
STATUTORY INSTRUMENTS

2006 No. 966

**The Local Government Pension Scheme
(Amendment) Regulations 2006**

PART 3

The tax regime

Further restrictions on eligibility

5. In regulation 6(3), for “his 65th birthday” substitute “the day before his 75th birthday”.

Periods of membership

6. In regulation 9, omit paragraph (1A).

High earners

7. After regulation 11, insert—

“**11A.**—(1) This regulation applies where a member’s pay (calculated in accordance with regulation 13) in the year ending 5th April 2006 exceeds £105,600.

(2) In such a case, his period of membership for calculating his entitlement to any benefits payable under these Regulations is obtained by aggregating his period of membership after that date with the period obtained by applying the formula set out in paragraph (3).

(3) That formula is M times 105,600 divided by P, where M is his period of membership after 5th April 1989 and before 6th April 2006 (excluding any membership credited by virtue of a transfer under regulation 121) and P is his pay as mentioned in paragraph (1).”

Employer’s discretion to reduce member’s contribution rate

- 8.—(1) Omit regulation 15.

(2) Where, before its omission by paragraph (1), a member’s liability to make contributions to the Scheme has been reduced or, as the case may be, extinguished in accordance with regulation 15, his employing authority may recover any such contributions as would have otherwise have been made.

Inland Revenue limits on contributions

9. Omit regulation 16.

Limit on total amount of benefits

10. After regulation 19 insert—

“Limit on total amount of benefits

19A.—(1) A member and any dependant of his shall not be entitled, under any provision of these Regulations, to receive benefits the capital value of which exceeds his lifetime allowance increased, where applicable, by his primary protection or enhanced protection.

(2) In this regulation, “lifetime allowance”, “primary protection” and “enhanced protection” are to be construed in accordance with section 218 of, and Schedule 36 to, the Finance Act 2004⁽¹⁾.

(3) Any calculation of the capital value of a member’s benefits is to be carried out in accordance with guidance issued by the Government Actuary.

(4) The appropriate administering authority is responsible for deducting from any payments of benefits under the Scheme any tax to which they may become chargeable under the Finance Act 2004.”

Calculations

11. For regulation 20(4A) substitute—

“(4A) Where no benefit crystallisation event has occurred before the day after a member’s 65th birthday in respect of any benefits payable under the Scheme, those benefits shall be increased at such a rate as is shown as appropriate in guidance issued by the Government Actuary.”.

Final pay

12. In regulation 21(1), omit the words “and Schedule 4”.

Retirement after the normal retirement date

13. For regulation 25A(2) substitute—

“(2) The pension and retirement grant are payable immediately on retirement or, if earlier, on the day before the member’s 75th birthday.”.

Other early leavers: deferred retirement benefits and elections for early payment

14.—(1) In regulation 31(7), at the beginning insert “Subject to paragraph (7A)”.

(2) After regulation 31(7), insert—

“(7A) A member who continues to be employed by a Scheme employer listed in Schedule 2 is only entitled to receive a pension and grant without reduction payable from his NRD if his employer consents to his doing so.”.

Re-employed and rejoining deferred members

15. In regulation 32, omit sub-paragraphs (a) and (b) of paragraph (2).

Surrenders of pensions

16. Omit regulation 33.

(1) 2004 c. 12.

Requirements as to time of payment

17.—(1) After regulation 35(1) insert—

“(1A) But where, after 5th April 2006, a member who has attained the age of 50, with his employer’s consent, reduces the hours he works, or the grade in which he is employed, he may elect in writing to the appropriate administering authority and such benefits may be paid to him notwithstanding that he has not retired from that employment.

(1B) If the payment of benefits referred to in paragraph (1A) takes effect before the member’s 65th birthday, the benefits payable are reduced in accordance with guidance issued by the Government Actuary.

(1C) But the employer may choose to waive, in whole or in part, any such reduction.

(1D) Where the employer so chooses, it shall pay to the fund the cost incurred as a result of such waiver as calculated by the fund’s actuary.

(1E) Any benefits paid following an election under paragraph (1A) are not subject to abatement under regulation 110 in respect of any subsequent employment with the person who is his employer at the date of his election.”

(2) In paragraph (2), for “But they” substitute “In any event, retirement benefits under this Chapter”.

Guaranteed minimum pensions etc.

18. In regulation 36, omit paragraphs (7), (8) and (9).

Surviving spouse’s long-term pension

19. In regulation 41(6), after “death” insert “or half his pension before any commutation under regulation 20(3A), whichever is the greater”.

Meaning of “eligible child”

20. In regulation 44—

(a) at the beginning of paragraph (2) insert “Subject to paragraph (2A)”; and

(b) after paragraph (2) insert—

“(2A) Notwithstanding paragraph (2)(b), a pension coming into payment on or after 5th April 2006 which would otherwise be payable by virtue of that paragraph shall only continue while the child is aged under 23.”.

Commutation: exceptional ill-health

21.—(1) After regulation 50(1) insert—

“(1A) An administering authority cannot be satisfied as mentioned in paragraph (1) unless they have first obtained a certificate from a fully registered person within the meaning of the Medical Act 1983(2) to the effect that the member’s life expectancy is less than one year.”.

(2) In regulation 50(2), omit the words “(except the guaranteed minimum)”.

(3) Omit regulation 50(3).

Scope of Part III: limits on benefits

22. In regulation 51, omit paragraph (2).

Power of employing authority to increase total membership

23. In regulation 52—
- (a) at the end of sub-paragraph (2)(a) insert “or”;
 - (b) omit sub-paragraph (2)(b); and
 - (c) after paragraph (10) insert—
“(11) An additional period arising from a resolution under this regulation on or after 1st October 2006 shall be treated as a period of membership after that date.”.

Effect of increases under this Chapter for older members

24. Omit regulation 54.

Payments to increase total membership

25. For regulation 55(2) substitute—
“(2) That period must not exceed 6 $\frac{2}{3}$ years.”.

Effect of increases under this Chapter for older members

26. Omit regulation 57.

Election for pension in lieu of retirement grant

27. Omit regulation 58.

Election for lump sum in lieu of pension

28. Omit regulation 59.

Accounts and audit

- 29.—(1) Regulation 76 is renumbered “76(1)”.
- (2) After regulation 76(1) (as so renumbered in accordance with paragraph (1)) insert—
“(2) The input period for the purposes of section 238 of the Finance Act 2004 is the year ending 31st March 2007 and each year ending 31st March thereafter.”.

Over-provision: calculation and return of surplus AVC and SVAVC funds

30. Omit regulation 85.

Commencement of pensions

31. For regulation 93(2)(b) substitute—
“(b) otherwise, unless he elects to defer payment, with his NRD (but any such deferral shall not extend beyond the day before his 75th birthday).”.

Treatment of other benefits

32. After regulation 96 insert—

“**96A.** Any payment of employment-related benefits made to a member by an administering authority other than in accordance with regulations made under section 7 of the Superannuation Act 1972 shall be treated as if it had been made under the Scheme.”.

First instance decisions

33. In regulation 97(6) —

- (a) at the end of sub-paragraph (b), insert “and”;
- (b) in sub-paragraph (c), for “membership; and” substitute “membership.”; and
- (c) omit sub-paragraph (d).

Interpretation

34. In Schedule 1—

- (a) after the definition of “Base rate” insert—

““Benefit crystallisation event” shall be construed in accordance with section 216 of the Finance Act 2004.”,
- (b) omit the definitions of “Class A member”, “Class B member” and “Class C member”, and
- (c) omit the definition of “Continuity conditions”.

Excluded membership

35. In the Table in Schedule 3—

- (a) in paragraph 1, in the second column, omit the words “or paragraph 2, 4, 5 or 6(1) of Schedule 4”; and
- (b) omit paragraphs 4 and 5.

Revenue restrictions

36. Omit Schedule 4.

Councillor members

37. In Schedule 8—

- (a) omit paragraph 1;
- (b) omit paragraph 3;
- (c) omit paragraph (3) of regulation 20 as substituted by paragraph 5, and substitute “65” for “70” in paragraph (5) as so substituted;
- (d) for paragraph 7, substitute—

“In regulation 25A(1) omit the words “with the consent of his employing authority”.”;
- (e) in paragraph 9, omit sub-paragraph (b) and the word “and” immediately preceding it;
- (f) in paragraph 10, omit sub-paragraph (a);
- (g) omit paragraph 12;
- (h) omit paragraph (5)(b) of regulation 38 as substituted by paragraph 15; and

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- (i) omit paragraph 19.