
SCOTTISH STATUTORY INSTRUMENTS

2014 No. 164

**The Local Government Pension
Scheme (Scotland) Regulations 2014**

PART 1

Membership, contributions and benefits

Contributions

Additional pension contributions

16.—(1) Subject to paragraph (15), an active member who is paying contributions under regulation 9 (contributions) may enter into arrangements to pay additional pension contributions (“APCs”) by regular contributions in accordance with paragraph (2), and a member who is paying contributions under regulation 10 (temporary reduction in contributions) may do so if the arrangement is to cover a period of absence of the description in regulation 11(4)(b) or (c) (contributions during absence from work), unless the appropriate administering authority determines in any particular case that it would not be practical to allow APCs to be paid by regular contributions.

(2) Where APCs are to be paid by regular contributions, the arrangements mentioned in paragraph (1)—

- (a) must, when entered into, be for a complete year or number of years with a minimum period of one year;
- (b) must specify the amount of extra contribution to be paid each Scheme year;
- (c) must, where the member has more than one active member pension account, specify which account the APC is to be attached to;
- (d) must specify the amount of additional pension to be credited to the active member’s pension account at the end of the Scheme year; and
- (e) may be funded in whole or in part by the member’s Scheme employer.

(3) Subject to paragraph (15), an active member who is paying contributions under regulation 9 (contributions) may enter into arrangements to pay APCs by lump sum contribution in accordance with paragraph (4), and a member who is paying contributions under regulation 10 (temporary reduction in contributions) may do so if the arrangement is to cover a period of absence of the description in regulation 11(4)(b) or (c) (contributions during absence from work).

(4) Where APCs are to be paid by a lump sum contribution, the arrangements mentioned in paragraph (3)—

- (a) must specify the amount of extra contribution to be paid;
- (b) must, where the member has more than one active member pension account, specify which account the APC is to be attached to;
- (c) must specify the amount of additional pension to be credited to the active member’s pension account at the end of the Scheme year; and

- (d) may be funded in whole or in part by the member's Scheme employer.
- (5) The amount of additional annual pension that is to be credited to the active member's pension accounts pursuant to arrangements under this regulation must not exceed the additional pension limit.
- (6) The additional pension limit is £6,500 from 1st April 2015 and that figure is increased on 1st April 2016, and each subsequent 1st April, by the amount (where it is greater than zero) by which it would be increased if it were a pension beginning on 1st April 2015 to which the Pensions (Increase) Act 1971(1) applied.
- (7) The amount of the contributions to be paid in respect of arrangements under this regulation is to be determined in accordance with actuarial guidance issued by the Scottish Ministers based on—
- (a) the age of the member at the time the arrangements commence; and
 - (b) the gender of the member.
- (8) Actuarial guidance issued by the Scottish Ministers under paragraph (7) may be revised at any time and if so, from the 1st April following any such revision, any contributions payable are to be based on the revised actuarial guidance.
- (9) An application by an active member to make arrangements under this regulation must—
- (a) be made in writing to the member's appropriate administering authority, and a copy sent to the member's Scheme employer if that member is not employed by the administering authority; and
 - (b) where those arrangements are under paragraph (2), state the length of the period, in whole years ending before the member's normal pension age, over which the member wishes to pay additional contributions.
- (10) An administering authority may require an active member to produce a report by a registered medical practitioner of the results of a medical examination, undertaken at the member's own expense, and may refuse an application to make arrangements under paragraphs (1) to (4) if that authority is not satisfied that the member is in reasonably good health.
- (11) Arrangements made under paragraph (1) continue until any of the following occurs—
- (a) the period entered into has expired;
 - (b) they are terminated by the member giving one month's written notice to the administering authority;
 - (c) the member begins to pay reduced contributions under regulation 10 (temporary reduction in contributions) unless the arrangement was to cover a period of absence of the description in regulation 11(4)(b) or (c) (contributions during absence from work);
 - (d) the member ceases to be an active member in the employment to which the APC is attached;
 - (e) the member draws benefits under regulation 29(6) (flexible retirement) in the employment to which the APC is attached;
 - (f) the member leaves the employment to which the APC is attached; or
 - (g) the member dies.
- (12) If arrangements entered into under paragraph (2) terminate for any reason and new arrangements are entered into under that paragraph, the amount of contributions payable is determined under paragraph (7) in accordance with the age of the member at the date the new arrangements are entered into and the actuarial guidance issued by the Scottish Ministers in force at that date.

(1) 1971 c.56.

(13) If additional contributions are paid in accordance with arrangements made under this regulation, and are not refunded under regulation 18 (rights to return of contributions), that member's active member's pension account must be credited with the amount specified in those arrangements as additional pension at the end of the Scheme year in which the contributions are paid, or at the date the arrangements terminate, if earlier.

(14) If a member who is paying APCs is granted Tier 1 or Tier 2 benefits in relation to the pension account to which the arrangements are attached before the end of the period the arrangements made under paragraph (1) were due to cease ("the APC period"), that member is to be treated as having paid the contributions required from the date the member is granted Tier 1 or Tier 2 benefits, up to the end of the APC period and the additional pension bought by those contributions is to be included in the active member's pension account for the year of leaving.

(15) If a member fails to pay all the additional contributions due under arrangements made under paragraph (1), and paragraph (14) does not apply to that member, the member's active member pension account must be credited with additional pension of an amount calculated in accordance with actuarial guidance issued by the Scottish Ministers.

(16) Where an arrangement is one to which regulation 15(5)(employer contributions during absences) applies, application by an active member to make the arrangements under this regulation must be made before the expiry of a period of 30 days beginning with the day on which the person returns to work or such longer period as the Scheme employer allows.

(17) Where an active member to whom regulation 11(4) applies (contributions during absence from work) has an arrangement under this regulation which was entered into prior to the commencement of the period of absence, the APCs under that arrangement—

- (a) must be paid by the member during any period of child-related leave, which for this regulation includes any period of additional maternity leave, additional adoption leave, or additional paternity leave during which the member receives no pensionable pay;
- (b) must be paid by the member during any period of reserve forces service leave where regulation 13(1) (contributions during reserve forces service leave) applies;
- (c) must be paid by the member during any period of absence for illness or injury where regulation 14(1) applies; and
- (d) must be paid by the member during any period of absence of the description in regulation 11(4)(b) or (c) (contributions during absence from work).