
STATUTORY INSTRUMENTS

1995 No. 1019

The Local Government Pension Scheme Regulations 1995

PART C

MEMBERS' CONTRIBUTIONS

Additional payments to improve benefits

Payments to increase membership: calculation of all benefits

C9.—(1) Subject to the following provisions, if a member elects at any time to make additional periodical payments under this regulation, then, in relation to the relevant employment, he may count as a period of membership (but not for the purposes of determining entitlement to any benefit)—

- (a) if he completes the additional payments, the period in respect of which payment was made; and
 - (b) if he begins making the additional payments but does not complete payment, an additional period calculated in accordance with regulation C19.
- (2) The additional payments—
- (a) are payable from the member's next birthday after the date of the election at such intervals as the appropriate administering authority may determine; and
 - (b) cease to be payable on the day before—
 - (i) his NRD; or
 - (ii) if his NRD is not his birthday, the last birthday before his NRD.
- (3) An employee may not make an election under paragraph (1) if—
- (a) the appropriate administering authority have resolved that he should undergo a medical examination at this own expense and he has not done so to their satisfaction; or
 - (b) he was precluded by regulation D13(5)(b) of the 1974 regulations from making an election under that regulation.
- (4) An election under this regulation shall be made by notice in writing given to the appropriate administering authority.

Maximum length of additional periods to be purchased under regulation C9

C10.—(1) Subject to regulation C27, the maximum length of the period in respect of which payment may be made under regulation C9 in respect of a person is the length (expressed in years and fractions of a year) of the period (if any) by which his potential period of membership falls short of the relevant maximum number of years at the appropriate time.

(2) In paragraph (1) "potential period of membership", in relation to any person, means the period which (apart from the payment) he would be entitled to count as a period of membership in relation to his local government employment if he continued in it until he attained the age of 65.

(3) Subject to paragraph (4) and to Schedule C5 (limitations on contributions and benefits), “the relevant maximum number of years”, in relation to any person, means 40 years.

(4) In the case of a person (other than an excluded member) who at the appropriate time was entitled to, or had received, superannuation benefits in respect of any local government employment or under any non-local government scheme, the relevant maximum number of years specified in paragraph (3) in relation to him is to be reduced, in accordance with the certificate of an actuary, to the extent necessary to ensure that the aggregate of—

- (a) the relevant income benefits; and
- (b) the pension equivalent of the relevant capital benefits,

will not exceed two-thirds of his pensionable remuneration.

(5) In paragraph (4)—

“excluded member” means a member whose pensionable remuneration in the first year of his employment during which he is a member does not exceed one quarter of the permitted maximum for the purposes of section 590C of the Income and Corporation Taxes Act 1988(1) (earnings cap) for the year or assessment in which that first year ends);

“pension equivalent” has the meaning given in regulation 5(5)(b) of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Additional Voluntary Contributions) Regulations 1993(2);

“the relevant income benefits”, in relation to a member, means the aggregate annual amount of—

- (i) the actuarial value, expressed as an annuity payable to him, of the pension benefits mentioned in paragraph (4);
- (ii) the part of his retirement pension attributable to his period of membership before his NRD; and
- (iii) the actuarial value, expressed as an annuity payable to him, of the part of his retirement grant attributable to such membership; and

“the relevant capital benefits”, in relation to a member, means the aggregate amount of—

- (i) his retirement grant; and
- (ii) any lump sum comprised in the pension benefits mentioned in paragraph (4).

(6) For the purposes of paragraphs (4) and (5)—

- (a) it is to be assumed that the person will, until his NRD, continue in the same local government employment and on the same terms and condition is (including, in particular, his scale of remuneration) as at the date of the election;
- (b) any period of membership on or after the date of the election is to be disregarded; and
- (c) regard is to be had to any advice from the Commissioners of Inland Revenue as to the calculation of the value of the earlier benefits.

(7) The appropriate time is—

- (a) except where paragraph (b) applies, the first day of the earliest period that the person is entitled to count as a period of membership in relation to his local government employment; or
- (b) if that period is—
 - (i) a period of service under an officer of a LGPS employer or former local authority; or

(1) 1988 c.1; section 590C was inserted by the Finance Act 1989 (c. 26), section 75, Schedule 6, paragraphs 1, 4, 18(2) and amended by the Finance Act 1993 (c. 34).

(2) S.I. 1993/3016.

- (ii) a period during which the person was subject to a non-local government scheme other than one which was or became a statutory scheme, the first day of the earliest period of local government employment that the person is entitled to count as a period of membership in relation to his local government employment.

Amounts of payments under regulation C9

C11.—(1) The amount to be paid by way of additional periodical payments by a member who has made an election under regulation C9(1) in respect of an additional period is the appropriate percentage of his remuneration for the time being, multiplied by the length of that period.

(2) For the purposes of paragraph (1)—

- (a) “the appropriate percentage”, in relation to a member, is the percentage in the relevant Table in Part I of Schedule C3 appropriate to his age on his next birthday after the date of the election and to his normal retirement age; and
- (b) the lengths of periods are to be expressed in complete years and any fraction of a year.

Purchase by part-time employees of additional periods under regulation C9

C12.—(1) Subject to the following provisions of this regulation, where a person makes an election under regulation C9 in relation to a part-time employment to make additional payments in respect of a period—

- (a) the period he may count as a period of membership under paragraph (1) of that regulation, is the appropriate fraction of the period he would be entitled to count in respect of that period if he were a whole-time employee (“the notional whole-time period”);
- (b) the maximum which applies in his case by virtue of regulation C10, is the appropriate fraction of the maximum which would apply in his case if he were a whole-time employee; and
- (c) the amount to be paid by him in accordance with regulation C11 shall be calculated in the same manner as if he were a whole-time employee purchasing the notional whole-time period, but taking his remuneration as his actual remuneration for the time being (and not the remuneration he would have been paid for a single comparable whole-time employment).

(2) In paragraph (1) “appropriate fraction”, in relation to an employee, means the fraction of which the numerator is the number of his contractual hours and the denominator is the number of contractual hours of a single comparable whole-time employment.

(3) Where—

- (a) any person has made an election under regulation C9 which has effect in relation to part-time employment; and
- (b) that employment ceases to be part-time and becomes whole-time employment;

then—

- (i) he may continue to pay contributions under the election in relation to the whole-time employment at the same percentage of his pensionable remuneration as the contributions he paid in relation to the part-time employment; and
- (ii) the additional period in respect of the contributions paid in relation to the whole-time employment shall be calculated on the same basis as if he had been in that whole-time employment when he made the election.

(4) Where—

- (a) any person has made an election under regulation C9 which has effect in relation to whole-time employment; and
- (b) that employment ceases to be whole-time and becomes part-time employment;

then—

- (i) he may continue to pay contributions under the election in relation to the part-time employment at the same percentage of his pensionable remuneration as the contributions he paid in relation to the whole-time employment; and
- (ii) the additional period in respect of the contributions paid in relation to the part-time employment shall be calculated on the same basis as if he had been in that part-time employment when he made the election.

(5) The previous provisions of this regulation do not apply to an election made by a person under regulation C6 of the 1986 regulations (or having effect as if so made) but, if he so elects by notice in writing to the appropriate administering authority, then—

- (a) payments made by him on and after the date when the election takes effect shall be made by reference to his actual remuneration for the time being; and
- (b) the period of membership which he is entitled to count by virtue of them shall be calculated on the same basis as if the previous provisions of this regulation had always applied in respect of his election.

(6) A person may not make an election under paragraph (5) after the beginning of the period of one year ending with his NRD.

Payments to avoid reduction of retirement grant and death grant

C13.—(1) Subject to the following provisions of this regulation, a member—

- (a) whose retirement grant would be subject to reduction under paragraph 2, 3(1) or 4(1) of Schedule D2 (reduction in standard retirement grant on account of contingent spouse's pension); or
- (b) whose death grant would be subject to reduction under regulation E5 (surviving spouse deductions from certain death grants),

may, by notice in writing given to the appropriate administering authority, elect to make additional periodical payments under this regulation in order to avoid all or part of the reduction—

- (i) in his retirement grant; and
- (ii) in any death grant that may become payable under Part E.

(2) A notice under paragraph (1) shall specify whether the reduction is to be avoided in respect of the whole or only a specified part—

- (a) in the case of male member, of his membership before 1st April 1972 or before any earlier date on which—
 - (i) he became a widower; or
 - (ii) he was judicially separated from his wife; or
 - (iii) his marriage was dissolved;
- (b) in the case of a female member who has given notice under paragraph 1(1) of Schedule F1, of her membership which is or is treated for the purposes of paragraph 3(2) of Schedule D2 as being membership—
 - (i) before 1st April 1972;
 - (ii) after 31st March 1972 but before 6th April 1988; and

- (c) in the case of a female member who has made such an election as is mentioned in paragraph 2 of Schedule F1, of her membership before 1st April 1972.
 - (3) An election may not be made in respect of a period of membership of less than one year unless—
 - (a) the whole of the person’s period of membership—
 - (i) in the case of a person described in paragraph (2)(a) or (c), before 1st April 1972; or
 - (ii) in the case of a person described in paragraph (2)(b), before 6th April 1988; or
 - (b) where he has previously made an election in respect of part of that membership, the remainder of it, amounts to less than one year.
 - (4) An election under this regulation may be made by any person from time to time, but not—
 - (a) if in the particular case the appropriate administering authority so resolve, without his having, at this own expense, undergone a medical examination to their satisfaction; nor
 - (b) after making an election under regulation C8(5)(b) of the 1986 regulations (or any corresponding previous provision) to make payment by instalments.
 - (5) Where—
 - (a) this regulation applies to a woman by virtue of her having made such an election as is mentioned in paragraph 2 or Schedule F1;
 - (b) she has made (or is treated as having made) an election under paragraph (1) or regulation C8 of the 1986 regulations (or any corresponding previous provision);
 - (c) this regulation subsequently applies to her by virtue of paragraph 3(1) of Schedule D2; and
 - (d) she makes a further election under paragraph (1),
- then—
- (i) any payments made under this regulation pursuant to the election referred to in paragraph (b) shall be deemed to have been made pursuant to the further election, and
 - (ii) any additional sums payable by her pursuant to the further election shall be determined accordingly by the fund’s actuary.

Payments to increase widower’s pension by counting membership before 6th April 1988

C14.—(1) Subject to the following provisions of this regulation, a member who—

- (a) is a married woman,
- (b) is entitled to count a period of membership before 6th April 1988, and
- (c) was not a member on 27th July 1989 or has not been a member continuously since that date,

may, by notice in writing given to the appropriate administering authority, elect to make additional periodical payments in order to count all or part of her period of membership before 6th April 1988 as membership for the purposes of calculating a widower’s pension in accordance with regulation F8(2)(b)(iii).

(2) A notice under paragraph (1) shall specify whether it relates to the whole or only a specified part of the women’s period of membership which is membership—

- (a) before 1st April 1972, or
- (b) after 31st March 1972 but before 6th April 1988, or is treated as being such membership for the purposes of paragraph 3(2) of Schedule D2 (reduction in standard retirement grant on account of contingent spouse’s pension).

(3) A notice under paragraph (1) may not be given in respect of a period of less than one year unless—

- (a) the whole of the woman’s period of membership before 6th April 1988, or
- (b) where she has previously given a notice in respect of part of that membership, the remainder of it,

amounts to less than one year.

(4) Notice under paragraph (1) may be given by a member on more than one occasion but, unless the appropriate administering authority otherwise agree, it shall be given before the expiry of the period of 12 months beginning—

- (a) with the date of any marriage or re-marriage, or
- (b) if her husband becomes permanently incapacitated by reason of ill-health or infirmity of mind or body and wholly or mainly dependent on her, with the date on which a medical certificate to that effect is received by the appropriate administering authority.

(5) For the purposes of paragraph (1)(c), the reference to a woman having been a member continuously includes a reference to a woman who, having ceased to be a member became or becomes a member again—

- (a) within one month of so ceasing, or
- (b) within one month of returning to work in accordance with section 39 or 41 of the Employment Protection (Consolidation) Act 1978⁽³⁾ (which confer the right to return to work following pregnancy or confinement).

Amounts of payments under regulations C13 and C14

C15.—(1) The amount to be paid by a member who has under regulation C13 or C14 elected to make additional periodical payments in respect of a period of membership specified in the notice of election is—

- (a) in the case of a male member, the appropriate percentage of his remuneration for the time being, multiplied by the length of that period;
 - (b) in the case of a female member who made such an election as is mentioned in paragraph 2 of Schedule F1, the appropriate percentage of her remuneration for the time being, multiplied by four times the length of the period of membership before 1st April 1972 specified in her notice of election; and
 - (c) in the case of a female member who has given notice under paragraph 1 of Schedule F1 or regulation C14, the aggregate of—
 - (i) the appropriate percentage of her remuneration for the time being, multiplied by three times the length of the period of membership specified in her notice of election which is membership before 1st April 1972; and
 - (ii) the appropriate percentage of her remuneration for the time being, multiplied by the length of the period of membership specified in her notice of election which is membership after 31st March 1972 but before 6th April 1988.
- (2) For the purposes of this regulation “the appropriate percentage” is—
- (a) in the case of a male member, the percentage specified in the relevant Table in Part III of Schedule C3 appropriate to his age on his next birthday after the date of the election and, in the case of paragraph (1)(a), to his specified birthday; and

(3) 1978 c. 44; sections 39 and 41 were substituted by the Trade Union Reform and Employment Rights Act 1993 (c. 19), section 23, Schedule 2.

- (b) in the case of a female member, the percentage specified in the relevant Table in that Part of that Schedule appropriate to her age on her next birthday after the date of the election and, in the case of the paragraph (1)(b) or (c), to her specified birthday;

and in this paragraph “specified birthday” means the birthday specified in accordance with regulation C16(1).

(3) For the purposes of this regulation the lengths of periods are to be expressed in complete years and any fraction of a year.

(4) References in paragraph (1)(c)(i) and (ii) to a period of membership which is a period before 1st April 1972 or, as the case may be, after 31st March 1972 but before 6th April 1988 include references to a period treated for the purposes of paragraph 3(2) of Schedule D2 as being such a period.

Further provisions as to making of payments under regulations C13 and C14

C16.—(1) A member shall specify in a notice of election to make additional periodical payments under regulation C13 or C14 the birthday (“the specified birthday”) up to which additional payments are to be paid, which may be—

- (a) his 65th birthday, or
(b) any earlier birthday which is or is after his NRD.

(2) Such additional periodical payments are to be paid, at such intervals as the appropriate administering authority may determine, from the member’s next birthday after the date of the election.

No elections to make payments after 64

C17. A person may not make an election under regulation C9, C13 or C14 if he has attained the age of 64.