STATUTORY INSTRUMENTS

1961 No. 492 (S. 26)

NATIONAL INSURANCE

The National Insurance (Modification of Local Government Superannuation Schemes) No. 2 (Scotland) Regulations, 1961

Made - - - -	16*th March*, 1961
Laid before Parliament	23*rd March*, 1961
Coming into Operation	3*rd April*, 1961

Whereas the Treasury has determined, under subsection (4) of section 69 of the National Insurance Act, 1946(a), that the Secretary of State for Scotland is the appropriate Minister to make regulations under that subsection for modifying schemes for the provision of pensions and other benefits established under the Local Government Superannuation (Scotland) Acts, 1937 to 1953, or a local Act:

Now, therefore, in exercise of the powers conferred on me by the said subsection (4) as extended by section 15 of the National Insurance Act, 1959(b), and also of those conferred by subsection (3) of section 18 and subsection (6) of section 31 of the Local Government Superannuation (Scotland) Act, 1937(c), and of all other powers enabling me in that behalf, I hereby make the following regulations:—

PART I—GENERAL

Citation and Commencement

1. These regulations may be cited as the National Insurance (Modification of Local Government Superannuation Schemes) No. 2 (Scotland) Regulations, 1961, and shall come into operation on the third day of April, 1961.

Interpretation

2.—(1) In these regulations, unless the context otherwise requires:—

"the Act of 1946" means the National Insurance Act, 1946;

"the Act of 1959" means the National Insurance Act, 1959;

"the Act of 1937" means the Local Government Superannuation (Scotland) Act, 1937;

"the Act of 1953" means the Local Government Superannuation Act, 1953(d);

"the Acts of 1937 to 1953" means the Local Government Superannuation (Scotland) Acts, 1937 to 1953;

"the benefits regulations" means the Local Government Superannuation (Benefits) (Scotland) Regulations, 1954(e);

"the regulations of 1947" means the National Insurance (Modification of Local Government Superannuation Schemes) (Scotland) Regulations, 1947(f);

"the appointed day" means the third day of April, 1961;

"contributory employee" has the same meaning as in the Act of 1937 and includes a person deemed to be a contributory employee;

(a) 9 & 10 Geo. 6. c. 67. (b) 7 & 8 Eliz. 2. c. 47. (c) 1 Edw. 8 & 1 Geo. 6. c. 69.
(d) 1 & 2 Eliz. 2. c. 25. (e) S.I. 1954/1059 (1954 II, p. 1632).
(f) S.I. 1947/1697 (Rev. XVI, p. 286: 1947 I, p. 1509).

"contributing service", "non-contributing service" and "local Act scheme" have the same meanings respectively as they have in the Act of 1937;

"local Act contributor" has the same meaning as in the Act of 1937 and includes a person deemed to be a local Act contributor;

"non-participating employment" has the meaning assigned to it by subsection (2) of section 7 of the Act of 1959;

"participating employment" means in relation to any period which is reckonable as service for the purposes of the Acts of 1937 to 1953 or as service or as a period of contribution for the purposes of a local Act scheme any employment in which a person is required to pay graduated contributions under the Act of 1959, or would be required to pay such contributions if the amount paid in any income tax week on account of his remuneration exceeded the amount first mentioned in paragraph (*b*) of subsection (1) of section 1 of that Act, but the expression does not include any period of employment on National Service in respect of which contributions are paid under the Superannuation (Local Government Staffs) (National Service) (Scotland) Rules, 1949 to 1954, if immediately prior to entering National Service the person was in non-participating employment;

"the transfer value regulations" means the Local Government Superannuation (Transfer Value) (Scotland) Regulations, 1954(**a**);

"retirement benefit" has the meaning assigned to it by regulation 24 of the benefits regulations, and includes any similar benefit payable under a local Act scheme;

"retiring remuneration" means in relation to a retirement benefit, the remuneration on which that benefit is calculated.

(2) References in these regulations to the provisions of any enactment, scheme or regulation shall, unless the context otherwise requires, be construed as references to those provisions as amended, modified, extended, applied or re-enacted by any subsequent enactment, scheme or regulation, including these regulations.

(3) For the purposes of these regulations, no account shall be taken of fractions of a penny less than a halfpenny, and fractions of a penny of a halfpenny or more shall be treated as a penny.

(4) The Interpretation Act, 1889(**b**), shall apply for the interpretation of these regulations as it applies for the interpretation of an Act of Parliament.

Modification of Acts, Schemes, etc.

3. The Acts of 1937 to 1953 and any scheme, rules or regulations for the time being in force thereunder, any local enactment relating to the contributory employees of a particular local authority and any local Act scheme shall, as from the appointed day, have effect subject to the modifications contained in these regulations.

PART II—MODIFICATION OF CONTRIBUTIONS AND CERTAIN OTHER PAYMENTS

Reduction of Contributions

4. Subject to the provisions of these regulations, the amount of contributions payable under the relevant enactment or scheme by a contributory employee or local Act contributor in respect of any period of participating employment, shall be reduced by an amount calculated at whichever of the

(**a**) S.I. 1954/1256 (1954 II, p. 1736). (**b**) 52 & 53 Vict. c. 63.

rates specified in paragraphs (*a*) or (*b*) hereunder is the greater—that is to say:—

(*a*) a rate equivalent to 1 per cent. per annum of his remuneration as ascertained for the purposes of that enactment or scheme or, if his remuneration is at a rate exceeding seven hundred and eighty pounds per annum, the rate of seven pounds sixteen shillings per annum; or

(*b*) (i) in the case of a man, or a female nurse, female physiotherapist, midwife or health visitor, to whom regulation 21 or 22 of the benefits regulations applies, or a person to whom the said regulations apply with the modifications provided in regulation 23 thereof, or a person subject to provisions corresponding to the said regulation 23 contained in a local Act scheme, or a scheme under the Act of 1937, or the Act of 1953, the rate of three pounds and eight pence per annum; or

(ii) in the case of a female other than one mentioned in the last foregoing sub-paragraph, the rate of three pounds five shillings per annum.

Persons not Subject to the Regulations of 1947

5. In any case where by virtue of regulation 9, 9A or 10 of the regulations of 1947, regulation 3 of the National Insurance (Modification of Local Government Superannuation Schemes) (Scotland) Amendment Regulations, 1954(a) or otherwise the contributions payable by a contributory employee or local Act contributor are not for the time being subject to reduction in connection with the passing of the Act of 1946, there shall be deducted from the amount by which the contributions payable by that person are to be reduced under the last foregoing regulation an amount calculated at the rate of three pounds and eight pence per annum if the person belongs to any class mentioned in sub-paragraph (i) of paragraph (*b*) of that regulation, or three pounds five shillings per annum if the person belongs to the class mentioned in sub-paragraph (ii) of the said paragraph (*b*).

Persons Subject to Existing Schemes

6. If the contributions payable by any contributory employee or local Act contributor would apart from these regulations be subject to reduction under regulation 9 or regulation 11 of the regulations of 1947, there shall be deducted from the amount by which the contributions payable by that person are to be reduced under regulation 4 of these regulations the sum referred to in the last foregoing regulation, and there shall be added the amount by which the contributions payable by that person are required to be reduced under the said regulation 9 or regulation 11, as the case may be.

Exclusion of Existing Provisions for Reduction

7. So long as the contributions payable by any person are subject to reduction under this part of these regulations, the contributions shall not be subject to reduction under regulations 3, 4, 9 or 11 of the regulations of 1947.

Persons in Part-Time Employment

8.—(1) Where a person whose contributions are subject to reduction under this part of these regulations is a contributory employee or a local Act contributor in the employment of two or more authorities regulation 4, 5 or 6 as the case may be shall apply to him only in relation to his employment under the authority which is treated as his employer for the purposes of the Act of 1946.

(2) This part of these regulations shall not apply to any contributory employee or local Act contributor in the part-time employment of one or more authorities if he is also employed in other employment in which he is not a contributory employee or local Act contributor and his employer in that other employment is treated as his employer for the purposes of the Act of 1946.

(a) S.I. 1954/1244 (1954 I, p. 1411).

Payments for Added Years and Additional Contributory Payments

9.—(1) Where a contributory employee or local Act contributor whose contributions are subject to reduction under this part of these regulations commences to make payments by way of additional contributions in respect of years added under regulation 12 of the benefits regulations or for the like purpose under any local Act scheme, consent to the making of such contributions having been given on or after the appointed day, those payments shall not be subject to reduction under regulation 31 of the benefits regulations or under any local Act scheme, but shall be reduced throughout the period for which they are payable in accordance with the provisions of paragraph (3) of this regulation.

(2) Where in respect of any period participating employment or period of non-participating employment for which a payment in lieu of contributions is required to be made under the Act of 1959, payments of any of the following kinds are made by a contributory employee or local Act contributor whose contributions are subject to reduction under this part of these regulations or the regulations of 1947, that is to say:—

(*a*) additional contributory payments of the kind referred to in subsection (3) of section 2 of the Act of 1953; or

(*b*) payments made under a local Act scheme as a condition of reckoning any period of employment as service, or as a period of contribution for the purposes of the scheme or, where the local Act scheme provides for the reckoning of non-contributing service, as contributing service for the purposes of the scheme; or

(*c*) payments made for the purpose of increasing the length at which any period of service or of contribution would be reckonable for the purpose of calculating a benefit under a local Act scheme,

those payments shall not be subject to reduction under regulation 31 of the benefits regulations or under the local Act scheme, but shall be reduced in accordance with the provisions of paragraph (4) of this regulation.

(3) The additional contributions mentioned in paragraph (1) of this regulation shall be at the rate of three-quarters of the appropriate percentage of remuneration specified in column 2 of the first schedule to the benefits regulations for so much of the remuneration as does not exceed seven hundred and eighty pounds per annum, and at the appropriate percentage so specified for so much of the remuneration (if any) as exceeds that amount.

(4) The payments mentioned in paragraph (2) of this regulation shall be at the rate of three-quarters of the appropriate percentage of remuneration specified in columns 2, 3 or 4 of the table contained in the second schedule to the benefits regulations for so much of the remuneration as does not exceed seven hundred and eighty pounds per annum, and at the appropriate percentage so specified for so much of the remuneration (if any) as exceeds that amount.

Reduction of Employers' Contributions

10. The contributions payable by an employing authority or local Act authority in respect of any contributory employee or local Act contributor, including any additional contributions payable by such authority in the circumstances mentioned in paragraph (1) of regulation 9 of these regulations, shall be subject to the like reduction (if any) as is required to be made under this part of these regulations in the contributions or additional contributions, as the case may be, payable by the contributory employee or local Act contributor concerned.

Reduction of Transfer Values

11.—(1) Where, under the transfer value regulations, a transfer value is payable for a period of service of one month or more, which is or which includes service of a contributory employee or local Act contributor in participating employment or in non-participating employment at the end of which a payment in lieu of contributions is required to be made under the Act of 1959, the transfer value or such part of it as is attributable to the period of such employment shall, in lieu of any reduction which would otherwise be required to be made by Part IV of the transfer value regulations, be reduced in accordance with this regulation and the remainder (if any) of the transfer value, if it is subject to reduction in accordance with the said Part IV, shall be reduced in accordance therewith.

(2) The transfer value or such part of it as is attributable to the period of any such employment as is mentioned in paragraph (1) of this regulation shall be reduced by an amount equal to one-quarter of the aggregate of the sums calculated in accordance with paragraphs 4 and 5 of the first schedule to the transfer value regulations, in respect of that period on so much of the person's remuneration as does not exceed seven hundred and eighty pounds per annum;

Provided that—

(i) where a transfer value becomes payable in respect of any person referred to in regulation 5 of these regulations, and either the contributions payable by him for his former employment have been subject to reduction under that regulation, or a payment in lieu of contributions has been made under the Act of 1959 on his ceasing to hold that employment, there shall be added to the transfer value or part as reduced the amount by which the transfer value or part would have been reduced under Part IV of the transfer value regulations had that Part applied for the reduction of the transfer value in question; and

(ii) where a transfer value becomes payable in respect of any person referred to in regulation 6 of these regulations, and either the contributions payable by him in his former employment have been subject to reduction under that regulation, or a payment in lieu of contributions has been made under the Act of 1959 on his ceasing to hold that employment, no account shall be taken of any reduction of remuneration required to be made pursuant to proviso (iii) to the definition of "remuneration" in paragraph 1 of the first schedule to the transfer value regulations.

Contributions Deemed to have been made

12. If, in respect of any period, a contributory employee or local Act contributor pays no contributions under the Act of 1937 or local Act scheme by reason of the fact that the amount of the reduction in his contributions provided for by these regulations equals or exceeds the amount of his contributions, he shall nevertheless be deemed, for the purposes of paragraph (*a*) of subsection (1) of section 12 of the Act of 1937 and any corresponding provision of the local Act scheme, to have made the contributions required by that Act or scheme in respect of that period.

PART III—MODIFICATION OF BENEFITS, ETC.

Reduction of Retirement Benefits

13.—(1) Subject to the provisions of paragraph (2) of this regulation, where a retirement benefit becomes payable to a contributory employee or

local Act contributor on his ceasing to hold employment under an authority which was treated as his employer for the purposes of the Act of 1946 and any period of service reckonable in calculating the amount of that benefit has been in participating employment the part of the benefit which is attributable to any such period of service shall be reduced in accordance with this part of these regulations, and any provision for the reduction of the benefit contained in Part III of the benefits regulations or in the corresponding provisions of any local Act scheme shall cease to apply in relation to that part of the benefit:

Provided that the reduction required to be made in accordance with this part of these regulations shall not be less than that required to be made by the said Part III or the corresponding provisions of any local Act scheme.

(2) For the purposes of this part of these regulations no account shall be taken of any period of participating employment occurring during an income tax year if no graduated contributions have been paid under the Act of 1959 in respect of any such period during that year.

(3) Notwithstanding anything in the last foregoing paragraph a period of employment as a contributory employee or local Act contributor, in respect of which a payment in lieu of contributions is required to be made under the Act of 1959, shall be treated for the purposes of this part of these regulations as a period of participating employment.

(4) In calculating the amount of the pension payable to any widow under regulation 8 of the benefits regulations or to any widow under any local Act scheme, no account shall be taken of the reduction of any retirement benefit under this part of these regulations.

(5) A retirement benefit which has become payable to any person at an age earlier than pensionable age within the meaning of the Act of 1946, shall not be reduced under this part of these regulations until the date at which the person reaches such pensionable age.

14. Where a retirement benefit payable to any contributory employee or local Act contributor would, apart from these regulations, be subject to reduction in accordance with Part III of the benefits regulations, or the corresponding provisions of any local Act scheme, so much of that retirement benefit as is attributable to any period of participating employment shall be reduced:—

(*a*) for each year of such employment which is reckonable as contributing service, or as service, or as a period of contribution in calculating the amount of the benefit, by a sum equal to 1/240th of so much of the retiring remuneration as does not exceed seven hundred and eighty pounds per annum; and

(*b*) for each year of such employment which is reckonable as non-contributing service in calculating the amount of the benefit, by a sum equal to 1/480th of so much of such remuneration as aforesaid:

Provided that—

(i) where under sub-paragraph (*d*) of paragraph 3 of the third schedule to the benefits regulations or under the corresponding provision of any local Act scheme, any period of service would, apart from this regulation, fall to be disregarded for the purposes of that schedule or provision, there shall be deducted from the amount by which the benefit is to be reduced under this regulation the sum of one pound fourteen shillings in respect of each completed year comprised in any such period or, in the case of a person to whom sub-paragraph (2) of paragraph 2 of that schedule or the corresponding provision of the local Act scheme

applies, an amount in respect of each such year equal to that by which the benefit would have been reduced thereunder had the year been reckonable as contributing service, or as service or as a period of contribution, as the case may be; and

(ii) for the purposes of this regulation where a person becomes entitled to a retirement benefit on ceasing to be employed in a non-participating employment, no account shall be taken of any retiring remuneration in excess of six hundred and seventy-six pounds per annum in the case of a man or six hundred and twenty-four pounds per annum in the case of a woman.

Reduction of Benefits Payable to Certain Existing Employees

15. Where a retirement benefit payable to any contributory employee or local Act contributor would, apart from these regulations, be subject to reduction under sub-paragraph (2) of paragraph 2 of the third schedule to the benefits regulations (including the provisions of that sub-paragraph as applied by regulation 27 of the benefits regulations) or under the corresponding provision of any local Act scheme, so much of that retirement benefit as is attributable to any period of participating employment shall be reduced in accordance with the said sub-paragraph (2) of paragraph 2 or corresponding provision as the case may be, and shall be further reduced in accordance with regulation 14 of these regulations, but shall be increased by the sum of one pound fourteen shillings for each year of contributing service or of service or of contribution, as the case may be, and by the sum of seventeen shillings for each year of non-contributing service comprised in that period.

Retirement Benefits not Subject to Reduction under Existing Provisions

16. Where a retirement benefit payable to a contributory employee or local Act contributor is not subject to reduction in accordance with Part III of the benefits regulations or the corresponding provisions of any local Act scheme, so much of that retirement benefit as is attributable to any period of participating employment shall be reduced in accordance with regulation 14 of these regulations, but shall be increased by the sum of one pound fourteen shillings for each year of contributing service or of service or of contribution, as the case may be, and by the sum of seventeen shillings for each year of non-contributing service comprised in that period.

Persons Subject to Existing Schemes

17. Where a retirement benefit payable to any contributory employee or local Act contributor would, apart from these regulations, be subject to reduction under regulation 28 of the benefits regulations or under the corresponding provisions of any local Act scheme, so much of that retirement benefit as is attributable to any period of participating employment shall be reduced in accordance with the said regulation 28 or corresponding provision as the case may be, and shall be further reduced in accordance with regulation 14 of these regulations, but shall be increased by the sum of one pound fourteen shillings for each year of contributing service or of service or of contribution, as the case may be, and by the sum of seventeen shillings for each year of non-contributing service comprised in that period.

Reduction of Short Service Grants and Death Grants

18.—(1) Subject to the provisions of this regulation if there is payable to, or in respect of, a contributory employee or local Act contributor a short service grant under regulation 9 of the benefits regulations, a death grant under regulation 10 of those regulations or a benefit under a local Act scheme corresponding with either such grant and, by reason of the cessation of his

employment, a payment in lieu of contributions is required to be made under the Act of 1959 or such a payment has previously been made in respect of him as a contributory employee or local Act contributor in circumstances not involving a return of contributions, the employing authority or local Act authority, as the case may be, may resolve that the short service grant, death grant or similar benefit shall be reduced by a sum not exceeding one half of the payment in lieu of contributions or the aggregate of such payments if more than one has been made and, in that case, the amount of the short service grant, death grant or similar benefit shall be calculated accordingly.

(2) No payment in lieu of contributions under the Act of 1959 shall be taken into account for the purposes of this regulation—

(*a*) on more than one occasion, or

(*b*) if the payment is one which has been reduced under regulation 13 of the National Insurance (Non-participation—Assurance of Equivalent Pension Benefits) Regulations, 1960(a).

(3) Where any benefit referred to in paragraph (1) of this regulation is payable on the cessation of two or more concurrently held employments, the power conferred by that paragraph shall be exercisable—

(*a*) in relation to any payment in lieu of contributions then required to be made, by the authority making that payment, and

(*b*) in relation to any such payment previously made, by whichever of the authorities lately employing the person as they may agree, or in default of agreement, as may be determined by the Secretary of State.

Reduction of Benefit Attributable to Added Years, etc.

19. If, in respect of any contributory employee or local Act contributor, the payments mentioned in paragraph (1) or paragraph (2) of regulation 9 of these regulations have been reduced in accordance with that regulation, the period in respect of which any such payment has been made shall be treated as a period of service in participating employment, and the part of any retirement benefit to which the person subsequently becomes entitled which is attributable to that period shall be reduced in accordance with the provisions of this part of these regulations.

Adjustments following Payments in Lieu of Contributions

20.—(1) Subject to the provisions of this regulation where a contributory employee or local Act contributor leaves employment or dies in circumstances in which, under the relevant superannuation provision, there is payable to or in respect of him an amount by way of return of contributions and a payment in lieu of contributions under the Act of 1959 has previously been made in respect of him in circumstances not involving a return of contributions, the amount payable to or in respect of him by way of return of contributions shall be reduced by a sum equal to the amount, or aggregate of the amounts by which, under subsection (5) of section 10 of the Act of 1959, any payment by way of return of contributions could have been reduced if one had been made at the time when the previous payment in lieu of contributions was made.

(2) No payment in lieu of contributions under the Act of 1959 shall be taken into account for the purposes of this regulation—

(*a*) on more than one occasion, or

(*b*) if the payment is one which has been reduced under regulation 13 of the National Insurance (Non-participation—Assurance of Equivalent Pension Benefits) Regulations, 1960.

(b) S.I. 1960/1103 (1960 II, p. 2244).

(3) Where contributions are returnable in the circumstances mentioned in paragraph (1) of this regulation on the cessation of two or more concurrently held employments, the reduction required by that paragraph shall be made by whichever of the authorities making the return of contributions as they may agree, or in default of agreement, as may be determined by the Secretary of State.

21. Where a payment in lieu of contributions is made under the Act of 1959 in respect of any contributory employee or local Act contributor, the authority responsible for making the payment shall be entitled to recover out of the superannuation fund to which the person was last a contributor or, if the authority themselves maintain that fund, shall be entitled to retain out of that fund a sum not exceeding the lesser of the amounts mentioned in paragraphs (*a*) and (*b*) hereunder:—

(*a*) the amount of the payment in lieu of contributions less the amount (if any) which the authority could recover or retain under section 10 of the Act of 1959 in respect of that payment or, in the case of a person to whom regulation 18 of these regulations applies but the power conferred by that regulation is not invoked, the amount of the payment in lieu of contributions less the amount by which the short service grant, death grant or similar benefit could have been reduced under that regulation; and

(*b*) the amount paid into the fund in respect of the person (less any sum returnable to him as contributions) together with compound interest at the rate of 3 per cent. per annum with half-yearly rests.

PART IV—MODIFICATIONS OF THE LOCAL GOVERNMENT SUPERANNUATION (ADMINISTRATION) (SCOTLAND) REGULATIONS, 1954

22.—(1) The Local Government Superannuation (Administration) (Scotland) Regulations, 1954(a), shall have effect subject to the modifications contained in this part of these regulations.

(2) In this part of these regulations "the administration regulations" means the Local Government Superannuation (Administration) (Scotland) Regulations, 1954, and "regulation" means a regulation contained in the administration regulations.

Notification to Employees

23.—(1) In paragraph (4) of regulation 6—

(i) in sub-paragraph (*d*) after the words "National Insurance Act, 1946" there shall be inserted the words "or under that section as extended by section 15 of the National Insurance Act, 1959", and

(ii) at the end of sub-paragraph (*g*) there shall be insented the words "what period or periods of that service were in participating or non-participating employment for the purposes of Part III of the National Insurance (Modification of Local Government Superannuation Schemes) No. 2 (Scotland) Regulations, 1961;"

and sub-paragraph (*f*) of that paragraph and regulation 8, regulation 9 and sub-paragraph (*b*) of paragraph (4) of regulation 11 shall be construed accordingly.

(2) In relation to persons who are contributory employees or local Act contributors on the appointed day, every employing authority shall, as soon as may be thereafter, consider and determine the questions specified in sub-paragraphs (*d*) and (*f*) of paragraph 4 of regulation 6 as modified by paragraph (1) of this regulation; and regulation 7, paragraph (2) of regulation 10 and Part VIII of the administration regulations shall apply with respect to any question so decided.

(a) S.I. 1954/1243 (1954 II, p. 1583).

Transmission of Documents and Information between Employing Authorities and Administering Authorities

24. After regulation 12, the following regulation shall be inserted—

"12A (1) Every employing authority not being an administering authority shall, from time to time, notify the appropriate administering authority of—

(*a*) the amount of any payment in lieu of contributions which becomes payable under the National Insurance Act, 1959 in respect of a contributory employee, and the period to which such payment relates;

(*b*) details of the amount, if any, by which the employing authority have resolved under regulation 18 of the National Insurance (Modification of Local Government Superannuation Schemes) No. 2 (Scotland) Regulations, 1961, to reduce the amount of any benefit payable to, or in respect of, a contributory employee;

(*c*) details of any amount which the employing authority are entitled to recover under subsection (1) of section 10 of the National Insurance Act, 1959, or under regulation 21 of the National Insurance (Modification of Local Government Superannuation Schemes) No. 2 (Scotland) Regulations, 1961, in respect of any payment in lieu of contributions made under that Act.

(2) The payment by an administering authority of any amounts referred to in sub-paragraph (*c*) of paragraph (1) of this regulation shall be accompanied by a statement showing—

(*a*) the names of the contributory employees in relation to whom the payment is made;

(*b*) the amounts which have been deducted from superannuation benefits pursuant to any resolution referred to in sub-paragraph (*b*) of paragraph (1) of this regulation."

Exchange of Information between Authorities on Transfer

25.—(1) For sub-paragraph (*e*) of paragraph (1) of regulation 15, there shall be substituted the following sub-paragraph—

"(*e*) the rate of his contribution and if, by virtue of regulations made under subsection (4) of section 69 of the National Insurance Act, 1946 or under that section as extended by section 15 of the National Insurance Act, 1959, that rate is, or has been, a reduced rate, the amount of the reduction and the date from which, or, as the case may be, the period during which, the reduction had effect."

(2) In sub-paragraph (*f*) of paragraph (1) of regulation 15, the following item shall be included—

"(vi) whether the employment was participating employment or non-participating employment for the purposes of Part III of the National Insurance (Modification of Local Government Superannuation Schemes) No. 2 (Scotland) Regulations, 1961, the dates of commencement and the termination of any such employment and such information about temporary interruptions occurring in any period of non-participating employment as may be required for the purposes of regulation 3 of the National Insurance (Non-Participation—Assurance of Equivalent Pension Benefits) Regulations, 1960;"

(3) After sub-paragraph (*j*) of paragraph (1) of regulation 15, the following paragraph shall be inserted—

"(*k*) details of the amount, showing the period to which it related, of any payment in lieu of contributions made under the National Insurance Act, 1959 with respect to the person."

PART V—MODIFICATIONS OF THE LOCAL GOVERNMENT SUPERANNUATION (ACTUARIAL VALUATIONS) (SCOTLAND) REGULATIONS, 1954

26. The Local Government Superannuation (Actuarial Valuations) (Scotland) Regulations, 1954(a) (in this part of these regulations referred to as "the actuarial valuations regulations") shall have effect subject to the modifications contained in this part of these regulations.

Accounts and Statistics

27.—(1) In paragraph (3) of regulation 5 of the actuarial valuations regulations, in sub-paragraph (*a*), for category (ii) there shall be substituted the following:—

"(ii) all other persons whose rights or liabilities with respect to the payment of superannuation contributions, or the receipt of superannuation benefits, are subject to modification in relation to the National Insurance Act, 1946, or the National Insurance Act, 1959;".

(2) In paragraph (1) of regulation 7 of the said regulations for sub-paragraph (*e*) there shall be substituted the following—

"(*e*) contributory employees of that authority whose rights or liabilities with respect to the payment of superannuation contributions, or the receipt of superannuation benefits, are subject to modification in connection with the National Insurance Act, 1946, or the National Insurance Act, 1959, showing separately the persons whose liabilities are for the time being subject to modification only in connection with the former Act;".

Forms

28.—(1) References in the actuarial valuations regulations to any form set out in the second schedule thereto shall be construed as including a reference to a form which is substantially to the like effect as the form so set out.

(2) For Form A (Consolidated Revenue Account) set out in the second schedule to the said regulation there shall be substituted the form set out in the schedule to these regulations.

(3) In Form H (Valuation Balance Sheet) set out in the second schedule to the said regulations—

(*a*) before the item "other liabilities" there shall be inserted the following item—

"Value of net cost to the fund of future payments under regulation 21 of the National Insurance (Modification of Local Government Superannuation Schemes) No. 2 (Scotland) Regulations, 1961"; and

(*b*) at the foot of the form there shall be inserted the following note—

"The item 'Value of net cost to the fund of future payments under regulation 21 of the National Insurance (Modification of Local Government Supernnuation Schemes) No. 2 (Scotland) Regulations, 1961' corresponds with paragraph (ii) of the item 'Payments under regulation 21 of the National Insurance (Modification of Local Government Superannuation Schemes) No. 2 (Scotland) Regulations, 1961' in the Consolidated Revenue Account (Form A)".

Dated this sixteenth day of March, nineteen hundred and sixty-one.

John S. Maclay,
Secretary of State for Scotland.

St. Andrew's House,
Edinburgh, 1.

(a) S.I. 1954/1260 (1954 II, p. 1554).

SCHEDULE

FORM A

Consolidated Revenue Account

for the period from.....to.....

	£		£
Amount of the superannuation fund at the beginning of the period		Superannuation benefits:—	
Contributions by employees		(i) pensions to retired employees	
Equivalent contributions by authorities interested in the fund less reductions under schemes made under section 18 (6) of the Act for disposing of a surplus		(ii) widows' pensions	
Annual charges		(iii) pensions to widows and dependants under an allocation scheme	
Transfer values		(iv) retirement grants	
Additional contributory payments (including payments made in pursuance of regulations made under section 13 (1) (*b*) of the Act in respect of service reckonable under those regulations)		(v) death grants	
Payments in respect of additional years of service reckonable under section 2 (1) of the Local Government Superannuation Act, 1953, and payments made in pursuance of regulations made under section 13 (1) (*b*) of the Act in respect of additional years of service reckonable under those regulations		(*a*) payments in respect of employees	
Interest (including income tax refunds)		(*b*) reductions under regulation 18 of the National Insurance (Modification of Local Government Superannuation Schemes) No. 2 (Scotland) Regulations, 1961	
Other income (to be specified)		(vi) short service grants	
		(*a*) payments to employees	
		(*b*) reductions under regulation 18 of the National Insurance (Modification of Local Government Superannuation Schemes) No. 2 (Scotland) Regulations, 1961	
		(vii) payments on cessation of widows' pensions (regulation 8 (7) of the Local Government Superannuation (Benefits) (Scotland) Regulations, 1954)	
		Returns of contributions on withdrawal:—	
		(i) payments to employees	
		(ii) payments to employing authorities under section 10 of the National Insurance Act, 1959	
		Transfer values	
		Income Tax:—	
		(i) on returns of contributions	

		(ii) on transfer values	
		(iii) on interest income	
		Payments under regulation 21 of the National Insurance (Modification of Local Government Superannuation Schemes) No. 2 (Scotland) Regulations, 1961:—	
		(i) in respect of persons for whom a transfer value reduced under regulation 11 of those regulations is payable	
		(ii) in respect of any other persons less the amount of any reductions in death grant or short service grant made under regulation 18 of those regulations ...	
		Other expenditure (to be specified)	
		Amount of the superannuation fund at the end of the period	

NOTES.—(i) The item " Annual charges " comprises amounts payable under the following provisions of the Act:—

(*a*) section 17 (1);
(*b*) section 18 (1);
(*c*) section 18 (2);
(*d*) section 18 (6);
(*e*) combination schemes under subsections (1) and (2) of section 2;
(*f*) admission agreements made or deemed to be made under subsections (1) and (2) of section 15 of the Local Government Superannuation Act, 1953, or made under section 7 of the Superannuation (Miscellaneous Provisions) Act, 1948.

(ii) " Contributions " includes payments which under any regulations are treated as contributions; and the item " Returns of contributions on withdrawal " is to include the amount reserved to meet any liabilities that may subsequently accrue in respect of employees who ceased to hold their employment in the last year of the accounting period and in respect of whom payments by way either of transfer value or return of contributions were not due to be made during that period. The amount reserved should be stated separately. An appropriate adjustment in respect of the amounts paid should be made in the next succeeding account.

(iii) All items in the above account must include any amounts (such as accrued interest, transfer values, etc.) which are appropriate to the period but which were not received or paid (as the case may be) during the period.

Certified correct.

Dated..... Signed.....

Chief Financial Officer.

EXPLANATORY NOTE

(This Note is not part of the Regulations, but is intended to indicate their general purport.)

These regulations modify the Local Government Superannuation (Scotland) Acts, 1937 to 1953, and regulations made thereunder and local Act superannuation schemes in connection with the operation of the National Insurance Act, 1959. The regulations are designed principally to secure that contributions and benefits under those Acts are reduced to take account of graduated contributions and benefits under the Act of 1959.

Part I of the regulations contains definitions of the terms used and provides generally that the Acts, schemes and regulations governing the superannuation of Scottish local government employees are to be modified in accordance with the succeeding provisions of the regulations.

Part II provides for the reduction of contributions and certain other payments. During periods when graduated contributions are payable under the Act of 1959 superannuation contributions payable by employer and employee will be reduced at the rate of one cent per annum of the employees' remuneration subject to certain limits. This is inclusive of the reduction which is already made in connection with contributions paid under the National Insurance Act, 1946. This combined reduction is varied in the case of persons whose contributions are not subject to reduction in connection with the Act of 1946 or whose contributions are subject to the special rate of reduction. Transfer values and certain payments for the reckoning of additional years of service are varied to take account of periods when modified contributions have been paid.

Part III provides for the reduction of superannuation benefits. Where account is taken of a period of service or employment for the purposes both of a local government pension and of graduated retirement benefit the local government pension for that period will be reduced, subject to certain limits, at the rate of 1/240th of the employee's retiring remuneration for each year of contributing service and 1/480th for each year of non-contributing service. This is inclusive of any reduction required to be made in the pension in connection with benefit payable under the Act of 1946. This combined reduction is varied in the case of persons whose pensions are not subject to reduction in connection with the Act of 1946 or whose pensions are subject to a special rate of reduction. Short service grants, death grants and payments in respect of returned contributions may be reduced where a payment in lieu of contributions has been made to secure benefit under the Act of 1959.

Part IV modifies the Local Government Superannuation (Administration) (Scotland) Regulations, 1954, to provide that notifications to an employee of his superannuation rights will include particulars of the modifications made by Parts II and III of these regulations, and provides for the exchange between local authorities concerned of information with regard to such modifications.

Part V modifies the Local Government Superannuation (Actuarial Valuations) (Scotland) Regulations, 1954, to provide that the statutory reports by actuaries on local authority superannuation funds are to contain information with regard to the persons affected by Parts II and III of these regulations.