	13·9
44 „ „ 45	·82	13·2
45 „ „ 46	·88	12·4
46 „ „ 47	·96	11·7
47 „ „ 48	1·06	10·9
48 „ „ 49	1·16	10·1
49 „ „ 50	1·28	9·3
50 „ „ 51	1·44	8·5
51 „ „ 52	1·62	7·7
52 „ „ 53	1·84	6·8
53 „ „ 54	2·14	6·0
54 „ „ 55	2·56	5·1

EXPLANATORY NOTE

(This Note is not part of the Rules.)

These Rules replace, and extend, the Superannuation (Local Government and Public Boards) Interchange (Scotland) Rules 1949 and 1955, which provided for the interchange of superannuation rights between local government employment and employment by certain public authorities who maintain pension schemes.

The Rules prescribe the action to be taken by a person who wishes to take advantage of the Rules, and in particular provide for—

(i) the payment of appropriate transfer values;

(ii) the repayment of returned contributions;

(iii) the exercise of discretionary powers by local authorities when a person leaves local government employment and enters other specified employment;

(iv) the reckoning of previous pensionable service in other specified employment;

(v) the continuation of voluntary contributions;

(vi) the preservation of rights in respect of earlier local government employment when a person re-enters local government employment.

The principal changes from the previous Rules are that—

(*a*) the bodies and pension schemes to which the rules apply are listed (in schedules 1 to 4);

(*b*) provision is made for transfers involving employment by a body with "fractional" or "unequal" pension schemes—that is to say, schemes which are not actuarially equivalent to the local government scheme: employment subject to such schemes can be reckoned in the local government scheme at adjusted length;

(*c*) a person transferring from certain employment subject to an "unequal" scheme may make payments to enhance his reckonable service;

(*d*) any time limits prescribed by the Rules can be extended by the authority or authorities concerned;

(*e*) a person can in certain circumstances be required to pay interest on returned contributions held by him.

The Rules are given retrospective effect to a limited extent under the express power of, and subject to the safeguards required by, section 2(5) of the Superannuation (Miscellaneous Provisions) Act 1948.

SI 1970/1853
ISBN 0-11-001853-2

