
STATUTORY INSTRUMENTS

1998 No. 366

The Local Government Pension
Scheme (Scotland) Regulations 1998

PART II

PRIMARY PROVISIONS

CHAPTER IV

BENEFITS

Commutation

Commutation: small pensions

48.—(1) If the annual rate of the retirement pension which a member who has attained state pensionable age is entitled to be paid is not more than £260 or such higher amount as may be prescribed from time to time by regulations made under section 21(1) of the Pension Schemes Act 1993(1), the appropriate administering authority may pay him a lump sum representing the capital value of the pension.

(2) The appropriate administering authority may also pay a lump sum representing the capital value of a long-term pension which is payable to any surviving spouse or to or in respect of an eligible child or children, if the annual rate does not exceed £260, or such higher amount as may be so prescribed.

(3) If a member is entitled to more than one retirement pension under the Scheme or more than one long-term pension is payable under the Scheme following a deceased member's death, a lump sum is payable only if the aggregate amount payable to that member or following that death is less than £260 or such higher amount as may be so prescribed.

(4) Any increase payable under the Pensions (Increase) Act 1971(2) in respect of a pension must be included in its annual rate.

(5) The capital value of a pension must be calculated as shown in guidance issued by the Government Actuary.

(6) Where a payment is made in respect of a retirement pension, a payment representing the capital value of any long-term pension, which would be payable to the member's spouse if that spouse survived the member, must also be made.

(7) The payment of a lump sum in respect of a pension discharges the appropriate administering authority from their liability for it and, where the payment is made to a member, for any short-term or long-term pensions which may become payable on his death.

(1) 1993 c. 48.

(2) 1971 c. 56.

Status: This is the original version (as it was originally made).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

(8) The appropriate administering authority must deduct from any payment under this regulation any tax to which they may become chargeable under section 599 of the Taxes Act⁽³⁾.

Commutation: exceptional ill-health

49.—(1) If, when a retirement pension first becomes payable to a member, the appropriate administering authority are satisfied that his life expectancy is less than one year, they may pay him a lump sum equal to five times the amount by which the annual rate of the retirement pension exceeds his guaranteed minimum.

(2) Such a payment discharges the authority's liability for that pension (except the guaranteed minimum) and for any lump sum death grant calculated by reference to that pension under the Scheme.

(3) The authority must deduct from any such payment any tax to which they may become chargeable under section 599 of the Taxes Act.

(3) Section 599 was amended by the Finance Act 1989 (c. 26), Schedule 6, paragraphs 11, 18.