
SCOTTISH STATUTORY INSTRUMENTS

2015 No. 94

**The National Health Service Pension
Scheme (Scotland) Regulations 2015**

PART 4

Contributions

CHAPTER 2

Refund: short service

Eligibility for refund

- 39.**—(1) Contributions made by a member (M) may be repaid to M only if—
- (a) the 1993 Act condition applies; or
 - (b) the short service condition applies.
- (2) The “1993 Act condition” is that—
- (a) Chapter 5 of Part 4 of the 1993 Act applies to M; and
 - (b) the repayment is made in accordance with that Chapter.
- (3) The short service condition applies if—
- (a) M has not attained normal pension age;
 - (b) M does not qualify for benefits under regulation 71;
 - (c) M is not a pensioner member;
 - (d) M ceases to be an active member;
 - (e) the 1993 Act condition does not apply to M; and
 - (f) M makes a claim in writing to the scheme manager for the repayment.

Amount of refund

- 40.**—(1) The amount of a repayment to a member (M) pursuant to regulation 39 is—
- (a) if the 1993 Act condition applies, the amount which M is entitled to be paid pursuant to Chapter 5 of Part 4 of that Act, less the appropriate deductions;
 - (b) if the short service condition applies, an amount equal to the sum of the contributions paid by M, less the appropriate deductions.
- (2) The appropriate deductions are—
- (a) so much of the contributions equivalent premium paid in respect of M as is permitted pursuant to section 61 of the 1993 Act; and
 - (b) an amount equal to the income tax payable under section 205 of the 2004 Act (short service lump sum charge) as a result of the repayment.

- (3) M is entitled to interest on the amount of the repayment unless M's pensionable service ceases because M's employment is terminated—
- (a) pursuant to M's contract of employment;
 - (b) at M's request; or
 - (c) by reason of misconduct or inefficiency.
- (4) The rate of interest is 2.5% per year calculated on a compound basis with yearly rests.
- (5) Interest is payable in respect of the period starting on 1st April following the day when M started to pay contributions and ending on the day M leaves pensionable service.
- (6) Paragraphs (4) and (5) do not apply if—
- (a) regulation 39(1)(a) applies; and
 - (b) M is entitled to a greater amount of interest under Chapter 5 of Part 4 of the 1993 Act.
- (7) So far as contributions paid by M were paid under another scheme and were included in a transfer payment to this scheme—
- (a) interest for the period before the transfer period was made is calculated in accordance with the other scheme (subject to any enactment applicable to the transfer); and
 - (b) paragraphs (4) and (5) do not apply as respects that period.

Effect of refund

- 41.**—(1) If a repayment of contributions is made pursuant to regulation 39, the rights of the member (M) under this scheme are extinguished unless—
- (a) M or M's spouse or civil partner is entitled to a guaranteed minimum pension under the scheme; and
 - (b) no contributions equivalent payment has been paid.
- (2) Paragraph (1) does not apply if—
- (a) M again becomes a member of this scheme; and
 - (b) before the end of the period of 6 months starting on the date M again becomes a member, M repays to the scheme manager the contributions together with any interest paid in respect of them.