
STATUTORY INSTRUMENTS

1987 No. 1850

**The Local Government Superannuation
(Scotland) Regulations 1987**

PART Q

INTERFUND ADJUSTMENTS

Interpretation

Q1. For the purposes of this Part, unless the context otherwise requires—

“fund authority” means—

- (a) in relation to a person’s previous local government employment, the body maintaining the superannuation fund to which he was a contributor immediately before he ceased to be employed in his previous local government employment, or its successor body; and
- (b) in relation to a person’s new local government employment, the body maintaining the superannuation fund to which he became a contributor in his new local government employment or its successor body;

“new local government employment” has the same meaning as in regulation Q2(1)(a) and “new employing authority” is to be construed accordingly;

“pension” does not include an allowance or gratuity;

“previous local government employment” has the same meaning as in regulation Q2(1)(a) and “previous employing authority” is to be construed accordingly.

Change of local government employment and fund authority

Q2.—(1) Where—

- (a) a person who has ceased to be employed in a local government employment (“the previous local government employment”) subsequently becomes employed in some other local government employment (“the new local government employment”), and
- (b) in his new local government employment the fund authority (“the new fund authority”) is different from the fund authority (“the previous fund authority”) in his previous local government employment, and
- (c) in his new local government employment he is entitled to reckon any reckonable service which he was entitled to reckon in his previous local government employment, and
- (d) no direction has been made at any time in relation to his reckonable service in his previous local government employment under regulation M1, regulation L12 of the 1974 Regulations, or any corresponding provision of any earlier enactment,

the previous fund authority shall, subject to the following provisions of these Regulations, pay, out of a superannuation fund to which the person was a contributor to the new fund authority for the credit

of their superannuation fund to which the person will be a contributor, a transfer value calculated in accordance with Part IV of Schedule 16.

(2) Subject to paragraphs (3), (4) and (5), if the change of employment occurs as a result of an Order or Regulations made under the Local Government (Scotland) Act 1973 in accordance with section 216 of that Act⁽¹⁾ and the number of persons changing superannuation funds is more than 9 but less than 100, the transfer values payable under paragraph (1) shall be calculated as if they were payable under Part I of Schedule 16.

(3) An adjustment shall be made to the total sum payable under paragraph (2) if the assets of the fund of the previous fund authority immediately before any change of employment occurs are not adequate, or are more than adequate, to meet the accrued actuarial liabilities of the fund at that time.

(4) The total shall be adjusted to the extent that the actuaries of the funds concerned consider appropriate in the circumstances.

(5) If any question arises as to the application of paragraphs (3) and (4) or the actuaries are unable to agree on the adjustment to be made, the adjustment (if any) to be made shall be decided by an actuary appointed by the Secretary of State.

(6) If the change of employment occurs as a result of an Order or Regulations made under the Local Government (Scotland) Act 1973 in accordance with section 216 of that Act and the number of persons changing superannuation funds is 100 or more—

- (a) no payment shall be made under paragraph (1); and
- (b) the superannuation fund of the previous fund authority to which the persons were contributors shall be apportioned in accordance with Schedule 19.

(7) “Accrued actuarial liabilities” means the actual and potential liabilities of the fund in connection with any service or employment before the change of employment takes place.

Partial forfeitures

Q3.—(1) Where—

- (a) a direction has been made in relation to any person under regulation M1, or any corresponding provision of any earlier enactment, and
- (b) any right to benefit under these Regulations, the 1974 Regulations or the former Regulations is retained, and
- (c) the conditions of regulation Q2(1) are satisfied with the exception of the conditions in subparagraph (d) of that regulation,

the previous fund authority shall pay out of their superannuation fund to which the person was a contributor a transfer value to the new fund authority for the credit of their superannuation fund.

(2) The transfer value is to be an amount equal to the actuarial value of the remaining benefits.

(1) Section 216 was amended by the Local Government and Planning (Scotland) Act 1982 (c. 43), Schedule 4, Part I.