

SCHEDULES

SCHEDULE 4

REVENUE RESTRICTIONS

Maximum additions under regulations 53 and 55

- 8.—(1) The maximum addition under regulation 53 or 55 is—
- (a) the period (if any) by which the person’s potential period of membership falls short of 40 years, or
 - (b) his potential period of membership,
- whichever is the shorter.
- (2) His potential period of membership is the period he would be entitled to count as a period of membership in relation to his local government employment, assuming—
- (a) if he is not an active member on the date of the resolution, that he became such a member on that date, and
 - (b) that he continued as an active member until he was aged 65.
- (3) If—
- (a) the resolution under regulation 53 relates to a person who on the date of the resolution has retained benefits, or
 - (b) on the date of the election under regulation 55 the member has retained benefits,
- the period of 40 years mentioned in sub-paragraph (1) must be reduced by the appropriate period.
- (4) The appropriate period is such period as is certified by an actuary appointed by the appropriate administering authority to be sufficient to secure—
- (a) that the aggregate of—
 - (i) the relevant income benefits, and
 - (ii) the pension equivalent of the relevant capital benefits,will not exceed two-thirds of his final pay; and
 - (b) that his retirement grant will not exceed his final pay by more than 50 per cent.
- (5) In this regulation—
- “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(1);
- “the relevant income benefits”, in relation to a member, means the aggregate annual amount of—
- (a) the actuarial value, expressed as an annuity payable to him, of the relevant benefits which are pension benefits, and

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- (b) the part of his retirement pension attributable to his period of membership before his NRD; and
- “the relevant capital benefits”, in relation to a member, means the aggregate amount of—
- (a) his retirement grant, and
 - (b) any lump sum comprised in the relevant benefits which are pension benefits.
- (6) For the purposes of sub-paragraphs (4) and (5)—
- (a) it is to be assumed that the person will, until his NRD, continue in the same employment and on the same terms and conditions (including, in particular, his scale of pay) as at the date of the resolution or, as the case may be, the election (assuming, if he has not entered the employment of the authority at that date, that he had done so on that date on the scale of pay at which the employment was offered to him),
 - (b) any period of membership on or after that date 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.