
SCOTTISH STATUTORY INSTRUMENTS

2018 No. 141

**The Local Government Pension
Scheme (Scotland) Regulations 2018**

PART 1

Membership, contributions and benefits

Contributions

Rights to return of contributions

18.—(1) If a person's qualifying service in the Scheme determined under regulation 3(6) (active membership) is for less than 2 years, that person is entitled, when that active membership ceases, to be repaid by the administering authority—

- (a) any contributions paid under or in accordance with regulation 9 or 10 in relation to that active membership;
- (b) any additional contributions paid by the person under regulation 16 in relation to that active membership;
- (c) the realisable value of any AVC or SCAVCs paid by the person, or SCAVCs paid by the Scheme employer under a salary sacrifice scheme, under regulation 17 in relation to that active membership (other than such contributions paid for life assurance cover or additional survivor benefits); and
- (d) any contributions included in a transfer payment received from a registered pension scheme or from a pension scheme or arrangement of a European pensions institution that could have been refundable under that scheme or arrangement.

(2) Where a person is entitled to repayment under paragraph (1)(c), the realisable value of any SCAVC contributions paid by the Scheme employer are repayable to the Scheme employer (other than contributions specifically paid for additional life assurance cover, in respect of additional survivor benefits or paid by the employer under a salary sacrifice scheme).

(3) A person entitled to repayment under paragraph (1)(a), (b) or (d) is also entitled to interest on the sum due under those sub-paragraphs if repayment is not made before the expiry of one year beginning with the date active membership ceased.

(4) Interest due under paragraph (3) is calculated at one per cent above base rate on a day to day basis from the date active membership ceased and compounded with 3-monthly rests.

(5) An administering authority shall refund contributions to a person entitled under paragraph (1) when the person requests payment, or on the expiry of a period of 5 years beginning with the date the person's active membership ceased if no request is made before then or, on the day before attaining age 75, whichever is earliest.

(6) If a person entitled to a repayment under paragraph (1) dies before the payment is made, the administering authority must pay the sum due to the person's estate.

(7) If a member dies before repayment of the deferred refund, these shall be treated as a lump sum death benefit for the purposes of Part 2 of schedule 29 of the Finance Act 2004 and taxed accordingly.

(8) The administering authority must deduct any tax due under the Finance Act 2004 or certified amount due under section 61 of the Pension Schemes Act 1993⁽¹⁾ from any repayment under paragraph (1) and where any such deduction is made shall secure that the money withheld is used to discharge the tax liability or is included in the contributions equivalent premium liability due under section 55 of the Pension Schemes Act 1993⁽²⁾.

(9) This regulation is subject to regulation 19 (exclusion of rights to return of contributions).

(1) 1993 c.48; section 61 was repealed by the Pensions Act 2014 (c.19), schedule 13(1), paragraph 37 and subject to savings in S.I. 2015/1502.

(2) To which there are amendments which are not relevant to this instrument.