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STATUTORY INSTRUMENTS

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**1996 No. 1680**

**The Local Government (Discretionary  
Payments) Regulations 1996**

**PART III**

**COMPENSATION FOR PREMATURE RETIREMENT**

*Adjustments to compensation: new employment*

**Cessation of new employment**

**17.—(1) Where—**

- (a) a person who has been granted a credited period under regulation 8 has ceased to hold a new employment in which he was a LGPS member or an assumed member; and
- (b) the aggregate of—
  - (i) the total period of membership (to be taken into account under the LGPS Regulations in the calculation of his retirement pension on cessation of his new employment, on the relevant assumptions); and
  - (ii) the period of residual entitlement which he has to his credit,exceeds the total period of membership which would have been so taken into account if he had held his former employment until his 65th birthday,

his annual compensation shall be abated in accordance with regulation 18.

(2) Where a period of pre-material date extra service has been granted to a person, paragraph (1) (b) has effect with the substitution for the reference to former employment—

- (a) if it has been granted in respect of one cessation of employment which occurred before the material date, of a reference to that employment; and
- (b) if it has been granted to him in respect of more than one such cessation, of a reference to the first such employment to cease.

(3) The abatement under paragraph (1) shall have effect from the day the person in question becomes entitled to receive benefits under Part D of the LGPS Regulations in relation to his new employment (or but for a relevant disqualification and on the relevant assumptions would become so entitled).

(4) For the purposes of paragraph (1), the total period of membership of a person includes membership which, but for this paragraph, would be excluded by virtue of paragraph 4(7) of Schedule B6 to the LGPS Regulations (exclusion of periods in respect of which transfer values paid).

(5) In this regulation “annual compensation”, in relation to a person, means the compensation payable to him under regulation 10—

- (a) after any necessary adjustments under regulations 12 and 19; and

- (b) in a case where he has held a previous new employment (that is to say, a new employment which ceased before cessation of the new employment referred to in paragraph (1)), after any necessary adjustments under this regulation made as respects that previous new employment, but disregarding any reduction under regulation 18(3).

(6) For the purposes of paragraph (1), a person has to his credit a period of residual entitlement equal to the aggregate of—

- (a) any period of pre-material date extra service granted to him, reduced as may be necessary in accordance with paragraph (7); and
- (b) his credited period, reduced as may be necessary in accordance with paragraph (8).

(7) Where—

- (a) after the first cessation of employment in respect of which a period of pre-material date extra service was granted to him a person has ceased to hold another employment; and
- (b) his pre-material date extra service has been reduced by, or his compensation or benefit attributable to such a period has been reduced on account of, the period of that other employment or a part of it (“the reduction period”),

his pre-material date extra service shall, for the purposes of paragraph (6)(a), be reduced by the reduction period.

(8) Where there has been an abatement of a person’s annual compensation in accordance with this regulation on account of a period of previous new employment or a part of such a period (“the abatement period”), then for the purposes of paragraph (6)(b) the length of his credited period shall be reduced by the abatement period.

(9) In this regulation “pre-material date extra service” has the meaning given in regulation 8(3)(b).