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STATUTORY INSTRUMENTS

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**1995 No. 1019**

**The Local Government Pension Scheme Regulations 1995**

**PART C**

**MEMBERS' CONTRIBUTIONS**

*Additional payments to improve benefits*

**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<sup>(1)</sup> (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<sup>(2)</sup>;

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

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(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.

- (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
    - (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.