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SCOTTISH STATUTORY INSTRUMENTS

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**2008 No. 224**

**The National Health Service Pension  
Scheme (Scotland) Regulations 2008**

**PART 2**

**BENEFITS FOR OFFICERS**

**CHAPTER 2.A**

**INTRODUCTION**

*Reckonable pay*

**Meaning of “reckonable pay”: general**

**2.A.10.**—(1) This regulation applies for the purpose of determining the meaning of “reckonable pay”, in relation to—

- (a) a member whose active membership ceases; or
  - (b) a member becoming entitled to the immediate payment of a pension during the member’s active membership period—
    - (i) on the exercise of the option under regulation 2.D.5 (partial retirement: members aged at least 55); or
    - (ii) under regulation 2.D.1(1)(b)(ii) (normal retirement pensions).
- (2) This regulation is subject to regulations 2.A.11 to 2.A.14.
- (3) A member’s “reckonable pay” is determined by the formula—

$$IRP \times \frac{RP_a}{RP_i}$$

where—

IRP is the interim reckonable pay determined in paragraph (6) or (7), as appropriate;

RP<sub>a</sub> is the annual rate of retirement pension that the member would be entitled to if the interim reckonable pay included the adjustment for inflation described in regulation 2.A.11; and

RP<sub>i</sub> is the annual rate of retirement pension the member would be entitled to if the interim reckonable pay did not include the adjustment for inflation described in regulation 2.A.11 but instead had been increased by the amount that it would have been increased if it had been the annual rate of an official pension within the meaning of section 5(1) of the Pensions (Increase) Act 1971.

(4) If the period of the member’s pensionable service ending with the relevant day equals 365 days, “interim reckonable pay” means the member’s pensionable pay for that period.

(5) In this regulation—

- (a) “the relevant day” means—
- (i) in a case within paragraph (1)(a), the day on which the member’s active membership ceases; and
  - (ii) in a case within paragraph (1)(b), the day before that on which the member becomes entitled to the pension; and
- (b) “the best consecutive 1095 day period” shall be determined by comparing—
- (i) the period of 1095 days immediately preceding the relevant day (period 1);
  - (ii) the period of 1095 days which overlaps period 1 by 730 days (period 2); and
  - (iii) the period of 1095 days which overlaps period 2 by 730 days,
- and so on.
- (6) Except where paragraph (4) or (7) applies, in this regulation “interim reckonable pay” means one third of the member’s pensionable pay for the period of 1095 days—
- (a) that begins—
    - (i) during the member’s pensionable service; and
    - (ii) within the period of 10 years ending with the relevant day; and
  - (b) for which the member’s pensionable pay was the highest (“the best consecutive 1095 day period”).
- (7) If the member’s pensionable service within the period of 10 years ending with the relevant day—
- (a) is less than 365 days; or
  - (b) exceeds 365 days but is less than 1095 days,
- “interim reckonable pay” means the member’s pensionable pay for the period of the member’s pensionable service, divided by the number of days in that period and multiplied by 365.
- (8) Paragraph (9) applies if 2 or more periods of pensionable service are treated as a single continuous period of pensionable service under—
- (a) regulation 2.A.4(5); or
  - (b) regulation 2.G.3(2) (exception to general rule in regulation 2.G.2).
- (9) The reference in—
- (a) paragraph (4) to a period of pensionable service equalling 365 days;
  - (b) paragraph (5) to a period of 1095 days; and
  - (c) paragraph (7) to the period of pensionable service less than 365 days or more than 365 days but less than 1095 days,
- are references to periods together amounting to periods of that length, disregarding any breaks during the single period.
- (10) Paragraph (8) does not apply if the other employment is an employment in respect of which the member continues to accrue benefits in accordance with regulation 2.D.13 (exceptions to requirement that NHS employment must have ceased) despite being entitled to a pension under regulation 2.D.11 (early retirement on termination of employment by employing authority).
- (11) If—
- (a) a person’s reckonable pay in respect of an employment that the person has left falls to be determined under this regulation by reference to the person’s pensionable pay for any period in respect of an employment; and

(b) the person held that employment concurrently during that period with another employment in which the person was an active member,  
the member's pensionable pay for that period in the other employment must be taken into account in that determination.