
STATUTORY INSTRUMENTS

1989 No. 802

**The Local Government Superannuation
(Scotland) Amendment Regulations 1989**

Outwards transfers

23. In regulation J2 of the principal Regulations—

(a) for paragraphs (1) to (4) there shall be substituted the following:—

“(1) Subject to paragraphs (5) and (6), where a person has ceased—

(a) to be employed in local government employment, or

(b) to be a pensionable employee by virtue of a notification under regulation B4A, and the conditions in paragraph (2) are satisfied, the fund authority shall, in respect of that person, pay a transfer value to be used in accordance with paragraph 13 of Schedule 1A to the Pensions Act at the person’s option in one or more of the ways set out in sub-paragraph (2) of that paragraph.

(2) The conditions are that—

(a) he ceased to be employed in local government employment, or to be a pensionable employee by virtue of a notification under regulation B4A, before he attained the age of 65 years, or, where paragraph (7) applies, the age of 64 years;

(b) he is a person who—

(i) has completed 2 or more years' reckonable service and qualifying service; or

(ii) after leaving his local government employment has taken up non-local government employment in which he participates in a superannuation scheme and he has, within 12 months after taking up that employment, made an application, such as is mentioned in sub-paragraph (c), for a transfer value to be paid; or

(iii) after ceasing to be employed in local government employment, or to be a pensionable employee by virtue of a notification under regulation B4A, participates in a personal pension scheme or a self-employed pension arrangement and has within 12 months of beginning to so participate made an application, such as is mentioned in sub-paragraph (c), for a transfer value to be paid;

(c) subject to paragraph (3), he has before attaining—

(i) the age of 65 years, or

(ii) where paragraph (7)

applies, the age of 64 years or 6 months after the date on which he ceased to be employed in local government employment, or to be a pensionable employee by virtue of a notification under regulation B4A, whichever is later,

made an application in writing to his fund authority for a transfer value to be paid, and has not subsequently withdrawn it in accordance with paragraph (10) (a);

- (d) where paragraph (7) applies he has ceased to be employed in local government employment, or to be a pensionable employee by virtue of a notification under regulation B4A, after completing 2 or more years' service;
- (e) in the case of a person who ceased to be employed in his local government employment before 31st March 1972, his local government employer has consented to the payment of the transfer value; and
- (f) in the case of a person who received a return of contributions in relation to his local government employment (other than a person falling within paragraph (6)), he has within 3 months of making his request under sub-paragraph (c) paid to his fund authority for the credit of their superannuation fund—
 - (i) a sum equal to the contributions returned to him (together with any interest which he was paid);
 - (ii) a sum equal to any deduction made on account of tax chargeable under paragraph 2 of Part II of Schedule 5 to the Finance Act 1970⁽¹⁾ or section 598(1) of the Income and Corporation Taxes Act 1988⁽²⁾; and
 - (iii) compound interest on both those sums calculated in accordance with regulation J7 for the period beginning with the date on which he received the return of contributions and ending on the date of his request under sub-paragraph (c) (but no interest is to be paid if that period is less than 6 months).

(3) The local government employer may in any particular case extend the period of 12 months referred to in paragraphs (2)(b)(ii) and (iii).”;

- (b) in paragraph (5), sub-paragraphs (c) and (f) shall be deleted;
- (c) the following paragraphs shall be inserted after paragraph (6):—

“(7) This paragraph applies where a person opts to have his transfer value, or any portion of it, paid to one or more insurance companies to purchase an appropriate policy.

(8) Subject to paragraph (9), the fund authority shall, if an application under paragraph (2)(c) is received by them, pay a transfer value by whichever is the earlier of the following:—

- (a) the date 12 months from the date on which the application is received by them; or
- (b) the date on which the person in respect of whom the transfer value is paid attains the age of 65 where—
 - (i) he ceased to be employed in local government employment, or to be a pensionable employee by virtue of a notification under r egulation B4A, on a date prior to his attaining the age of 64 years; and
 - (ii) made his application for payment of a transfer value within 6 months of that date.

(9) Where proceedings before a court have been commenced against a person at any time before the expiry of the period of 12 months beginning with the date on which he ceased to be employed in local government employment, or to be a pensionable employee by virtue of a notification under regulation B4A, and it appears to the fund authority that

(1) 1970 c. 24; paragraph 2 was substituted by the Finance Act 1971 (c. 68), Schedule 3, paragraph 7.

(2) 1988 c. 1

the proceedings may lead to all or any of the benefits payable under these Regulations to or in respect of that person being forfeited under regulation M1, the date by which the fund authority shall pay a transfer value shall be—

- (a) the date by which they would be required to do so under paragraph (8) or,
- (b) the end of the period of 3 months after the conclusion of the court proceedings (including any proceedings on appeal),

whichever is the later.

(10) An application for a transfer value to be paid may be withdrawn by a person giving notice in writing to his fund authority, but such a notice will be of no effect if prior to the date of receiving it the fund authority has entered into an agreement with a third party to use the whole or any part of the person's transfer value in one of the ways set out in paragraph 13 of Schedule 1A to the Pensions Act.

(11) A person who in accordance with paragraph (10) withdraws an application may make another.”.