

EXPLANATORY NOTE

Some people who entered local government employment chose not to enter local government superannuation but to keep their right to superannuation benefits through schemes providing lump sums or annuities, or both, by way of insurance policies. The relevant schemes are the Federated Superannuation Scheme for Nurses and Hospital Officers and any other scheme approved by the Minister for the Civil Service. Benefits under these schemes are payable not by a local authority but by an insurance company, and therefore are not covered by the general provisions in the Pensions (Increase) Act 1971 for increasing the pensions of former local government employees.

These regulations provide for the local authority to pay to certain of those persons, being those who have left local government and satisfy certain conditions of entitlement (prescribed in regulation 4), amounts which increase their benefits to an extent broadly corresponding to increases which they would have received under the Pensions (Increase) Act 1971 had they been in local government superannuation. The conditions of entitlement combine, with necessary modifications, the conditions for increases under the Pensions (Increase) Act 1971 with those for a pension under the general local government scheme but include also a condition broadly similar to the variations made to that scheme in recent years by many local Acts, which have empowered local authorities to pay deferred superannuation benefits to certain persons leaving local government employment before attaining an age which under the general local government scheme would have entitled them to receive a pension (“minimum pensionable age”) and subsequently attaining that age or becoming incapacitated.

The amounts to be paid are to be calculated on a notional pension and, where the person has left before minimum pensionable age, a notional lump sum, corresponding to the pension and lump sum which would have been received if he had been in the local government superannuation scheme and entitled to reckon under that scheme his service during which he was in the insurance policy scheme.

In accordance with the power conferred by section 13(5) of the Act of 1971, the regulations provide for the increases to take effect from 1st September 1971.