
STATUTORY INSTRUMENTS

1997 No. 1612

The Local Government Pension Scheme Regulations 1997

PART III

OPTIONAL ADDITIONAL BENEFITS

CHAPTER III

MEMBERS' OPTIONS TO INCREASE PENSIONS

Purchase of added years

Payments to increase total membership

55.—(1) An active member may elect to make additional contributions to the Scheme to increase his total membership by an additional period.

(2) That period must not exceed the maximum addition under Schedule 4.

(3) The election must be made by giving notice in writing to the appropriate administering authority earlier than the member's 64th birthday.

(4) If—

(a) the member's appropriate administering authority pass a resolution requiring him to satisfy them that he is in reasonably good health by producing to them a report by a registered medical practitioner of the results of a medical examination undertaken at the member's own expense, but

(b) they are not so satisfied,

the election is void.

(5) A resolution under paragraph (4)(a) may only be passed before the expiry of the period of one month beginning with the date of the election.

(6) The amounts of the additional contributions must be such percentage of the member's pay for the time being as is shown as appropriate in guidance issued by the Government Actuary.

(7) A member's pay for the time being is the pay received by him for the interval at the end of which the additional contribution falls to be paid.

(8) Where a member is away from work (otherwise than because of illness or injury) with reduced or no pay, for paragraph (7) he is treated as having received the pay he would have received if he had not been away (unless his contract of employment has ceased).

(9) For paragraph (7) any reduction in pay by reason of the actual or assumed enjoyment by the member of any statutory entitlement during any period he is away from work (other than a period of maternity absence) shall be disregarded.

(10) If a member continues paying the additional contributions until his last birthday before his NRD (or if his NRD is his birthday, that date), the whole of the additional period may be counted as part of his total membership.

(11) Otherwise, the part of that period which may be so counted must be calculated as specified in regulation 83 (discontinuance of additional contributions).

(12) The additional contributions are payable from the member's next birthday after his election.

Part-time employees

56.—(1) If a person in a part-time employment elects under regulation 55, the periods mentioned in that regulation must be reduced in the proportion his contractual hours bear to the number of contractual hours of a single comparable whole-time employment.

(2) But the amounts of his additional contributions must be calculated as a percentage of his actual pay (subject to paragraphs (8) and (9) of regulation 55).

(3) Where any person has made such an election, if—

- (a) his employment ceases to be part-time and becomes whole-time employment,
- (b) his employment ceases to be whole-time and becomes part-time employment, or
- (c) his contractual hours in the part-time employment alter,

his additional contributions continue to be payable at the same percentage of his pay, but the additional period counted by reason of contributions paid after the change must be calculated as if the change had occurred immediately before the election.

(4) Paragraphs (1) to (3) do not apply to old elections.

(5) But the member may elect for paragraph (2) to apply to an old election and, if he does so, the additional period counted by reason of contributions paid after that election must be calculated as if paragraphs (1) to (3) had always applied as respects his old election.

(6) A member's election under paragraph (5) must be made by giving notice in writing to the appropriate administering authority not later than one year before his NRD.

(7) Old elections are elections made before 2nd May 1995.

Effect of increases under this Chapter for older members

57. Regulation 54 applies as respects additional periods counted under the previous provisions of this Chapter as it applies as respects additional periods counted under Chapter II.

Conversion between lump sums and pensions

Election for pension in lieu of retirement grant

58.—(1) Where a member has attained the age of 50 and has become entitled to the immediate payment of a pension under Part II, he may make an election under this regulation for the whole or part of the retirement grant or, in the case where the entitlement to pension is under regulation 27, of the ill-health grant to be used instead by the Scheme to provide pension for him.

(2) The election must be made by notice in writing to the appropriate administering authority given not more than three months before the date on which the member becomes so entitled.

(3) The election must specify the amount of the grant which the member wishes to be used for the provision of pension (expressed in round hundreds of pounds).

(4) Where a member makes such an election, he becomes entitled to such additional pension as is shown as appropriate in guidance issued by the Government Actuary.

(5) The additional pension is payable immediately.

(6) Where a member makes such an election, for these Regulations the amount of his pension includes the amount of any additional pension payable under this regulation.

(7) No person who has elected under regulation 59 may also elect under this regulation.

Election for lump sum in lieu of pension

59.—(1) Where—

- (a) a Class C member has become entitled to the immediate payment of a pension under Part II, and
- (b) the retirement grant to which he is entitled (apart from any election made under this regulation) is less than his permitted maximum,

he may make an election under this regulation for that grant to be increased to his permitted maximum.

(2) The election must be made by notice in writing to the appropriate administering authority given not more than three months before the date on which the member retires.

(3) Where a member elects under this regulation—

- (a) the retirement grant to which he is entitled is increased in accordance with the election,
- (b) the retirement pension to which he is entitled and any other benefits payable to or in respect of him are to be calculated by reference to such reduced period of membership as appears to the appropriate administering authority to be appropriate by virtue of that increase.

(4) That reduced period must be calculated by the appropriate administering authority on the advice of an actuary appointed by them.

(5) A member's permitted maximum for this regulation is the maximum lump sum to which he is entitled in accordance with Schedule 4 and (so far as relevant) any restrictions imposed under—

- (a) section 12C of the Pension Schemes Act 1993⁽¹⁾ (transfer, commutation etc.);
- (b) section 19 of that Act (discharge of liability);
- (c) section 21 of that Act (commutation, surrender and forfeiture);
- (d) section 77 of that Act (assignment, surrender and commutation of benefit).

(6) No person who has elected under regulation 58 may also elect under this regulation.