

Status: Point in time view as at 01/09/2009.

Changes to legislation: There are currently no known outstanding effects for the Scottish Parliamentary Pensions Act 2009, Part O. (See end of Document for details)

SCHEDULE 1 **S** SCOTTISH PARLIAMENTARY PENSION SCHEME

PART O **S**

ADDED YEARS

Added years

- 84 (1) A participating member may increase his or her reckonable service by buying added years in accordance with this Part.
- (2) Added years can be bought as years and as fractions of years.
- (3) An individual who is an MSP member may apply to buy added years in respect of reckonable service as an MSP only.
- (4) An individual who is an office-holder member but not an MSP may apply to buy added years in respect of reckonable service as an office-holder only.

Buying added years by instalments

- 85 (1) The Fund trustees may accept a participating member's application to buy added years by monthly instalments payable if the following conditions are met—

<i>Condition 1</i>	The application states the number of added years which the applicant wishes to buy.
<i>Condition 2</i>	The application states whether the applicant wishes to pay instalments for a period ending on— (a) his or her 65th birthday, or (b) the next ordinary general election day.
<i>Condition 3</i>	The applicant has satisfied the Fund trustees that he or she is in good health.
<i>Condition 4</i>	The applicant has given the Fund trustees any information that they reasonably require in relation to the application.
<i>Condition 5</i>	Rule 89 does not require the Fund trustees to reject the application.

- (2) An accepted application is irrevocable.
- (3) The person responsible for paying the participating member's salary must—
- (a) deduct instalments from each salary payment made from the first day of the month following acceptance until the end of the period for which instalments are payable, and
- (b) pay them to the Fund trustees.

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- (4) The amount of the instalments is to be determined—
- (a) by the scheme actuary, or
 - (b) by the Fund trustees in accordance with guidance or tables prepared by the scheme actuary.
- (5) On payment of the last instalment, the participating member's reckonable service as an MSP or, as the case may be, as an office-holder is increased by the number of added years bought.
- (6) The increased period of reckonable service is, for the purposes of rule 38(1) or, as the case may be, 39(3), to be treated as a period during which higher rate scheme member contributions were made.
- (7) Where added years are bought by an office-holder member who is not an MSP, the increase in reckonable service is, for the purposes of rule 39(3), to be attributed to the period in office being served when the added years are bought.

Interruption of service

- 86 (1) This rule applies—
- (a) where an MSP member buying added years by monthly instalments stops being an MSP before paying the last instalment, and
 - (b) where an office-holder member (who is not an MSP) buying added years by monthly instalments stops holding his or her current office (or becomes an MSP) before paying the last instalment.
- (2) Where this rule applies no more instalments are payable and the individual's reckonable service as an MSP or, as the case may be, office-holder is increased—
- (a) where the individual died or left the scheme in circumstances entitling him or her to a serious ill-health pension, by the number of added years by which it would have increased if all the instalments had been paid, or
 - (b) where the individual leaves the scheme in any other circumstance, by a number of added years calculated as follows—

$$A \times \frac{B}{C}$$

where—

“A” is the number of added years the individual applied to buy,

“B” is the period (in days) in respect of which instalments have been paid, and

“C” is the period (in days) for which instalments would have been paid had the individual remained in the scheme continuously.

Resumption of service as MSP member

- 87 (1) This rule applies where—

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- (a) an MSP member's application to buy added years by monthly instalments is accepted by the Fund trustees but the individual concerned stops being an MSP member before paying the last instalment,
- (b) the individual subsequently rejoins the scheme as an MSP member before the end of the period for which instalments were originally payable, and
- (c) the individual, within 3 months of so rejoining, notifies the Fund trustees of his or her intention to resume paying instalments.

(2) Where this rule applies—

- (a) instalments (of the same amount as before) are payable from the day on which the individual rejoined the scheme until the end of the period for which instalments were originally payable,
- (b) the individual's reckonable service as an MSP is reduced by the amount by which it was previously increased under rule 86(2), and
- (c) when the last instalment is paid (or, if earlier, when the individual next leaves the scheme), the individual's reckonable service as an MSP is increased by a number of added years calculated as follows—

$$A \times \frac{B}{C}$$

where—

“A” is the number of added years the individual applied to buy,

“B” is the total of the periods (in days) before and after the break in service in respect of which instalments have been paid, and

“C” is the period (in days) for which instalments would have been paid had the individual remained in the scheme continuously.

Buying added years by lump sum

- 88 (1) The Fund trustees may accept a participating member's application to buy added years by lump sum if the following conditions are met.

<i>Condition 1</i>	The application states the number of added years which the applicant wishes to buy.
<i>Condition 2</i>	The applicant has satisfied the Fund trustees that he or she is in good health.
<i>Condition 3</i>	The applicant has given the Fund trustees any information that they reasonably require in relation to the application.
<i>Condition 4</i>	Rule 89 does not require the Fund trustees to reject the application.

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- (2) The lump sum is payable by the participating member during the period of 6 months following acceptance (and the right to buy added years in pursuance of an accepted application is extinguished at the end of that period).
- (3) The amount of the lump sum is to be determined by the Fund trustees by reference to the MSP's or, as the case may be, the office-holder's salary on the day he or she applied to buy added years.
- (4) Such a determination must be—
 - (a) certified by the scheme actuary, or
 - (b) made in accordance with guidance or tables prepared by the scheme actuary.
- (5) On payment of the lump sum, the participating member's reckonable service as an MSP or, as the case may be, as an office-holder is increased by the number of added years bought.
- (6) The increased period of reckonable service is, for the purposes of rule 38(1) or, as the case may be, 39(3), to be treated as a period during which higher rate scheme member contributions were made.
- (7) Where added years are bought by an office-holder member who is not an MSP, the increase in reckonable service is, for the purposes of rule 39(3), to be attributed to the period in office being served when the added years are bought.

Limitations on buying added years

- 89
- (1) The Fund trustees must reject an application to buy added years if the corresponding increase in reckonable service, when taken with the applicant's anticipated reckonable service, would (but for rule 38(2) or 39(4)) entitle the applicant to—
 - (a) an annual MSP pension of more than the individual's annual MSP pension cap, or
 - (b) an annual office-holder pension of more than the individual's annual office-holder pension cap.
 - (2) An applicant's "anticipated reckonable service" is the reckonable service as an MSP or, as the case may be, office-holder which the applicant would obtain if he or she—
 - (a) continued as an MSP member (and continued making scheme member contributions at the same rate) until—
 - (i) where applying to buy by monthly instalments, the end of the period for which instalments are payable, or
 - (ii) where applying to buy by lump sum, the next ordinary general election day, or
 - (b) continued to hold the same office and to be an office-holder member (and continued making scheme member contributions at the same rate) until—
 - (i) where applying to buy by monthly instalments, the end of the period for which instalments are payable, or
 - (ii) where applying to buy by lump sum, the next ordinary general election day (or such other day as the Fund trustees may determine).
 - (3) The Fund trustees must reject an application to buy added years if they consider—
 - (a) that an annual allowance charge may arise under section 227 of the Finance Act 2004 (c. 12) in respect of the applicant in any tax year in which an instalment or lump sum would be payable if the application were accepted,

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- (b) that a lifetime allowance charge may arise under section 214 of the Finance Act 2004 (c. 12) in respect of the applicant (or may so arise if the application were accepted), or
- (c) that the total of—
 - (i) the amount which the applicant would pay for added years in any tax year, and
 - (ii) the amount of scheme member contributions to be made by the applicant in that year,would exceed 20% of the salary payments to be made to the applicant in that year.

Multiple applications

- 90 The Fund trustees may accept more than one application by a participating member to buy added years by instalment or lump sum (and may, in particular, accept two or more applications to buy added years by instalments payable in overlapping periods).

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