
STATUTORY INSTRUMENTS

1995 No. 1019

The Local Government Pension Scheme Regulations 1995

PART K

INTERCHANGE ETC

Transfers in

Increase in return of contributions

K17.—(1) Where—

- (a) a person to whom regulation K14 applies ceases to be employed in employment in which he is a member in circumstances in which a return of contributions is payable to him under regulation C21(1),
- (b) if a transfer value had not been payable, he would have been entitled on the termination of his non-local government employment to a return of contribution under his non-local government scheme in respect of service to which the transfer value accepted under regulation K13 relates, and
- (c) no previous increase has been made under this regulation in relation to that service,

the sum due to him under regulation C21(1) shall be increased by an amount equal to the return of contributions (including any interest), which would have been paid to him under his non-local government scheme in respect of that service in the circumstances specified in sub-paragraph (b), if it had been paid when the transfer value was received by his fund authority.

(2) Where compound interest is payable on the contributions due to be so returned, compounded interest calculated at the same rate and in the same manner shall also be payable on the amount of the increase under paragraph (1) for the period beginning with the date on which the transfer value was received by the fund authority and ending with the date on which he ceased to be employed in the employment in which he was a member.

(3) Nothing in paragraphs (1) and (2) confers any entitlement to an increase on account of contributions which were returned to, and were not subsequently repaid by, the person who paid them.

(4) Where—

- (a) a sum due under regulation C21(1) is increased under paragraph (1) by an amount equal to the whole of the person's contributions in connection with the service to which the transfer value relates, and
- (b) that is the only service to which the transfer value relates,

his right to count a period of membership under regulation K14(1)(a) on account of the transfer value shall be extinguished when the increased payment is made.

(5) Where—

- (a) a sum due under regulation C21(1) is increased under paragraph (1), and

(b) paragraph (4) does not apply,

then, when the increased payment is made, the period of membership the person is entitled to count under regulation K14(1)(a) on account of the transfer value is reduced to the appropriate fraction of the period of membership which he was entitled so to count before the payment was made.

(6) In paragraph (5) “the appropriate fraction” means the fraction of which—

(a) the numerator is the period he is entitled to count under regulation K14(1)(b) (“the K14(1)(b) period”) reduced by the period of service on account of which the increase under paragraph (1) is made, and

(b) the denominator is the K14(1)(b) period.

(7) For the purpose of calculating the reduction under paragraph (5)—

(a) the period of service mentioned in paragraph (6)(a) shall count at its actual length; and

(b) all periods are to be expressed in years and fractions of a year.