

SCHEDULES

SCHEDULE 4

REVENUE RESTRICTIONS

Class B members and Class C members

3. Paragraphs 4 to 6 set out limits on benefits in respect of local government employment payable to or in respect of a Class B member or Class C member under Parts II and III and paragraph 7 limits additional contributions in some circumstances.

4.—(1) The aggregate pension payable on retirement at or before the member's NRD must not exceed one sixtieth of the member's final pay, multiplied by his total membership.

(2) But for a pension payable under regulation 27 the limit is one sixtieth of the member's final pay, multiplied by the total membership the member would have had if he had continued as an active member until his NRD.

(3) For a pension payable under regulation 31, if it results in a higher sum, for the maximum under sub-paragraph (1) there is substituted an amount equal to the amount that would be the maximum under that sub-paragraph if the member had remained an active member until his NRD (taking into account any reduction for retained benefits), multiplied by the fraction of which—

(a) the numerator is—

(i) the member's total membership, or

(ii) 40 years,

whichever is less, and

(b) the denominator is—

(i) his total membership, assuming he had remained an active member until his NRD, or

(ii) 40 years,

whichever is less.

(4) But sub-paragraphs (1) and (2) do not apply to benefits under Chapter IV of Part III.

(5) The aggregate pension payable on retirement after the member's NRD must not exceed—

(a) one sixtieth of the member's final pay, multiplied by his total membership;

(b) one sixtieth of the member's final pay at his NRD, multiplied by his total membership at his NRD—

(i) with such an increase as an actuary appointed by the appropriate administering authority considers appropriate in view of the period of delay in payment between his NRD and the actual date the pension becomes payable, or

(ii) adjusted to reflect any increase in the general level of retail prices obtaining in Great Britain during that period;

(c) one sixtieth of the member's final pay, multiplied by his increased period of membership, whichever is the greatest.

Status: This is the original version (as it was originally made).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

(6) For sub-paragraphs (1) to (5) a member who is entitled to be paid a lump sum on retirement is treated as if he were entitled instead to be paid a pension on retirement of an annual amount equal to one twelfth of the lump sum.

(7) A member's increased period of membership is the sum of—

- (a) his total membership ending with his NRD, and
- (b) his total membership after his NRD,

but must not exceed 45 years.

5.—(1) The aggregate benefit payable by way of lump sum on retirement at or before NRD—

- (a) in the case of a Class B member or a Class C member with a total membership period of less than 20 years, must not exceed three eightieths of the member's final pay, multiplied by his total membership;
- (b) in the case of a Class B member must not be calculated by reference to final pay exceeding £100,000; and
- (c) in the case of a Class C member whose total membership is at least 20 years, must not exceed one and a half times his final pay.

(2) But for a lump sum payable under regulation 27 the limit is three eightieths of the member's final pay, multiplied by the total membership the member would have had if he had continued as an active member until his NRD.

(3) But sub-paragraph (2) does not apply to benefits under Chapter IV of Part III.

(4) The aggregate benefit payable by way of lump sum on retirement after NRD must not exceed—

- (a) three eightieths of the member's final pay, multiplied by his total membership;
- (b) three eightieths of the member's final pay at his NRD, multiplied by his total membership at his NRD, together with interest in respect of the period of delay in payment between his NRD and the actual date of payment;
- (c) three eightieths of the member's final pay, multiplied by his increased period of membership,

whichever is the greatest.

(5) A member's increased period of membership is the aggregate of—

- (a) his total membership ending with his NRD, and
- (b) his total membership after his NRD,

but must not exceed 45 years.

(6) The benefits payable by way of lump sum on the death of an active or deferred member must not exceed four times his final pay or, if greater, £5,000.

(7) If a sum other than £100,000 is specified by the Treasury as respects any year for section 590(3) of the Taxes Act (as that section continues to have effect for Class B members by virtue of paragraph 18(2) of Schedule 6 to the Finance Act 1989⁽¹⁾), then sub-paragraph (1)(b) has effect with the substitution for the reference to £100,000 of a reference to that sum.

6.—(1) The total membership taken into account under paragraphs 4(1), (2), (5)(a) and (b) and (7)(a) and 5(1)(c), (4)(a) and (b) and (5)(a) must not exceed 40 years.

(1) 1989 c. 26.

(2) Without prejudice to Schedule 3, a credited period which is counted as a period of membership under regulation 122(1) does not count in calculating the total membership for sub-paragraph (1) or paragraph 4 or 5.

7.—(1) If adding the additional contributions payable by a Class B member or a Class C member under an agreement made by him before the commencement date (other than AVCs payable under Schedule C4 to the 1995 regulations or any corresponding earlier provision) to those payable by him under regulations 12, 17 and 18 would cause the total of those contributions to exceed 15 per cent. of his pay, he may not pay that excess, but he may pay a lump sum representing it to the Scheme at a time permitted by the Retirement Benefits Schemes (Continuation of Rights of Members of Approved Schemes) Regulations 1990⁽²⁾.

(2) That lump sum must be calculated in a way approved by the Government Actuary, who may issue guidance indicating how it is to be done.

(2) [S.I. 1990/2101](#).