

1989 No. 371

**PENSIONS**

**The Local Government Superannuation (Amendment)  
Regulations 1989**

<i>Made</i> - - - -	<i>8th March 1989</i>
<i>Laid before Parliament</i>	<i>10th March 1989</i>
<i>Coming into force</i>	<i>1st April 1989</i>

The Secretary of State for the Environment, in exercise of the powers conferred upon him by sections 7 and 12 of the Superannuation Act 1972(a) and section 35(7) and (8) of the Social Security Pensions Act 1975(b), and of all other powers enabling him in that behalf, after consultation with such associations of local authorities as appeared to him to be concerned, the local authorities with whom consultation appeared to him to be desirable and such representatives of other persons likely to be affected by the Regulations as appeared to him to be appropriate, hereby makes the following Regulations:-

**Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as the Local Government Superannuation (Amendment) Regulations 1989, and shall come into force on 1st April 1989, but regulations 2, 4(b), 5(a)(i), (b), (c), (e)(i) and (f), 8 to 11, 14 and 24 to 26 shall have effect as from 1st March 1986, regulations 17, 18(a) and 19 shall have effect from 1st April 1986, and regulations 3 and 22 shall have effect from 6th April 1988.

(2) In these Regulations “the principal Regulations” means the Local Government Superannuation Regulations 1986(c) and unless the context otherwise requires any expression which is also used in the principal Regulations has the same meaning as in those Regulations.

**Exclusion from reckonable service and qualifying service**

2. Regulation D3 of the principal Regulations is amended by inserting after paragraph (7) the following:

“(8) A woman who exercises, in accordance with section 47 of the Employment Protection (Consolidation) Act 1978(d) a right to return to work after being absent from work wholly or partly because of pregnancy or confinement is, unless she has given notice under regulation E2(9)(c), to be treated as not having entered a local government employment in any of the circumstances mentioned in this regulation.”.

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(a) 1972 c.11.

(b) 1975 c.60; section 35(7) was amended by the Social Security (Miscellaneous Provisions) Act 1977 (c.5), section 22(7), by the Social Security Act 1979 (c.18), Schedule 3, paragraph 18, and by the Social Security Act 1985 (c.53), Schedule 3, paragraph 2; section 35(8) was amended by the Social Security Act 1985, Schedule 3, paragraph 8 and a relevant exception to it was prescribed by the Occupational Pension Schemes (Revaluation) Regulations 1985 (S.I. 1985/1930), regulation 9 as amended by the Contracting-Out (Miscellaneous Amendments) Regulations 1988 (S.I. 1988/475).

(c) S.I. 1986/24; relevant amendments were made by S.I. 1987/293 and 1988/466.

(d) 1978 c.44; section 47 was amended by the Employment Act 1980 (c.42), section 11(3).

**Guaranteed minimum pension for certain pensionable employees and their widows or widowers**

3. Regulation E1 of the principal Regulations is amended—
- (a) by inserting at the end of the heading the words “or widowers”;
  - (b) in paragraph (3)(c) by substituting for the word “he” the words “the pensionable employee is a man and” and for the words “and leaves” the word “leaving”;
  - (c) after paragraph (3)(c) by inserting the following:
    - “(d) if the pensionable employee is a woman and dies at any time leaving a widower, unless he is entitled to a widower’s pension at a higher rate he is, during any such period as is prescribed under section 36(7A) of the Pensions Act(a), entitled to a pension at a weekly rate equal to half of that part of the pensionable employee’s guaranteed minimum which is attributable to earnings factors for the tax year beginning 6th April 1988 and subsequent tax years.”; and
  - (d) after paragraph (3) by inserting the following:
    - “(4) The guaranteed minimum pensions referred to in paragraph (3) shall, insofar as they are attributable to earnings factors in the tax years from (and including) 1988-89, be increased in accordance with the requirements of section 37A of the Pensions Act(b) and to the extent of any orders made thereunder.”.

**Entitlement to retirement pension and retiring allowance**

4. Regulation E2 of the principal Regulations is amended—
- (a) by substituting for paragraphs (7) and (8) the following:
    - “(7) Subject to paragraph (11), benefits to which a man has become entitled by virtue of paragraph (1)(d) are payable—
      - (a) if he ceased the employment before he attained the age of 65 years and has made an election by notice in writing given to the employing authority not later than 3 months after ceasing to hold the employment, immediately on ceasing the employment;
      - (b) if he ceased the employment before he attained the age of 65 years and has not made an election under sub-paragraph (a) above, from the date on which he attains the age of 65 years;
      - (c) if he ceased the employment on or after attaining the age of 65 years, immediately on ceasing the employment.
    - (8) Benefits to which a woman has become entitled by virtue of paragraph (1)(d) are payable from the first date on which she has both attained the age of 60 years and is no longer in any local government employment.”;
  - (b) by inserting after paragraph (9)(c) the following:
    - “or
    - (d) if the body who employed him in the employment which he ceased to hold certify under regulation E24 that on ceasing to hold it he suffered a material reduction in remuneration.”; and
  - (c) in paragraph (11) by substituting for the words “(6) or (8)(a)” the words “(6) or (7)(a)”.

**Death grant**

5. Regulation E11 of the principal Regulations is amended—
- (a) in paragraph (3)—
    - (i) by inserting after the words “C is the length in years of his reckonable service” the following:
      - “C1 is the length in years of the reckonable service that would have been taken into account in calculating a retirement pension if he had become

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(a) 1975 c.60; section 36(7A) was inserted by the Social Security Act 1986 (c.50), section 9(3).

(b) Section 37A was inserted by 1986 c.50, section 9(7).

entitled to one under regulation E2(1)(b)(i) (permanent ill-health etc.) on the day of his death,

C2 is the length in years of the reckonable service taken into account in calculating his retirement pension,” and

- (ii) by substituting for the words “G is the annual rate of his retirement pension” the words “G is the total amount that would (or would but for regulation E15 or his death, or both,) have been paid to him by way of retirement pension for the first 5 years after he became (or would but for regulation E15 have become) entitled to receive payments in respect of the pension”;
- (b) by substituting for paragraph (4) the following:

“(4) subject to paragraph (9), where paragraph (1)(a) applies the amount of the death grant is the greater of A and  $(B \times C1)$ .

(4A) Subject to paragraphs (9) and (11), where paragraph (1)(b) or (c) and paragraph (2)(b) apply and the deceased became entitled to the retirement pension otherwise than by virtue of regulation E2(1)(c) the amount of the death grant is the greater of A and  $(B \times C2)$ .”;
- (c) in paragraph (5)–
  - (i) by substituting for sub-paragraph (b) the following:

“(b) paragraph (1)(b) or (c) and paragraph (2)(a) apply and–

    - (i) the deceased became entitled to the retirement pension by virtue of regulation E2(1)(c), and
    - (ii) the reckonable service that would have been taken into account in calculating a retirement pension if he had remained in his local government employment until pensionable age is 10 years or more,” and
  - (ii) by substituting for the formulae  
“ $(B \times C) - (D + E)$ ” and “ $\frac{C}{F} \times (A - (D + E))$ ” the formulae  
“ $(B \times C2) - (D + E)$ ” and “ $\frac{C2}{F} \times (A - (D + E))$ ”;
- (d) in paragraph (6), by substituting for the words “is  $5 \times G$ ” the words “is G”;
- (e) in paragraph (7)–
  - (i) in sub-paragraph (a), by substituting for the words after “regulation E2(1)(c)” the words “and the reckonable service that would have been taken into account in calculating a retirement pension if he had remained in his local government employment until pensionable age is less than 10 years, or”, and
  - (ii) by substituting for the formula “ $\frac{C}{F} \times ((5 \times G) - H)$ ”;  
the formula “ $\frac{C2}{F} \times (G - H)$ ”; and
- (f) in paragraph (8), by substituting for the formula “ $B \times C$ ” the formula “ $B \times C2$ ”.

#### **Reduction of retirement pension in the case of certain re-employed pensioners**

6. Regulation E15 of the principal Regulations is amended by inserting after paragraph (11) the following:

- “(11A) It is the duty of a person who has become entitled to a retirement pension–
- (a) to inform any scheduled body with whom he proposes to accept a new employment that he is so entitled, and
  - (b) on entering a new employment, forthwith to notify in writing the body from whom he has become entitled to receive the pension that he has entered that employment.”.

#### **Combined benefits in the case of certain re-employed pensioners**

7. Regulation E16 of the principal Regulations is amended–

- (a) in paragraph (1)–

- (i) in sub-paragraph (b), by substituting for the words "whole-time" the words "employment which was or became",
- (ii) by deleting sub-paragraph (c),
- (iii) in sub-paragraph (d), by deleting the words "which has become payable", and
- (iv) by substituting for the words "the second retirement pension became payable" the words "he became entitled to the second retirement pension";
- (b) in paragraph (2), by inserting after the words "the second retirement pension became" the words "or becomes";
- (c) in paragraph (4)-
  - (i) by substituting for the word "received" the words "was entitled to",
  - (ii) by inserting after sub-paragraph (a) the following:
    - "(aa) if he has not received the allowance before becoming entitled as mentioned in paragraph (2)(a) he ceases to be entitled to it," and
  - (iii) in sub-paragraphs (b) and (c), by inserting after the words "if" the words "he has received the retiring allowance and"; and
- (d) in paragraph (5), by substituting for the word "reduced", in both places where it occurs, the words "subject to reduction".

#### **Separate benefits in the case of certain re-employed pensioners**

8. Regulation E17 of the principal Regulations is amended by substituting for paragraph (4) the following:

"(4) Subject to paragraph (5), if when the person dies paragraph (4) of regulation E11 (death grant) applies, it applies with the substitution for the words "is the greater of A and (B × C1)" of the words "is (B × C1)"; and if paragraph (4A) of regulation E11 applies, it applies with the substitution for the words "is the greater of A and (B × C2)" of the words "is (B × C2)"."

#### **Pensionable remuneration**

9. Regulation E22 of the principal Regulations is amended in paragraph (8)(b) by inserting after the words "regulation E11(4)" the words "or (4A)".

#### **Certificates as to reduction in remuneration**

10. Regulation E24 of the principal Regulations is amended-

- (a) in paragraph (1), by substituting for the words "the remuneration of an employment which he continues to hold" the word "remuneration"; and
- (b) by inserting after paragraph (1) the following:
  - "(1A) A person suffers a reduction in remuneration if-
    - (a) the remuneration of an employment which he continues to hold is reduced, or
    - (b) he is transferred to another employment under the same scheduled body at a reduced remuneration."

#### **Persons entitled before 1st April 1974 to preserved benefits**

11. The principal Regulations are amended by inserting in Part G after regulation G10 the following:

##### **"Persons entitled before 1st April 1974 to preserved benefits**

G11. In the case of a person who is entitled to preserved benefits to which he became entitled by virtue of regulation E2(1)(c) of the 1974 Regulations as applied by Part K of those Regulations-

- (a) the preserved benefits are subject to reduction, but
  - (b) on return to local government employment previous service becomes reckonable on repayment of returned contributions,
- as if regulations K1(7), D1(2) (with the substitution for "the appointed day" of "1st April 1989") and D1(3) of the 1974 Regulations had continued to have effect."

### **Right to reckon service**

12. Regulation J9 of the principal Regulations is amended in paragraph (1)(b) by substituting for the words after "qualifying service" the words "all the service to which the transfer value relates".

### **Revaluation of guaranteed minimum in certain cases**

13. The principal Regulations are amended by inserting in Part J after regulation J14 the following:

#### **"Revaluation of guaranteed minimum in certain cases**

J15.—(1) This regulation applies where a person has ceased to be a pensionable employee and the guaranteed minimum in relation to his pension is appropriately secured within the meaning of section 52C(4) of the Pensions Act(a).

(2) The earnings factors of such a person shall be determined for the purposes of section 35(2) of the Pensions Act by reference to the last Order under section 21 of that Act to come into force before the end of the tax year in which he ceased to be a pensionable employee and without reference to the last such Order to come into force before the end of the final relevant year.

(3) The weekly equivalent mentioned in section 35(2) of the Pensions Act is to be increased in accordance with any additional requirements for the time being prescribed for the purposes of section 45(1)(b) (exclusion from liability to pay a limited revaluation premium) of that Act.

(4) In this regulation "relevant year" has the meaning given in section 35(9) of the Pensions Act."

### **Allowances for pensioners**

14. Regulation L5 of the principal Regulations is amended in paragraph (1)(c) by substituting for the words "regulation E1(2)(b)(ii)" the words "regulation E22(4)".

### **Transfer of certain sums from the superannuation fund**

15. Regulation M2 of the principal Regulations is amended by inserting after paragraph (1)(b) the following:

"and

(c) either—

- (i) he became entitled to benefits under regulation E2(1) and a direction has been given under regulation M1(1), or
- (ii) he did not become so entitled and the total of his reckonable service and qualifying service is less than 2 years."

### **Recovery or retention by employing authority of certain sums from the superannuation fund**

16. Regulation M3 of the principal Regulations is amended by inserting after paragraph (1)(b) the following:

"and

(c) is entitled to benefits under regulation E2(1)."

### **Management of superannuation fund**

17. In regulation P2 (which shall become regulation P2(1)) of the principal Regulations, at the end there shall be added—

"(2) An administering authority may pay out of moneys forming part of their superannuation fund any costs, charges and expenses incurred by them in administering the fund.

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(a) Section 52C was inserted by the Social Security Act 1985 (c.53), Schedule 1, paragraph 2, and amended by the Social Security Act 1986 (c.50), Schedule 10, paragraph 26.

(3) For the purpose of paragraph (2) above "costs, charges and expenses incurred by them in administering the fund" includes costs, charges and expenses incurred by the administering authority in connection with a scheme to which contributions are payable under regulation C9A, and excludes costs, charges and expenses incurred in connection with a retirement benefits scheme approved by the Commissioners of Inland Revenue under section 591(1) and (2)(h) of the Income and Corporation Taxes Act 1988(a)."

#### **Use and investment of superannuation fund's moneys**

18. Regulation P3 of the principal Regulations is amended—

- (a) by substituting for the words "P2(c)" in paragraph (2) the words "P2(1)(c)";
- (b) by substituting for paragraph (4)(b)(iii) the following:  
" (iii) a deposit with the Bank of England, an institution authorised under Part I of the Banking Act 1987(b) or a person for the time being specified in Schedule 2 to that Act, ";
- (c) in paragraph (4)(d), by substituting for the words "paragraph 13 or 14 of Schedule 1 to the Banking Act 1979" the words "paragraph 12 or 13 of Schedule 2 to the Banking Act 1987"; and
- (d) by substituting for paragraph (5)(b) the following:  
" (b) deposited with the Bank of England, an institution authorised under Part I of the Banking Act 1987 or a person for the time being specified in paragraphs 1 to 11 of Schedule 2 to that Act. "

#### **Payments by employing authorities to administering authorities**

19. Regulation P10 of the principal Regulations is amended—

- (a) in paragraph (1)(d) by the insertion before the words "a contribution" of the words "except where paragraph (1A) applies"; and
- (b) by the insertion after paragraph (1) of the following:  
" (1A) A scheduled body who are not an administering authority shall not be required to pay to an administering authority a contribution towards the cost of the administration of the fund where that cost is, under regulation P2(2), paid out of moneys forming part of the fund. "

#### **Pensions Act payments**

20. The principal Regulations are amended by substituting for regulation P13 the following:

##### **"Pensions Act payments**

P13.—(1) Any increase in a pension which is required by virtue of sections 41A to 41C (protection of pensions) of the Pensions Act(c) shall be paid out of the appropriate superannuation fund.

(2) Any payment which an administering authority are required to make as a result of a person's taking a right to a cash equivalent under Schedule 1A to the Pensions Act(d) shall be made out of the appropriate superannuation fund."

#### **Pensions Act premiums**

21. The principal Regulations are amended by substituting for regulation R5 the following:

##### **"Pensions Act premiums**

R5.—(1) Where a scheduled body pay a contributions equivalent premium under Part III of the Pensions Act in respect of any pensionable employee, they are entitled to recover, or if they are an administering authority to retain, out of the appropriate

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(a) 1988 c.1.

(b) 1987 c.22.

(c) 1975 c.60; sections 41A to 41C were inserted by the Health and Social Security Act 1984 (c.48), Schedule 6, were modified by the Contracting-out (Protection of Pensions) Regulations 1984 (S.I. 1984/1921), and were further amended by the Social Security Act 1985 (c.53), section 6 and Schedule 3, paragraph 3.

(d) Schedule 1A was inserted by the Social Security Act 1985, Schedule 1, paragraph 3.

superannuation fund a sum not exceeding the amount of that premium, less the amount (if any) which they could recover or retain under section 47 of that Act in respect of the premium.

(2) Where such a contributions equivalent premium is refunded under regulation 24(3)(c) of the Occupational Pension Schemes (Contracting-out) Regulations 1984(a), the authority to whom it is refunded shall pay to the appropriate superannuation fund a sum equal to the amount of the premium.

(3) Where a scheduled body have paid a transfer premium under section 44A(b) or a limited revaluation premium under section 45 of the Pensions Act they are entitled to recover, or if they are an administering authority to retain, the amount of the premium out of the appropriate superannuation fund.”.

### Glossary of expressions

22. Schedule 1 to the principal Regulations is amended—

(a) by inserting after the entry relating to “Disqualifying break of service” the following:

““Earnings factors”                      The earnings factors referred to in section 35 of the Pensions Act.”; and

(b) by inserting after the entry relating to “statutory scheme” the following:

““Tax year”                                The 12 months beginning with 6th April in any year.”.

### Further additional contributions

23. Schedule 6A to the principal Regulations is amended in paragraph 9(1) by substituting for the word “P2” the word “P2(1)”.

### Modifications to Part E where no right to retiring allowance etc.

24. Schedule 11 to the principal Regulations is amended in paragraph 9—

(a) in sub-paragraph (c), by substituting for the words “paragraph (4)(b)” the words “paragraph (4A)”;

(b) in sub-paragraph (e), by substituting for the formulae

“(B × C) – E” and “ $\frac{C}{F} \times (A - E)$ ” the formulae

“(B × C2) – E” and “ $\frac{C2}{F} \times (A - E)$ ”.

### Certain employees of City of London employing bodies

25. Paragraph 4(b) of Part V of Schedule 15 to the principal Regulations is amended in paragraph 11 of Part III of the substituted Schedule 11—

(a) in sub-paragraph (b), by substituting for the words “paragraph (4)(b)” the words “paragraph (4A)”;

(b) in sub-paragraph (d), by substituting for the formulae

“(B × C) – E” and “ $\frac{C}{F} \times (A - E)$ ” the formulae

“(B × C2) – E” and “ $\frac{C2}{F} \times (A - E)$ ”.

### Calculation of transfer values

26.—(1) Part I of Schedule 16 to the principal Regulations is amended by inserting after paragraph 1(1)(d)(ii) the words—

“or

(iii) a transfer premium paid under section 44A of that Act.”.

(a) S.I. 1984/380.

(b) Section 44A was inserted by the Social Security Act 1985, Schedule 1, paragraph 3.

(2) Paragraph 6 of Part V of Schedule 16 to the principal Regulations is amended by inserting after the words "1974 Regulations," the words "or has made them a payment which by virtue of regulation G10(2) or G11 of these Regulations (modification in certain cases where person returns to local government employment after 28th February 1986) has the same effect,".

#### **Continuity of employment in certain cases**

27.—(1) This regulation applies to a person—

- (a) to whom regulation 5 of the Local Government Superannuation (Local Government Reorganisation) Regulations 1985(a) ("the 1985 Regulations") applies, and
- (b) who would otherwise have become entitled to preserved benefits on ceasing to hold his employment under the former employer (within the meaning of the 1985 Regulations).

(2) A person to whom this regulation applies may elect to be treated for the purposes of the principal Regulations as if—

- (a) regulation 5 of the 1985 Regulations had not applied to him and he had accordingly become entitled to preserved benefits, and
- (b) he had elected under regulation E2(9)(c) of the principal Regulations to remain so entitled.

(3) An election under this regulation must be made by giving notice in writing to the appropriate administering authority, within 12 months after 1st April 1989 unless they or, where there was a change of fund, the administering authorities of both funds allow a longer period.

#### **Ill-health retirement grant**

28.—(1) Where—

- (a) a person who died before 1st October 1981 had received a return of contributions, and
- (b) paragraph (1) of regulation E20 of the 1974 Regulations would otherwise have applied to him,

he is to be treated as having become entitled to a grant of A – B, where—

A is the amount of the grant that would have been payable if that paragraph had applied to him, and

B is the net amount he received when the return of contributions was made.

(2) The grant is to be treated for the purposes of regulation R4 of the principal Regulations (payments due in respect of deceased persons) as a sum due to the person under those Regulations.

#### **Transitional**

29.—(1) Regulation E2 of the principal Regulations applies as amended by regulation 4(b) above only where the reduction occurs after 31st March 1989.

(2) Regulation E11 of the principal Regulations applies as amended by regulation 5(a)(ii), (d) and (e)(ii) above only where the death occurs after 31st March 1989.

(3) Regulation E16 of the principal Regulations applies as amended by regulation 7 above only where the person became entitled to the second retirement pension after 31st March 1989, but where that is the case, applies as so amended even where the further employment began, or became a local government employment, before 1st April 1989.

(4) Regulation J15 of the principal Regulations (inserted by regulation 13 above) applies where the person ceased to be a pensionable employee at any time after 31st December 1985.

(5) Regulations M2 and M3 of the principal Regulations apply as amended by regulations 15 and 16 above only where the cessation of employment occurs after 31st March 1989.

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(a) S.I. 1985/1515.



(6) The amount of any payment made by an administering authority before 1st April 1989 pursuant to Schedule 1A to the Pensions Act (cash equivalents) may, if the payment was not made out of the appropriate superannuation fund, be retained by them out of that fund.

(7) In regulation R5 of the principal Regulations, as substituted by regulation 21 above, paragraph (3) applies where the premium was paid at any time after 4th April 1983.

#### **Right to opt out**

30. No provision of these Regulations shall apply to any person to whom at any time before 1st April 1989 any benefit (including a return of contributions and any pension payable to a widow or any dependent by virtue of a surrender) was being paid or became or might have become payable if-

- (a) he is placed by that provision in a worse position than he would have been in if it had not applied in relation to that benefit, and
- (b) that provision relates to a benefit paid or payable in respect of a person who—
  - (i) ceased before 1st April 1989 to hold an employment in respect of which he was a pensionable employee, or
  - (ii) died before that date while still in such an employment, and
- (c) the first-mentioned person, by notice in writing given to the appropriate administering authority within 3 months after 1st April 1989, elects that that provision shall not apply to him.

#### **Right of appeal**

31. The provisions of Part N of the principal Regulations (determination of questions and appeals) shall apply in relation to rights and liabilities arising by virtue of these Regulations as they apply in relation to other rights and liabilities under the principal Regulations.

8th March 1989

*Nicholas Ridley*  
Secretary of State for the Environment

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### **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations make a number of amendments, largely unrelated, to the Local Government Superannuation Regulations 1986 ("the principal Regulations") (S.I. 1986/27).

Regulation 2 makes explicit the continued reckonability of previous service where a statutory right to return to work after pregnancy or confinement is exercised.

Regulation 3 introduces two requirements of section 9 of the Social Security Act 1986 (c.50):

- (i) that widowers, in addition to widows, shall be entitled to a guaranteed minimum pension; and
- (ii) that a part of a guaranteed minimum pension which is attributable to earnings factors for the tax years 1988/89 onwards shall be increased in accordance with section 37A of the Social Security Pensions Act 1975 (c.60).

Regulation 22 adds two relevant definitions.

Regulation 4(a) and (c) clarifies the existing provisions dealing with benefits for employees retiring at, or in the tax year they attain, State pension age.

Regulations 4(b) and 10 are connected. The latter enables a certificate of reduction in remuneration to be given where an employee is transferred to another employment under the same body, and the former provides that where a certificate is given there is no right to preserved benefits in respect of the old employment.

Regulation 5 makes a number of changes in the methods of calculating death grants. Regulations 8, 9, 24 and 25 make consequential amendments.

Regulation 6 imposes duties of disclosure in connection with the re-employment of pensioners.

Regulation 7 enables an election to combine benefits in respect of consecutive employments to be made notwithstanding that benefits in respect of either or both of the employments have not yet become payable.

Regulation 11 inserts a new regulation, which in effect continues earlier provisions governing the position of certain persons who retain rights to preserved benefits acquired after 31st March 1972 and before 1st April 1974. Regulation 26 makes a consequential amendment.

Regulation 12 clarifies what service becomes qualifying service on the receipt of a transfer value, and regulation 14 corrects an internal cross-reference.

Regulation 13 provides that where a cash equivalent is used under the Pensions Act to purchase one or more annuities, the person's guaranteed minimum under that Act is to be revalued in accordance with the fixed rate method.

Regulations 15 and 16 clarify the circumstances in which superannuation fund money may be applied to make good losses sustained by employing authorities through the fault of former employees.

Regulations 17, 18 and 19 make administration expenses payable out of the superannuation fund, where the administering authority so desire, instead of being met by additional contributions from employing authorities, and relieve employing authorities from their liabilities to assist with these costs where they do so. References to the Banking Act 1979 (c.37) are replaced by references to the Banking Act 1987 (c.22). Regulation 23 makes a consequential amendment.

Regulation 20 makes payable out of the superannuation fund any cash equivalent (of accrued benefits) taken under the Social Security Pensions Act 1975 ("the Pensions Act") by a person leaving local government employment.

Regulation 21 adds transfer premiums and limited revaluation premiums to the premiums payable under the Pensions Act that may be met from the superannuation fund.

Regulation 27 allows persons who, on a change of employment attributable to local government reorganisation, were deemed to have been continuously employed, to elect to be treated as if they had instead acquired and retained rights to preserved benefits.

Regulation 28 makes ill-health retirement grants payable in respect of deceased persons who were precluded from receiving them by reason of their having had contributions returned which they could not have repaid before their death.

Regulation 29 contains transitional provisions.

Section 12 of the Superannuation Act 1972 (c.11) confers express power to make regulations retrospective in effect. These Regulations are to a certain extent retrospective, but provision is made in regulations 30 and 31 for opting out where rights in relation to ex-employees could be adversely affected, and for the determination of related questions.

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