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**STATUTORY INSTRUMENTS**

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**1982 No. 1009****LOCAL GOVERNMENT, ENGLAND AND WALES****The Local Government (Compensation for Premature Retirement) Regulations 1982**

*Made* - - - - - 21st July 1982  
*Laid before Parliament* 4th August 1982  
*Coming into Operation* 6th September 1982

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The Secretary of State for the Environment, in exercise of the powers conferred on him by section 24 of the Superannuation Act 1972(a), and of all other powers enabling him in that behalf, hereby makes the following regulations:—

## PART I

## GENERAL

*Citation and commencement*

1. These regulations may be cited as the Local Government (Compensation for Premature Retirement) Regulations 1982 and shall come into operation on 6th September 1982.

*Interpretation*

2.— (1) Unless the context otherwise requires, in these regulations any reference to a regulation or to a schedule shall be construed as a reference to a regulation contained in, or to a schedule to, these regulations, as the case may be, any reference to a paragraph shall be construed as a reference to a paragraph in the same regulation or schedule, as the case may be, any reference to a sub-paragraph shall be construed as a reference to a sub-paragraph

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(a) 1972 c. 11.

contained in the same paragraph, and any reference in a schedule to a Part shall be construed as a reference to a Part of that schedule.

(2) In these regulations any reference to the annual rate of compensation payable to a beneficiary immediately before the date of his death shall, if he died before he had been credited with additional service, include a reference to the annual rate of compensation which would have been payable if he had been so credited before his death.

(3) For the purposes of these regulations, rent officers and deputy rent officers appointed in pursuance of a scheme under section 63 of the Rent Act 1977(a) shall be deemed to be officers in the employment of the local authority for whose area the scheme is made, and the expression “employment” shall be construed accordingly.

#### *Definitions*

3. Unless the context otherwise requires, in these regulations—

“the Act of 1971” means the Pensions (Increase) Act 1971(b);

“the Act of 1972” means the Superannuation Act 1972;

“additional service”, in relation to a person, means service with which he is credited under regulation 5, in respect of the cessation of his former employment;

“beneficiary” means an eligible person who has been credited (whether before or after his death) with additional service;

“eligible child” means—

(a) a legitimate child of a marriage of a beneficiary which took place on or before the material date, born before the expiration of one year after that date; or

(b) an adopted child of a beneficiary, adopted on or before the material date; or

(c) a step-child or illegitimate child of a beneficiary, an adopted child of the wife of a marriage of a beneficiary which took place on or before the material date or a child accepted by a beneficiary as a member of the family, being a child wholly or mainly dependent on him both on the material date and at the time of his death;

“eligible person” means a person who is described in regulation 4(1);

“employing authority”, in relation to a person whose employment ceased as described in regulation 4(1)(a), means the body specified in Part 1 of Schedule 1 or, subject to regulation 21(a), in column 1 of Part 2 of that Schedule, by whom that person is employed on the material date;

“employment” includes office and service;

“enactment” includes any instrument made under an Act;

“excepted payment”, in relation to an employment of a beneficiary, means a payment received by him which is—

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(a) 1977 c. 42.

(b) 1971 c. 56.

- (i) a redundancy payment in respect of the cessation of that employment, including any amount by which that payment is reduced in accordance with the Redundancy Payments Pensions Regulations 1965(a); or
- (ii) a payment in respect of that employment made under regulations, or under provisions having effect as provisions of regulations, made under section 7 of the Act of 1972; or
- (iii) a payment in lieu of annual or other leave to which he was entitled in that employment; or
- (iv) a payment in lieu of notice of termination of that employment, which does not exceed the remuneration he would have received if he had remained in that employment for a period of three months after the material date, or
- (v) in the case of a payment in lieu of notice of termination of that employment which exceeds that remuneration, so much of that payment as is equal to that remuneration;

“former employment”, in relation to a person, means the employment which ceased as described in regulation 4(1)(a); and paragraphs (5) to (8) of regulation E15 of the Superannuation Regulations shall apply for the purposes of these regulations, as if reference in those paragraphs to “former employment” were a reference to former employment within the meaning of these regulations;

“instrument” includes an Order in Council, regulation, order, rule, scheme, direction or agreement;

“material date”, in relation to a person, means the date upon which he ceased to hold his former employment;

“new employment”, in relation to a beneficiary, means employment with a scheduled body which he enters after the material date; and paragraphs (7) to (9) of regulation E15 of the Superannuation Regulations shall apply for the purposes of these regulations, as if reference in those paragraphs to “new employment” were a reference to new employment within the meaning of these regulations;

“occupational pension”, in relation to a person, means a pension (other than a lump sum) to which he has become entitled, whether payable immediately or in the future, in accordance with an enactment (whenever enacted), contract, scheme or other arrangement associated with any employment, other than a pension under the Superannuation Regulations;

“pensionable employee”, “pensionable remuneration”, “qualifying service”, “reckonable service” and “remuneration” have the same respective meanings as in the Superannuation Regulations;

“periodic payment”, in relation to a beneficiary, means an instalment of an allowance (other than annual compensation under these regulations) for life or other period granted to —

(a) him, or

(b) for the purposes of regulations 9(3) and 11(4)(b), his widow or child, by his employing authority, in consequence of or as compensation for the loss of his former employment, under an enactment (whenever enacted) or under a

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(a) S.I. 1965/1932.

contract or arrangement with that authority, but does not include an excepted payment in relation to that employment;

“redundancy payment”, in relation to an employment of a beneficiary, means—

- (a) a redundancy payment within the meaning of section 81 of the Employment Protection (Consolidation) Act 1978(a); and
- (b) any amount which, in pursuance of a contract or arrangement, is payable in addition to such a payment, and is calculated by reference to —
  - (i) that payment, and
  - (ii) a period of continuous employment or employments, subject to a maximum period of 20 years, and
  - (iii) his remuneration in that employment,
 if no account were taken of any abatement thereof in accordance with a contract or arrangement;

“scheduled body” means—

- (a) a scheduled body within the meaning of the Superannuation Regulations, or
- (b) a scheduled body within the meaning of the Local Government Superannuation (Scotland) Regulations 1974(b), or
- (c) the Scottish Special Housing Association;

but references to employment with such a body shall not include employment by virtue of which a beneficiary is entitled to participate in benefits provided under regulations made under section 9 of the Act of 1972; and

“the Superannuation Regulations” means the Local Government Superannuation Regulations 1974(c).

## PART II

### ENTITLEMENT TO BENEFIT

#### *Persons to whom the regulations apply*

4.— (1) Subject to the provisions of regulation 5, these regulations shall apply to a pensionable employee who —

- (a) on or after 29th March 1976, ceases to hold his employment with an employing authority by reason of redundancy or in the interests of the efficient exercise of that authority’s functions, and in relation to whom that authority have certified in accordance with regulation E2(3)(a) of the Superannuation Regulations; and
- (b) is not, in respect of the loss of that employment, entitled to have his case considered for the payment of compensation within the meaning of Part 1 of Schedule 2; and

(a) 1978 c. 44.

(b) S.I. 1974/812; relevant amending instruments are S.I. 1975/638, 1978/425, 1378, 1794, 1926, 1980/198, 342, 1885, 1981/1892, 1982/385.

(c) S.I. 1974/520; relevant amending instruments are S.I. 1977/1121, 1845, 1978/266, 822, 1738, 1739, 1979/2, 592, 1534, 1980/216, 233, 234, 1981/1250, 1509, 1982/908.

- (c) on the material date—
- (i) has attained the age of 50 years, but has not attained the age of 65 years, and
  - (ii) the reckonable service and qualifying service he is entitled to reckon amounts in aggregate to not less than 5 years, and
  - (iii) his reckonable service, and any period in respect of which he has become entitled to an occupational pension, does not in aggregate exceed 40 years, and
  - (iv) the period beginning with the day following the material date and ending on the day on which he attains the age of 65 years, exceeds any period of residual entitlement which he has to his credit (as described in Part 2 of Schedule 2), and
- (d) in that employment, immediately before the material date, was not engaged wholly or mainly in connection with the discharge of the employing authority's functions as a harbour authority.

(2) In this regulation, "harbour authority" has the meaning given by section 57(1) of the Harbours Act 1964(a).

*Additional service*

5. Subject as hereafter in these regulations provided, an employing authority may, within 6 months after the date upon which these regulations come into operation or the material date, whichever is the later, credit an eligible person with a period of service not exceeding the shortest of the following periods—

- (a) a period which, when added to his reckonable service and any period in respect of which he has become entitled to an occupational pension, does not in aggregate exceed 40 years; or
- (b) a period equal to the period beginning with the day following the material date and ending with the day on which he attains the age of 65 years, less any period of residual entitlement which he has to his credit (as described in part 2 of Schedule 2); or
- (c) a period equivalent to the aggregate of his reckonable service and qualifying service; or
- (d) a period of 10 years.

### PART III

#### COMPENSATION

*Lump sum compensation and annual compensation*

6.— (1) Subject as hereafter in these regulations provided, a beneficiary shall be entitled to receive compensation in accordance with paragraphs (2) and (3).

(2) Where a beneficiary is entitled to a retiring allowance under the Superannuation Regulations—

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(a) 1964 c. 40.

- (a) he shall be entitled to receive lump sum compensation equal to the amount by which that allowance would be increased in accordance with those regulations, if the service after 31st March 1972 which he is entitled to reckon as reckonable service were increased by the period of his additional service; but
- (b) the amount of such compensation payable to a beneficiary, whose material date falls on or after the date upon which these regulations come into operation, shall be reduced by the amount of any lump sum to which he is previously entitled.
- (3) From the day following the material date —
- (a) a beneficiary shall be entitled to receive annual compensation at a rate equal to the rate by which his annual retirement pension under the Superannuation Regulations would be increased in accordance with those regulations, if his reckonable service were increased by the period of his additional service; but
- (b) the amount of such compensation payable to a beneficiary, whose material date falls on or after the date upon which these regulations come into operation, in respect of any period which begins after the material date, shall be reduced by the amount of any allowance to which he is previously entitled in respect of that period.
- (4) In this regulation, in relation to a beneficiary, reference to an allowance or pension under the Superannuation Regulations means an allowance or pension to which, on ceasing to hold his former employment, he is entitled by virtue of paragraphs (1)(b)(iii) and (3)(a) of regulation E2 of those regulations; and the amount of any lump sum or allowance to which he is previously entitled shall be calculated in accordance with Part 3 of Schedule 2.

*Allocation of part of annual compensation*

7.— (1) A beneficiary who has been allowed, in accordance with regulation E4 of the Superannuation Regulations, to surrender a part of the retirement pension to which on ceasing to hold his former employment he would otherwise be entitled, may give notice to his employing authority, within one month after—

- (a) he is given written notification pursuant to regulation 17 following credit as described in (a) of that regulation, or he attains minimum pensionable age, whichever is the later date, if he has not entered a new employment; or
- (b) if he has entered a new employment—
- (i) cessation of that employment, or
- (ii) he is given written notification pursuant to regulation 17 following adjustment as described in (c) of that regulation by reason of that cessation, or
- (iii) he attains minimum pensionable age,
- whichever is the latest date,
- that he desires this regulation to apply to him.

(2) A beneficiary who gives notice as described in paragraph (1) shall be entitled to surrender such part of his annual compensation as is described in paragraph (3), on the like terms and conditions and for the like consideration as if his annual compensation were a retirement pension to which he had become entitled by virtue of paragraphs (1)(b)(iii) and (3)(a) of regulation E2 of the Superannuation Regulations.

(3) The part of his annual compensation which a beneficiary is entitled to surrender in accordance with paragraph (2), is any part which bears a proportion to his annual compensation that is equal to or less than the proportion which the part of the retirement pension which he has been allowed to surrender bears to the retirement pension to which he would otherwise be entitled.

(4) In this regulation—

- (a) “annual compensation” means the compensation payable to a beneficiary under regulation 6(3), adjusted as may be necessary in accordance with—
- (i) regulation 13, and
  - (ii) if he is a person to whom an allowance for life (as described in the definition of “periodic payment” in regulation 3) has been granted, regulation 14(7), and
  - (iii) regulation 16, but disregarding any reduction under paragraph 5 of Schedule 4; and
- (b) “minimum pensionable age”, in relation to a beneficiary, means the earliest age at which, under the Superannuation Regulations, he could have become entitled to receive payment of an unreduced pension solely by virtue of his having attained a specified age and completed a specified period of service.

*Entitlement to widow’s short-term compensation and long-term compensation*

8.— (1) Subject to paragraph (2) and as hereafter in these regulations provided, if a male beneficiary dies and he is survived by a widow who is, or (but for the transfer of benefits to another pension scheme) would be, entitled to receive a pension under regulation E5(1) of the Superannuation Regulations in relation to his former employment, his widow shall be entitled to receive widow’s short-term compensation in respect of the period of 3 months after the day of his death and widow’s long-term compensation:

Provided that—

- (a) a widow shall not be entitled to receive widow’s short-term compensation or widow’s long-term compensation—
- (i) if the marriage took place after the material date; or
  - (ii) if at the material date or at the date of his death the beneficiary and his wife were judicially separated; and
- (b) a widow shall not be entitled to receive payment in respect of widow’s long-term compensation until the day following the expiration of the period of 3 months after the day of the beneficiary’s death.

(2) Widow’s short-term compensation and widow’s long-term compensation shall not be payable to a widow—



- (a) if she re-marries, in respect of any period after the re-marriage; or
- (b) if on the day of the death of the beneficiary she is living with another man as his wife, in respect of any period after that day; or
- (c) if after that day she commences to live with a man as his wife, in respect of any period after so commencing:

Provided that if at any time—

- (i) after her re-marriage, she has again become a widow or that marriage has been dissolved, or
- (ii) she is no longer living with a man as his wife,

the employing authority may, in their discretion, bring widow's long-term compensation into payment as from that time.

*Amount of widow's short-term compensation and long-term compensation*

9.— (1) Subject as hereafter in these regulations provided, short-term compensation payable to the widow of a beneficiary shall be at an annual rate equal to the rate at which any annual compensation would have been payable to the beneficiary in accordance with these regulations, immediately before his death, if no account had been taken of any adjustment in accordance with regulation 14 or, insofar as concerns a reduction under paragraph 5 of Schedule 4, 16.

(2) Subject as hereafter in these regulations provided, long-term compensation payable to the widow of a beneficiary shall be the relevant fraction of any annual compensation which would have been payable to the beneficiary in accordance with these regulations, immediately before his death, if no account had been taken of any adjustment in accordance with regulation 7, 13, 14 or, insofar as concerns a reduction under paragraph 5 of Schedule 4, 16, and—

- (a) where the beneficiary, at the time of his death, was in a new employment in which he was not a pensionable employee, if no account had been taken of any adjustment in accordance with regulation 15; or
- (b) where the beneficiary, at the time of his death, was in a new employment in which he was a pensionable employee, if that annual compensation were reduced in accordance with regulation 16 on the assumption that the reckonable service referred to in paragraph 6(b)(ii) of Schedule 4 were the service which he would have been entitled to reckon as reckonable service if he had been, at the time of his death, a person such as is mentioned in regulation E2(1)(b)(i) of the Superannuation Regulations.

(3) Where the material date in relation to a beneficiary falls on or after the date upon which these regulations come into operation, and the widow's short-term or long-term compensation in respect of any period—

- (a) exceeds the amount of the aggregate of periodic payments which she receives in respect of that period, the compensation shall be reduced by that amount, or
- (b) does not exceed the amount of the aggregate of periodic payments which she receives in respect of that period, the compensation shall not be payable.

- (4) In this regulation, “the relevant fraction” means—
- (a) one half, where the beneficiary was entitled to receive compensation under regulation 6(2), or
  - (b) three eighths, where he was not so entitled.

*Entitlement to children’s short-term compensation and long-term compensation*

**10.**— (1) Subject to paragraph (3) and as hereafter in these regulations provided, if a male beneficiary dies and he is survived by an eligible child who is, or eligible children who are, or (but for the transfer of benefits to another pension scheme) would be, entitled to receive a short-term pension under regulation E8(1) of the Superannuation Regulations in relation to his former employment, children’s short-term compensation in respect of the period of 3 months after the day of his death shall be payable to or for the benefit of such eligible child or eligible children; but such compensation shall not be payable in respect of a period in respect of which widow’s short-term compensation is payable to the widow of the beneficiary.

(2) Subject to paragraph (3) and as hereafter in these regulations provided, if a male beneficiary dies and he is survived by an eligible child who is, or eligible children who are, or (but for the transfer of benefits to another pension scheme) would be, entitled to receive a long-term pension under regulation E8(1) of the Superannuation Regulations in relation to his former employment, children’s long-term compensation shall, from the day following the expiration of 3 months after the death of the beneficiary, be payable to or for the benefit of such eligible child or eligible children.

(3) Children’s short-term compensation and children’s long-term compensation shall not be paid to or for the benefit of a female eligible child—

- (a) if on the day of the death of the beneficiary she is married or living with another man as his wife, in respect of any period after that day; or
- (b) if after that day she marries or commences to live with a man as his wife, in respect of any period after marriage or so commencing:

Provided that if at any time—

- (i) after the marriage, she has become a widow or the marriage has been dissolved; or
- (ii) she is no longer living with a man as his wife,

the employing authority may, in their discretion, pay the children’s short-term compensation or, as the case may be, the children’s long-term compensation to her or for her benefit as from that time.

*Amount of children’s short-term compensation and long-term compensation*

**11.**— (1) Children’s short-term compensation shall be at an annual rate equal to the rate at which any annual compensation would have been payable to the beneficiary in accordance with these regulations, immediately before his death, if no account had been taken of any adjustment in accordance with regulation 14 or, insofar as concerns a reduction under paragraph 5 of Schedule 4, 16.

- (2) Subject to paragraph (3), children's long-term compensation shall be—
- (a) where the beneficiary is survived by a widow to whom, apart from proviso (a)(ii) to paragraph (1) of regulation 8 or paragraph (2) of that regulation, there is or would be payable widow's short-term compensation or widow's long-term compensation, at an annual rate which, opposite to the number of eligible children in respect of whom it is for the time being payable specified in column (1) of the following table, is specified in column (2) thereof; or
- (b) where the beneficiary is not survived by such a widow as is mentioned in sub-paragraph (2) or in respect of any period after the death of such a widow, at an annual rate which, opposite to the number of eligible children in respect of whom it is for the time being payable specified in column (1) of the said table, is specified in column (3) thereof—

TABLE

(1) Number of eligible children	(2) Annual rate of children's long-term compensation where there is a surviving widow of the beneficiary	(3) Annual rate of children's long-term compensation where there is not a surviving widow of the beneficiary
1 child	One quarter of the beneficiary's annual compensation	One third of the beneficiary's annual compensation
2 or more children	One half of the beneficiary's annual compensation	Two thirds of the beneficiary's annual compensation

(3) For the purposes of paragraph (2), "the beneficiary's annual compensation" means any annual compensation which would have been payable to the beneficiary in accordance with these regulations, immediately before his death, if no account had been taken of any adjustment in accordance with regulation 7, 13, 14 or, insofar as concerns a reduction under paragraph 5 of Schedule 4, 16, and—

- (a) where the beneficiary, at the time of his death, was in a new employment in which he was not a pensionable employee, if no account had been taken of any adjustment in accordance with regulation 15; or
- (b) where the beneficiary, at the time of his death, was in a new employment in which he was a pensionable employee, if that annual compensation were reduced in accordance with regulation 16 on the assumption that the reckonable service referred to in paragraph 6(b)(ii) of Schedule 4 were the service which he would have been entitled to reckon as reckonable service if he had been, at the time of his death, a person such as is mentioned in regulation E2(1)(b)(i) of the Superannuation Regulations.

- (4) Children's compensation shall be adjusted in the following manner—
- (a) if an eligible child who has attained the age of 16 years and to whom, or for whose benefit, children's long-term compensation is payable is in receipt of remuneration in respect of full-time training for a trade,

profession or calling, at an annual rate in excess of £250, increased from time to time by the amount by which an annual pension of £250 would have been increased under the Act of 1971, if the eligible child were in receipt of such a pension and that pension were specified in Part II of Schedule 2 to that Act and were one which began for the purposes of that Act on 1st April 1974, the annual rate of the children's long-term compensation shall be reduced by the amount of the excess less any reduction made in the children's long-term pension in respect of such excess under regulation E9(4) of the Superannuation Regulations or, if it would result in a smaller reduction of the children's long-term compensation, that child shall be disregarded for the purpose of calculating the amount of that compensation; and

- (b) where the material date in relation to a beneficiary falls on or after the date on which these regulations come into operation, and children's short-term or long-term compensation in respect of any period—
- (i) exceeds the amount of the aggregate of periodic payments which the child receives in respect of that period, the compensation shall be reduced by that amount, or
  - (ii) does not exceed the amount of the aggregate of periodic payments which the child receives in respect of that period, the compensation shall not be payable.

(5) Children's short-term compensation and children's long-term compensation shall be payable to the same person, and for the benefit of the eligible children in the same proportions, as the appropriate administering authority decide that the children's short-term pension and children's long-term pension is, or (but for the transfer of benefits to another pension scheme) would be, paid in relation to those children under regulation E9(5) of the Superannuation Regulations.

*Compensation of widowers, etc*

12.— (1) A female beneficiary—

- (a) who has notified the appropriate administering authority under regulation E12 of the Superannuation Regulations, or
- (b) to whom paragraph 2 applies,

shall participate in the benefits provided by these regulations as if references therein to a male beneficiary and a man were references respectively to a female beneficiary and a woman, as if references to a wife and a widow were references respectively to a husband and a widower, and as if references to regulation E5(1) or E8(1) of the Superannuation Regulations were references to those regulations as modified by the said regulation E12.

(2) This paragraph applies to a female beneficiary who —

- (a) has—
  - (i) a husband who on the material date is permanently incapacitated by reason of ill-health or infirmity of mind or body, and who is wholly or mainly dependent on her, or
  - (ii) no husband, but has an eligible child or eligible children; and

- (b) not later than—
- (i) 13 weeks after the date upon which these regulations come into operation, or
  - (ii) one month after she is given written notification pursuant to regulation 17, of the compensation payable to her,
- whichever is the later date,

notifies the employing authority in writing that she wishes the provisions of this regulation to apply to her.

#### PART IV

##### ADJUSTMENT

###### *Adjustment of compensation to take account of certain redundancy payments*

###### 13. Where—

- (a) the period of a beneficiary's additional service exceeds  $6\frac{2}{3}$  years, and
- (b) he has received, or is entitled to receive, a redundancy payment in respect of the cessation of his former employment,

his compensation under these regulations shall be abated in accordance with Schedule 3.

###### *Other payments*

14.— (1) Paragraphs (3) to (7) apply to the compensation payable to a beneficiary whose material date falls on or after the coming into operation of these regulations.

(2) Paragraphs (3), (4) and (5) apply to the compensation payable to a beneficiary whose material date falls after 14th July 1980 and before the coming into operation of these regulations if his employing authority has, before the coming into operation of these regulations, determined that any lump sum compensation or annual compensation which might become payable to him under these regulations should be reduced—

- (a) by an amount greater than the reduction which would have been required by those paragraphs if they had then been in operation, as they apply to the compensation payable to a beneficiary whose material date falls on or after the coming into operation of these regulations; or
  - (b) by any other amount, as if any reference in those paragraphs to a reduction in compensation were a reference to such reduction therein as his employing authority determined to make.
- (3) Where a beneficiary receives a termination payment which—
- (a) is less than the amount of his lump sum compensation, that compensation shall be reduced by the amount of that payment, or
  - (b) is equal to or exceeds his lump sum compensation, that compensation shall not be payable.

(4) Where a beneficiary receives a termination payment which exceeds his lump sum compensation, his annual compensation shall be reduced by the amount of the excess, so that no instalment of annual compensation becomes payable to him until the aggregate of reductions equals the amount of the excess.

(5) Where a beneficiary receives a termination payment but he is, apart from the provisions in paragraph (3), not entitled to receive lump sum compensation, his annual compensation shall be reduced by the amount of the termination payment, so that no instalment of annual compensation becomes payable to him until the aggregate of reductions equals the amount of the termination payment.

(6) Where a beneficiary receives a termination payment or part thereof (in this paragraph referred to as “that payment”) after he is credited with his additional service, and his compensation has not, on account of that payment, been abated in accordance with paragraph (3), paragraphs (3) and (4) or paragraph (5), his annual compensation shall be reduced by the amount of that payment so that no instalment of annual compensation becomes payable to him until the aggregate of reductions equals the amount of that payment.

(7) The annual compensation of a beneficiary in respect of any period shall—

- (a) if it exceeds the amount of the aggregate of periodic payments which he receives in respect of that period, be reduced by that amount, and
- (b) if it does not exceed the amount of the aggregate of periodic payments which he receives in respect of that period, not be payable.

(8) In this regulation, in relation to a beneficiary—

- (a) “annual compensation”, means—
  - (i) for the purposes of paragraphs (4) and (5), the compensation payable to him under regulation 6(3), adjusted as may be necessary in accordance with regulations 7, 13, 15 and 16;
  - (ii) for the purposes of paragraph (6), compensation as described in (i) above, adjusted as may be necessary in accordance with paragraph (4) or (5); and
  - (iii) for the purposes of paragraph (7), compensation as described in (ii) above, adjusted as may be necessary in accordance with paragraph (6);
- (b) “lump sum compensation” means the compensation payable to him under regulation 6(2), adjusted as may be necessary in accordance with regulation 13; and
- (c) “termination payment”, means the aggregate of any lump sum payments made to him by his employing authority, in consequence of or as compensation for the loss of his former employment, under an enactment (whenever enacted) or under a contract or arrangement with that authority, but does not include—
  - (i) an excepted payment in relation to that employment, or
  - (ii) his lump sum compensation.

*New employment*

**15.—** (1) This regulation shall apply to a beneficiary who enters a new employment.

(2) The annual compensation payable to a beneficiary to whom this regulation applies shall, for so long as he holds a new employment, be reduced in accordance with Part 1 of Schedule 4.

(3) Where, in relation to any beneficiary, two or more awards of annual compensation fall to be reduced in accordance with this regulation, each such award shall be reduced in proportion to its amount.

(4) In this regulation and in Part 1 of Schedule 4, “annual compensation”, in relation to a beneficiary, means—

- (a) subject to sub-paragraph (b), the annual compensation which would, apart from this regulation, be payable to him under these regulations, and
- (b) in sub-paragraph (a) of paragraph 1 of Schedule 4, the compensation payable to him under regulation 6(3).

*Cessation of new employment*

**16.—** (1) This regulation shall apply to a beneficiary who has ceased to hold a new employment in which he was a pensionable employee.

(2) The annual compensation of a beneficiary to whom this regulation applies shall, with effect from the day on which he becomes entitled to receive benefits under regulation E2 of the Superannuation Regulations in relation to his new employment, be abated in accordance with Part 2 of Schedule 4 if the aggregate of his reckonable service (to be taken into account, on cessation of his new employment, in the calculation of his retirement pension under the Superannuation Regulations) and the period of residual entitlement which he has to his credit (as described in Part 2 of Schedule 2) exceeds the reckonable service he would have been entitled to reckon if he had held—

- (a) his former employment, or
- (b) if a period of extra service has been granted to him in respect of one cessation of employment which occurred before the material date, that employment, or
- (c) if a period of extra service has been granted to him in respect of more than one such cessation, the first such employment to cease,

until he had attained the age of 65 years.

(3) For the purposes of paragraph (2), the reckonable service of a beneficiary shall include service which, but for this paragraph, would have ceased to be reckonable service by reason of a transfer value having been paid, as described in regulation D3(2)(b) of the Superannuation Regulations.

(4) In this regulation—

- (a) “annual compensation”, in relation to a beneficiary, means the compensation payable to him under regulation 6(3), adjusted as may be necessary in accordance with—
  - (i) regulations 7 and 13, and

- (ii) if he has held a previous new employment, this regulation, in relation to that employment, but disregarding any reduction under paragraph 5 of Schedule 4; and
- (b) “period of extra service” has the meaning given in paragraph 6(b) of Schedule 2; and
- (c) “previous new employment” means a new employment which ceased before cessation of the new employment referred to in paragraph (1).

## PART V

### MISCELLANEOUS

#### *Notification of compensation*

**17.** An employing authority, after—

- (a) crediting an eligible person with additional service, or
- (b) the death of a beneficiary, or
- (c) making any adjustment in accordance with Part III or IV of these regulations,

shall as soon as reasonably practicable give the beneficiary, or such other person or persons to whom compensation is payable in accordance with these regulations, written notification of the compensation payable or of any adjustment and, in each case, of the calculation thereof.

#### *Supply of information*

**18.—** (1) A beneficiary, not later than one month after—

- (a) he enters, or
- (b) ceases to hold,

a new employment shall give his employing authority written notification of that fact.

(2) A person to whom compensation is payable in accordance with these regulations shall furnish all such information as the employing authority may at any time reasonably require, and shall verify that information in such manner, including the production of documents in his possession or control, as may be reasonably so required.

#### *Payment of compensation*

**19.—** (1) Compensation (other than lump sum compensation) which is payable to a person under these regulations shall be payable at intervals equivalent to those at which his pension is, or (but for the transfer of benefits to another pension scheme) would have been, payable under the Superannuation Regulations, or at such other intervals as may be agreed between him and the authority that in accordance with regulation 20 pays the compensation.

(2) Subject to any statutory provision in that behalf, any compensation payable under these regulations shall be payable to or in trust for the person



entitled to receive the compensation, and shall not be assignable or chargeable with his debts or other liabilities.

(3) Without prejudice to any other right of recovery, any compensation paid in error may be recovered by the authority that in accordance with regulation 20 pays the compensation by deduction from any compensation payable under these regulations.

*Paying authority*

20.— (1) Subject to paragraphs (2) to (4), compensation payable under these regulations shall be paid by the employing authority.

(2) In the case of an eligible person whose former employment was terminated by an employing authority specified in column 1 of Part 2 of Schedule 1, otherwise than in paragraph 2 thereof, compensation shall, subject to paragraph (3), be paid by the person indicated in relation to that employing authority in column 2 of that part of that Schedule.

(3) If an establishment as is mentioned in paragraph 2 of column 1 of Part 2 of Schedule 1 is closed, compensation payable under these regulations shall with effect from the date of such closure be paid—

- (a) where the establishment was, immediately before its closure, wholly or mainly dependent for its maintenance on assistance from one or more local education authorities, by that authority or those authorities acting jointly; or
- (b) where the establishment was so dependent on grants under section 100(1)(b) of the Education Act 1944(a), by the Secretary of State; or
- (c) where the establishment was so dependent upon such assistance and grants as aforesaid, taken together, by the local education authority, or authorities, concerned and the Secretary of State acting jointly;

and where, in pursuance of sub-paragraph (a) or (c), there are compensating authorities acting jointly, each such authority shall be liable for that proportion of the teacher's compensation as may be agreed between them or, in default of agreement, for the proportion thereof which the aggregate assistance or grants provided by the compensating authority during the three years preceding the closure bore to the aggregate assistance or grants so provided by all those authorities.

(4) The authority, which under the Superannuation Regulations is required to maintain a superannuation fund in relation to a beneficiary to whom, or in respect of whom, compensation is payable under these regulations, may agree with the employing authority to pay that compensation on their behalf and to recover the amount thereof from them immediately or at such intervals as may be agreed.

*Persons employed in Educational Establishments*

21. These regulations shall apply to an eligible person whose former employment was terminated by an employing authority specified in column 1 of Part 2 of Schedule 1—

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(a) 1944 c. 31.

- (a) as if the reference in regulations 5, 7(1), 8(2), 10(3), 12(2)(b), 14(2), 17, 18(1) and (2), 20(4), and paragraph 7 of Schedule 2 to “employing authority” were a reference to the person who for the time being is responsible for the payment of compensation pursuant to paragraph (2) or (3), as the case may be, of regulation 20; and
- (b) where the governing body of an establishment of further education is, for the purposes of regulation 5, the employing authority, as if, for the words “a period of service” in that regulation, there were substituted the words “such period of service as may be agreed with, or in accordance with arrangements approved by, the person by whom the educational establishment is financed (being the Secretary of State, a local education authority, or both, as the case may be), but”.

## Regulation 3

## SCHEDULE 1

## EMPLOYING AUTHORITIES

## PART I

## AUTHORITIES OTHER THAN EDUCATIONAL ESTABLISHMENTS

- (a) A county council, the Greater London Council, a district council, a London Borough council, the Common Council of the City of London, or the Council of the Isles of Scilly;
- (b) a joint board, body or committee appointed under any Act, or any statutory order or statutory scheme, if all the constituent authorities are councils described in paragraph (a) above;
- (c) a fire authority constituted by a combination scheme made under the Fire Services Act 1947(a);
- (d) a local valuation panel established under the General Rate Act 1967(b);
- (e) a magistrates’ courts committee;
- (f) a police authority or a combined police authority within the meaning of the Police Act 1964(c);
- (g) a probation and after-care committee within the meaning of the Criminal Justice Act 1948(d);
- (h) the Board of Governors of the Museum of London; or
- (i) in England, a parish council, common parish council or parish meeting or, in Wales, a community council.

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(a) 1947 c. 41.  
(c) 1964 c. 48.

(b) 1967 c. 9.  
(d) 1948 c. 58.

## SCHEDULE 1

## PART 2

## EDUCATIONAL ESTABLISHMENTS

Column 1 EMPLOYING AUTHORITY	Column 2 PAYING AUTHORITY
<p>1. The governing body of a voluntary school within the meaning of section 9(2) of the Education Act 1944 (in this Part referred to as the “Act”).</p> <p>2. The governing body of a further education establishment for the time being wholly or mainly dependent for its maintenance on assistance from local education authorities, on grants under section 100(1)(b) of the Act or on such assistance and grants taken together.</p> <p>3. The proprietors (within the meaning of section 114(1) of the Act) of a school for the time being recognised as a grammar school for the purposes of regulation 4(1) of the Direct Grant Schools Regulations 1959(a) (in this Part referred to as the “1959 Regulations”), being a school—</p> <p>(a) in relation to which, before 1 January 1976, the Secretary of State was satisfied as mentioned in regulation 3(1) of the Direct Grant Grammar Schools (Cessation of Grant) Regulations 1975(b) (in this Part referred to as the “1975 Regulations”), and</p> <p>(b) in the case of which grants are paid under the 1959 Regulations for the educational year (within the meaning of those Regulations) within which the material date falls, either—</p> <p>(i) in respect of pupils admitted in that year, or</p> <p>(ii) in respect of any pupils, if the Secretary of State is satisfied of the</p>	<p>The local education authority by whom, at the material date, the school was maintained.</p> <p>The Secretary of State</p>

(a) S.I. 1959/1832, to which there are amendments not relevant to these Regulations.

(b) S.I. 1975/1198, amended by S.I. 1979/1552, 1981/1788.

Column 1 EMPLOYING AUTHORITY	Column 2 PAYING AUTHORITY
<p>following matters, that is to say, that, by virtue of regulation 3(2) of the 1975 Regulations, no grant would be payable under the 1959 Regulations in respect of pupils (if any) admitted to the school in or after a particular educational year, that, save in exceptional circumstances, no pupils have been admitted to the school in or after that educational year and that the proprietors have determined, save in such cases, not to admit further pupils.</p>	<p>The Secretary of State</p>

## SCHEDULE 2

### OTHER ENTITLEMENT

#### PART 1

##### DISQUALIFYING ENTITLEMENT

Regulation 4(1)(b)

1. Long-term compensation or retirement compensation, under regulations made under section 259 of the Local Government Act 1972(a), or any instrument made under any provision to the like effect in any other enactment (whenever enacted).

#### PART 2

##### RESIDUAL ENTITLEMENT

Regulations 4(1)(c)(iv), 5(b) and 16(2)

2. Where a person has been granted a period of extra service in respect of the cessation of an employment before the material date, he shall, for the purposes of regulations 4(1)(c)(iv) and 5(b), have to his credit a period of residual entitlement, which shall be calculated in accordance with paragraph 4.

3. Where a beneficiary ceases to hold a new employment, he shall, for the purposes of regulation 16(2), have to his credit a period of residual entitlement, which shall be calculated in accordance with paragraph 5.

4. For the purposes of regulations 4(1)(c)(iv) and 5(b), a person's period of residual entitlement shall, subject as mentioned in paragraph 6(d), be—

(a) the aggregate of—

- (i) the period of extra service granted to him, reduced as may be necessary in accordance with paragraph 6(e); and
- (ii) the period of his former employment; and

(a) 1972 c. 70; section 259(3) was amended by the Local Government Act 1974 (c. 7), section 39.

(iii) the aggregate of any periods, between the first cessation and the commencement of the former employment, during which he was a pensionable employee;  
less

(b) the period beginning with the day immediately following his first cessation and ending on the day on which he ceased to hold his former employment.

5. For the purposes of regulation 16(2), a beneficiary's period of residual entitlement shall be the aggregate of—

(a) any period of extra service granted to him, reduced as may be necessary in accordance with paragraph 6(e); and

(b) the period of his additional service, reduced as may be necessary in accordance with paragraph 6(f).

6. In this Part—

(a) the “first cessation”, in relation to a person, means—

(i) if a period of extra service has been granted to him in respect of one cessation of employment, that cessation, or

(ii) if a period of extra service has been granted to him in respect of more than one such cessation, the first cessation;

(b) “period of extra service”, in relation to a person, means a period by which his reckonable service has been increased or the period of service with which he has been credited, before the material date, for the purpose of calculating—

(i) retirement compensation under an Act or under regulations made under section 259 of the Local Government Act 1972, or a similar instrument, on account of loss of employment, or

(ii) benefit under regulations made under section 260 of the Local Government Act 1972, or a similar instrument, or

(iii) compensation under any scheme made under section 1 of the Act of 1972, or a similar instrument, on account of his retirement in the public interest, or

(iv) compensation under an Act or under these regulations or any other regulations made under section 24 of the Act of 1972, or a similar instrument, on account of his ceasing to hold an employment with an authority by reason of redundancy or in the interests of the efficient exercise of the functions of that authority,

or, if more than one period of extra service has been granted to him, the aggregate of those periods;

(c) “similar instrument” means any instrument made under any provision to the like effect in any other enactment (whenever enacted);

(d) in a case where the period described in paragraph 4(b) exceeds that described in paragraph 4(a), no account shall be taken of the excess; and

(e) where a person, after his first cessation, has ceased to hold an employment and his—

(i) period of extra service has been reduced by, or

(ii) compensation or benefit, attributable to a period of extra service, has been reduced on account of,

the period of that employment or a part thereof (in this sub-paragraph referred to as “that period”), his period of extra service shall, for the purposes of paragraph 4(a) or, as the case may be, 5(a), be reduced by that period; and

(f) where there has been an abatement of a beneficiary’s annual compensation in accordance with regulation 16 on account of a period of previous new employment or a part thereof (in this sub-paragraph referred to as “that period”), the period of his additional service shall, for the purposes of paragraph 5(b), be reduced by that period; and in this sub-paragraph “annual compensation” has the meaning given in regulation 16(4)(a), and “previous new employment” has the meaning given in regulation 16(4)(c).

### PART 3

#### PREVIOUS ENTITLEMENT

#### Regulation 6(4).

7. Where a beneficiary has become entitled to receive a lump sum, or an allowance for life or other period, under an enactment (whenever enacted) or under a contract or arrangement with his employer as compensation for loss of an employment, or his retirement or removal from an employment, which loss, retirement or removal occurred before the material date and that lump sum or allowance—

(a) is not compensation or benefit described in paragraph 6(b), or an excepted payment in relation to that employment, and

(b) was calculated by reference to a period of service which the employing authority has taken into account for the purpose of granting him additional service,

he is previously entitled to a lump sum or an allowance for the purposes of regulation 6.

8. The amount of the lump sum or allowance to which a beneficiary is previously entitled shall be ascertained in the following manner —

(a) for the purposes of regulation 6(2), the amount is an amount equal to—

$$A \times \frac{C}{D}, \text{ and}$$

(b) for the purposes of regulation 6(3), the amount is an amount equal to —

$$B \times \frac{C}{D},$$

where

A is the amount of the lump sum referred to in paragraph 7;

B is the annual rate of the allowance which is payable in respect of a period referred to in regulation 6(3)(b);

C is the period of service referred to in paragraph 7(b), expressed in years and fractions of a year; and

D is the period of service which the employer took into account for the purpose of granting him the lump sum or allowance referred to in paragraph 7, expressed in years and fractions of a year.

## SCHEDULE 3

## Regulation 13

ADJUSTMENT ON ACCOUNT  
OF CERTAIN REDUNDANCY PAYMENTS

1. The compensation of a beneficiary to whom regulation 13 applies shall be abated as follows—

- (a) where his lump sum compensation—
- (i) exceeds the amount ascertained under paragraph 2, it shall be reduced by that amount, or
  - (ii) is equal to the amount ascertained under that paragraph, it shall not be payable, or
  - (iii) is exceeded by the amount ascertained under that paragraph, it shall not be payable, and his annual compensation shall be reduced in accordance with sub-paragraph (b); and
- (b) his annual compensation shall be reduced by an amount the capital value whereof is equal to—
- (i) the outstanding balance (if any), or
  - (ii) where he is, apart from the provisions of sub-paragraph (a), not entitled to receive lump sum compensation, the amount ascertained under paragraph 2,

such reduction to be calculated in accordance with paragraph 3.

2. The amount ascertained under this paragraph is equal to —

$$\left\{ \frac{3R}{10} \times E \right\} - Y,$$

where—

E is the period of the beneficiary's additional service, expressed in years and fractions of a year, which is in excess of  $6\frac{2}{3}$  years;

R is the amount of the redundancy payment referred to in regulation 13(b); and

Y is any amount by which that payment is reduced in accordance with the Redundancy Payments Pensions Regulations (a);

but—

- (a) where an employing authority abates the payment of any part of R which is described in (b) of the definition of "redundancy payment" in regulation 3, in accordance with a contract or arrangement, the amount

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(a) S.I. 1965/1932.

calculated in accordance with the formula specified above shall be reduced by the amount of that abatement, and

- (b) no account shall be taken of an amount calculated in accordance with that formula if it is less than zero.

3. The amount by which the annual compensation payable to a beneficiary is to be reduced in the circumstances described in paragraph 1(b) shall be calculated in accordance with the following table—

Age last birthday	Reduction of annual compensation per £100 of the outstanding balance or of the amount ascertained under paragraph 2	
	Male	Female
50	6.26	5.43
51	6.36	5.48
52	6.47	5.55
53	6.61	5.64
54	6.77	5.75
55	6.96	5.87
56	7.17	6.01
57	7.40	6.16
58	7.64	6.32
59	7.89	6.49
60	8.15	6.67
61	8.43	6.87
62	8.73	7.08
63	9.05	7.32
64	9.39	7.58

4. In this Schedule—

- (a) “annual compensation” means the compensation payable to a beneficiary under regulation 6(3);
- (b) “lump sum compensation” means the compensation payable to him under regulation 6(2); and
- (c) “outstanding balance” means the amount of the excess described in paragraph 1(a)(iii).

Regulation 15(2)

#### SCHEDULE 4

##### ADJUSTMENT ON ACCOUNT OF NEW EMPLOYMENT

##### PART 1

##### REDUCTION OF ANNUAL COMPENSATION DURING NEW EMPLOYMENT

1. Subject to paragraph 2, the rate of annual compensation payable to a



beneficiary in respect of a period during which he holds a new employment shall, if during that period the aggregate of the annual rate of—

- (a) annual compensation payable to him, and
- (b) remuneration of his new employment, and
- (c) retirement pension payable to him in relation to his former employment, exceeds the annual rate of remuneration of his former employment, be reduced by the amount of the excess.

2. If, concurrently with his former employment and during the period of 12 months ending on the material date, the beneficiary held any other employment with a scheduled body (in this Part referred to as “concurrent employment”), then if either—

- (a) he ceased to hold a concurrent employment before the material date, without having become entitled to receive a retirement pension in relation thereto, and enters new employment within 12 months after ceasing to hold the concurrent employment; or
- (b) he ceases to hold a concurrent employment on or after the material date, without having become entitled to receive a retirement pension in relation thereto, and thereafter has entered new employment;

his annual compensation shall—

- (i) not be reduced in relation to his new employment, unless he spends in that employment a time materially greater than the time which he spent in the concurrent employment during the year ending on the day on which he ceased to hold that concurrent employment; and
- (ii) if he spends in his new employment a time materially greater than the time which he spent in the concurrent employment during that year, be reduced only to the extent by which the aggregate of the annual compensation, the annual rate of remuneration of his new employment, and the annual rate of the retirement pension payable to him in relation to his former employment, exceeds the aggregate of the annual rate of remuneration of his former employment and the annual rate of remuneration of the concurrent employment during that year.

3. For the purposes of this Part—

- (a) “retirement pension” means a pension under sub-paragraph (a) or (b) of regulation E2(1) of the Superannuation Regulations and includes—
  - (i) a superannuation allowance and an annual pension, within the meaning of regulation E15(12) of the Superannuation Regulations, and
  - (ii) the retirement pension that would be payable to a beneficiary under regulation E2 of the Superannuation Regulations, but for any transfer of benefits to another pension scheme or fund; and
- (b) references to the “annual rate” of retirement pension, of the remuneration of a former employment and of the remuneration of a concurrent employment, are references to the annual rate of such a pension or remuneration increased by the amount (if any) by which an annual pension of an amount equal to the annual rate of that pension or remuneration would have been increased under the Act of 1971, during

the period ending with the day immediately preceding the day on which the beneficiary entered the new employment, if he were in receipt of such a pension and that pension were specified in Part II of Schedule 2 to that Act and were one which began for the purposes of the said Act on the day the pension began or, as the case may be, the day immediately following the day on which he ceased to hold the employment, and he had, on the day on which the pension began or, as the case may be, he ceased to hold the employment, attained the age of 55 years.

Regulation 16(2)

#### SCHEDULE 4

##### PART 2

##### REDUCTION OF ANNUAL COMPENSATION ON CESSATION OF NEW EMPLOYMENT

4. In this Part “reduced annual compensation”, in relation to a beneficiary, means his annual compensation reduced by an annual sum equal to the product of—

- (a) the amount calculated in accordance with paragraph 6, and
- (b) the fraction, ascertained in accordance with regulation E3 of the Superannuation Regulations, which was used in determining the rate of his annual compensation under regulation 6(3);

and shall, subject to the provisions of paragraphs 5 and 6, be payable to him in lieu of his annual compensation; and in this paragraph “annual compensation” has the meaning given in regulation 16(4)(a).

5. Where a beneficiary, on cessation of his former employment, became entitled to lump sum compensation, his reduced annual compensation shall be reduced by an amount equal to the product of—

- (a) the amount calculated in accordance with paragraph 6, and
- (b) the fraction, ascertained in accordance with regulation E3 of the Superannuation Regulations, which is used in determining the amount of his lump sum compensation;

so that no instalment of reduced annual compensation becomes payable to him until the aggregate of reductions equals the amount of the said product; and in this paragraph, “lump sum compensation” means the compensation payable to the beneficiary under regulation 6(2).

6. An amount calculated in accordance with this paragraph shall be an amount equal to the product of—

- (a) the pensionable remuneration of the beneficiary’s former employment or the pensionable remuneration of his new employment, whichever is the lesser, and
- (b) the shortest of the following three periods (expressed in years and fractions of a year)—
  - (i) the period of his additional service, or
  - (ii) the reckonable service he is entitled to reckon in relation to his new employment, as described in regulation 16(2), or
  - (iii) the period of excess referred to in regulation 16(2);

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and for the purposes of this paragraph, in comparing the pensionable remuneration of the beneficiary's former employment with that of his new employment, the pensionable remuneration of his new employment shall be the amount of that remuneration reduced by a fraction thereof where—

(1) the numerator of the fraction is equivalent to the aggregate of any increases which would have been awarded under the Act of 1971, in respect of the period beginning with the day following cessation of the former employment and ending on the day the person becomes entitled to a retirement pension in respect of the new employment (notwithstanding that the right to the payment of such pension may be deferred), on an official pension (within the meaning of that Act) of £100 a year which commenced from the first mentioned day, and

(2) the denominator of the fraction is equivalent to the aggregate of an official pension of £100 and the aggregate of any increases so determined.

21st July 1982.

*Michael R. D. Heseltine,*  
Secretary of State  
for the Environment.

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#### EXPLANATORY NOTE

*(This Note is not part of the Regulations.)*

These regulations provide for the payment of compensation to persons subject to the Local Government Superannuation Regulations 1974, who cease to hold employment by reason of redundancy or in the interests of the efficiency of their employing authorities. The compensation is in the form of additions to superannuation benefits payable under the Local Government Superannuation Scheme. Authorities who may award compensation are specified in Schedule 1.

Part II describes the persons to whom the regulations apply, and sets out the additional service which may be awarded.

Part III sets out the calculation and forms of compensation payable, and includes provision for allocation of annual compensation and for payment of compensation to widows, children and widowers.

Part IV provides for adjustment of compensation in certain circumstances.

Part V contains miscellaneous provisions as to procedure.

In accordance with section 24(3) of the Superannuation Act 1972, the regulations have retrospective effect, as compensation may be awarded to or in respect of a person who ceased employment on or after the 29th March 1976.

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