
STATUTORY INSTRUMENTS

1995 No. 365

**The National Health Service Superannuation
Scheme (Scotland) Regulations 1995**

PART Q

RIGHT TO BUY ADDITIONAL SERVICE AND UNREDUCED LUMP SUM

Right to buy additional service

Q1.—(1) Provided a member will be able to complete at least 9 years' pensionable service prior to reaching age 60 and subject to the provisions of this regulation and regulations Q3 (paying by single payment) and Q5 (paying by regular additional contributions) a member in pensionable employment may increase his rights to benefits by buying additional pensionable service in accordance with the regulations in this Part.

(2) The member may choose to pay for additional service by making a single payment in accordance with regulation Q3 or by making regular additional contributions in accordance with regulation Q5 or partly in one way and partly in the other.

(3) A member must exercise his right to buy additional service within the time limits described in regulation Q3 or, as the case may be, regulation Q5 and before becoming entitled to receive a pension under regulation E1 (normal retirement pension) or E6 (preserved pension).

(4) Any period of additional service that a member buys will count as pensionable service for all the purposes of the scheme, except—

- (a) for the purpose of calculating whether and, if so, by how much the member's pensionable service should be (or, where the member dies in pensionable employment, would have been) increased as described in regulation E2 (early retirement pension (illhealth)); and
- (b) for the purpose of calculating the member's qualifying service in accordance with regulation C3 (qualifying service).

(5) For the purposes of regulation G7 (widower's pension), if a woman exercised her right to buy additional service before 6th April 1988, the additional service bought as a result of that exercise of her right will be treated as service before 6th April 1988.

(6) Subject to paragraph (7) and regulation C2(4), the maximum period of additional service that a member may buy is the period set out in the following table opposite the number of years of pensionable service that the member could complete ("potential years of service") if he stayed in pensionable employment until age 60. A member who will not be able to complete at least 9 years' pensionable service prior to reaching age 60 may not buy any additional service:—

Potential years of service	Maximum period of additional service that member may buy
9	1 year
10	2 years

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Potential years of service	Maximum period of additional service that member may buy
11	3 years
12	4 years
13	5 years
14	7 years
15	9 years
16	11 years
17	13 years
18	15 years
19	17 years
20 or more	20 years

(7) The member's right to buy additional service is subject to any limits imposed by the Inland Revenue.

(8) Where a special class officer buys a period of additional service, the amount of the benefits attributable to that period of additional service will be those that would be payable in the case of a member who is not a special class officer.

(9) Where a member, following a break in pensionable employment in respect of which he received a refund of contributions which has not been repaid, rejoins the scheme, he may buy all or any part of the previous pensionable service provided that the employment giving rise to that pensionable service was not employment to which the contracting out requirements applied.

Right to buy an unreduced retirement lump sum

Q2.—(1) Subject to the provisions of this regulation and regulations Q4 (paying by single payment) and Q5 (paying by regular additional contributions) a member in pensionable employment whose service started before 25th March 1972 and who is, or has been, married may make payments to the scheme to off-set all or part of any reduction in the lump sum payable to the member under regulation E7 (lump sum on retirement).

(2) The member may choose to pay for an unreduced retirement lump sum by making a single payment in accordance with regulation Q4 or by making regular additional contributions in accordance with regulation Q5 or partly in one way and partly in the other.

(3) A member must exercise the right to buy an unreduced retirement lump sum within the time limits described in regulation Q4, or as the case may be, regulation Q5 and before the lump sum becomes payable.

Paying for additional service by single payment

Q3.—(1) A member who wishes to pay for additional service by a single payment must elect to do so within 12 months of first joining the scheme.

(2) A member who, following a break in pensionable employment rejoins the scheme, may pay for additional service by a single payment only if—

- (a) he again becomes a member having become entitled, in respect of earlier pensionable service, to a pension under regulation E6 (preserved pension) which has not become payable; or

- (b) he again becomes a member having, in respect of earlier pensionable service, received a refund of contributions which has not been repaid; or
- (c) he again becomes a member having, in respect of earlier pensionable service, required a transfer of rights to another scheme in circumstances where those rights are preserved in that other scheme,

and he elects to do so within 12 months of rejoining the scheme.

(3) The amount of a single payment for additional service will be calculated in accordance with Table 1 of Schedule 2.

(4) For the purposes of Table 1 of Schedule 2, “remuneration” means, subject to paragraph (5), the yearly average of a member’s pensionable pay in respect of the three months’ pensionable employment immediately preceding the date on which the member elects to buy the additional service or unreduced retirement lump sum.

(5) If the member has not been in pensionable employment for three months before electing to buy the additional service or unreduced retirement lump sum, “remuneration” means the yearly average of the member’s pensionable pay in respect of the first three months’ pensionable employment.

(6) The member must make any single payment for additional service within three months after electing to do so or, if later, within six months after starting pensionable employment.

(7) Where a person elects to buy additional service in the circumstances described in regulation Q1(9), the cost will be calculated as one-half of the cost calculated under paragraph (3).

Paying for unreduced retirement lump sum by single payment

Q4.—(1) A man who wishes to pay for an unreduced retirement lump sum by a single payment must elect to do so within 12 months after getting married, or if he is not then a member, within 12 months of first rejoining the scheme after getting married.

(2) A woman who wishes to pay for an unreduced retirement lump sum by a single payment must elect to do so within 12 months after nominating her husband to receive a dependent widower’s pension under regulation G8 (dependent widower’s pension).

(3) The amount of a single payment for an unreduced retirement lump sum will be calculated in accordance with Table 2 of Schedule 2.

(4) For the purposes of Table 2 of Schedule 2, “remuneration” means, subject to paragraph (5), the same as in regulation Q3(4) and (5) (meaning of “remuneration” for the purposes of Table 1 of Schedule 2).

(5) In the case of a member who elects to buy an unreduced retirement lump sum but who is no longer required to contribute under regulation D1 (contributions by members) because regulation D1(3) or (4) applies, “remuneration” means the amount to which a pension equal to the member’s final year’s pensionable pay and beginning on the day on which regulation D1(3) or (4) started to apply would have been increased under Part I of the Pension (Increases) Act 1971(1) at the date on which the member elects to buy an unreduced retirement lump sum.

(6) The member must make any single payment for an unreduced retirement lump sum within three months after electing to do so or, if later, within six months after starting pensionable employment.

Paying by regular additional contributions

Q5.—(1) A member who wishes to pay for additional service or unreduced retirement lump sum by regular additional contributions must elect to do so before reaching age 63.

(2) Regular additional contributions shall be deducted from the member's earnings, and paid to the Secretary of State, in like manner as under regulation D1(5) (contributions by members).

(3) Subject to paragraph (4), the member must start paying the regular additional contributions from the member's next birthday following the date on which the member elects to buy the additional service or unreduced retirement lump sum until either his 60th or 65th birthday, whichever the member chooses (the "chosen date").

(4) The period for which a member elects to pay regular additional contributions must be at least 2 years.

(5) The regular additional contributions will be calculated as a percentage of the member's pensionable pay, in accordance with Table 3 of Schedule 2, (if the member is buying additional service) or Table 4 of Schedule 2 (if the member is buying an unreduced retirement lump sum).

(6) The member's total regular contributions to the scheme (including contributions under regulation D1) may not exceed 15 per cent of pensionable pay, or any other limit specified for the time being by the Inland Revenue.

(7) If a member who has elected to pay for additional service or unreduced retirement lump sum by regular additional contributions stops paying the contributions before the chosen date under paragraph (3), regulation Q7 (part payment for additional service) will apply.

(8) Where a member elects to make payment for additional service in the circumstances described in regulation Q1(9), the cost will be calculated as one-half of the cost calculated under paragraph (5).

Electing to buy additional service or unreduced retirement lump sum

Q6.—(1) A member electing to buy additional service or unreduced retirement lump sum shall do so by giving notice in writing to the Secretary of State on the form provided, giving such information as may be required.

(2) A member may not exercise a right to buy additional service or unreduced retirement lump sum benefits during a period of absence from work without leave or because of ill-health or injury, or while his earnings are reduced or suspended.

(3) For the purposes of these Regulations, the date on which a member elects to buy additional service or unreduced lump sum means the date on which the Secretary of State receives the member's completed form exercising that right.

(4) If a member who elects to pay for additional service or unreduced retirement lump sum by a single payment leaves pensionable employment within three months after starting that employment, the election will cease to have effect.

(5) For the purposes of paragraph (4), and notwithstanding regulation P2(3) (temporary absence through illness or injury), a member whose earnings are suspended during a period of absence from work for illness or injury will not be treated as if he had left pensionable employment.

(6) A member who wishes to pay for additional service or unreduced retirement lump sum by regular additional contributions must be able to sign a declaration, in the form provided, that he knows of no reason why his health should prevent him from paying the additional contributions for the whole period for which he has chosen to pay them.

(7) Where payment in accordance with regulation Q5(5) is causing, or continuation would cause, financial hardship the Secretary of State may consent to the discontinuance of the payments and regulation Q7 will apply.

Part payment for additional service or unreduced retirement lump sum

Q7.—(1) If a member who is paying for additional service or unreduced retirement lump sum by regular additional contributions stops paying before the chosen date under regulation Q5(3), the member's benefits will be calculated as described in this regulation.

(2) If the member dies or becomes entitled to a pension under regulation E2 (early retirement pension (ill health)) within 12 months after starting to pay the additional contributions, an amount equal to the contributions (less any tax that may be payable) will be returned to the member or the member's personal representatives.

(3) If 12 months or more after starting to pay the additional contributions but before reaching the age of 60 the member dies in pensionable employment or becomes entitled to a pension under regulation E2 the member will be treated as if the contributions have been paid, and the member's benefits will be increased to include the additional service or unreduced retirement lump sum that the member has chosen to buy. If a member who retires through ill health later returns to pensionable employment before the chosen date under regulation Q5(3), he must continue paying the additional contributions until the chosen date.

(4) If neither of paragraphs (2) or (3) apply, the member's benefits will include a proportion of the additional service or unreduced retirement lump sum that the member has chosen to buy, calculated as described in whichever of paragraphs (5) and (6) applies.

(5) If the member becomes entitled to receive benefits at or after the chosen date under regulation Q5(3) the proportion will be calculated as—

$$\frac{\text{period for which contributions were paid}}{\text{period for which contributions should have been paid}}$$

(6) If the member other than a member to whom paragraph (3) applies dies or becomes entitled to receive benefits before the chosen date under regulation Q5(3), the benefits will be calculated as described in paragraph (5) but, except in a case where benefits are reduced under E5(2) or E8(7) (b), will then be reduced on a basis determined by the Government Actuary and consistent with the preservation requirements.