
STATUTORY INSTRUMENTS

1987 No. 1850

**The Local Government Superannuation
(Scotland) Regulations 1987**

PART C

PAYMENTS BY EMPLOYEES

Reduction of returned contributions following payment in lieu of contributions

C15.—(1) Subject to the provisions of this regulation, where a pensionable employee leaves employment in circumstances—

- (a) to which regulation 6 of the Transitional Provisions Regulations does not apply, and
- (b) in which returned contributions are due and a payment in lieu of contributions has previously been made in respect of him in circumstances in which returned contributions were not due,

those returned contributions shall be reduced by a sum equal to the amount, or the aggregate of the amounts, by which under section 60(5) of the Insurance Act (which defines an employer's rights against an insured person in respect of payments in lieu of contributions) they could have been reduced if returned at the time when the previous payment in lieu of contributions was made.

(2) Paragraph (1) shall also apply for the reduction of returned contributions where a payment in lieu of contributions has been made under any insurance code in respect of any period of former employment which is reckonable as service as a pensionable employee if—

- (a) that payment in lieu was made in circumstances not involving the return of any superannuation contributions made by him in that employment; and
- (b) the transfer value payable in respect of that employment has been adjusted to take account of that payment in lieu;

and where no superannuation contributions were payable in that employment, any amount returnable in respect of contributions deemed to have been made therein shall be reduced by a sum equal to one half of that payment in lieu.

(3) No payment in lieu of contributions shall be taken into account for the purposes of paragraphs (1) and (2)—

- (a) on more than one occasion; or
- (b) if the payment is one which has been reduced under regulation 13 of the National Insurance (Non-participation—Assurance of Equivalent Pension Benefits) Regulations 1960(1) or any corresponding enactment in force in Northern Ireland or the Isle of Man.

(4) Where the employment of a pensionable employee comes to an end in circumstances to which regulation 6 of the Transitional Provisions Regulations applies, the amount of returned contributions to which he is entitled shall be reduced by any amount which, under section 60 of the Insurance Act

as modified by the said regulation 6, the person who has made or is liable to make a payment in lieu of contributions in respect of such employee, or would be so liable had the employee not been assured of equivalent pension benefits, is entitled either to recover from the person liable for the returned contributions or to retain out of the returned contributions.

(5) Where returned contributions are due in the circumstances mentioned in paragraph (1) or paragraph (4) on the cessation of two or more concurrently held employments, the reduction required by that paragraph shall be made by such one of the authorities paying the returned contributions as they may agree or, in default of agreement, as is determined by the Secretary of State, and where those employments were held under the same employing authority, the reduction shall be made in relation only to such one of the employments as is determined by the authority.

(6) Where returned contributions are reduced under paragraph (1) or under section 60(5) of the Insurance Act or the said section 60(5) as modified by regulation 6 of the Transitional Provisions Regulations or under any corresponding provision of the Northern Ireland Act or the Isle of Man Act, any sum so deducted shall not form part of any amount payable to or in respect of him, either as returned contributions or as a benefit ascertained by reference to the amount of the contributions paid by him on the occasion of any later cessation of his employment.

(7) In this regulation “returned contributions” means an amount payable under regulation C12 to or in respect of a pensionable employee by way of a return of contributions.