STATUTORY INSTRUMENTS

1963 No. 2060

NATIONAL INSURANCE

The National Insurance (Modification of Local Government Superannuation Schemes) Regulations 1963

Made - - - -	18*th December* 1963
Laid before Parliament	30*th December* 1963
Coming into Operation	6*th January* 1964

Whereas the Treasury has determined under section 69(4) of the National Insurance Act 1946(a) that the Minister of Housing and Local Government 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 Acts 1937 to 1953(b) or a local Act:

Now, therefore, the Minister of Housing and Local Government, in exercise of the powers conferred on him by the said section 69(4) as extended by section 15 of the National Insurance Act 1959(c) and of all other powers enabling him in that behalf, hereby makes the following regulations:—

PART I—GENERAL

Citation and commencement

1.—(1) These regulations may be cited as the National Insurance (Modification of Local Government Superannuation Schemes) Regulations 1963 and shall come into operation on 6th January 1964.

(2) The National Insurance (Modification of Local Government Superannuation Schemes) Regulations 1961(d), the National Insurance (Modification of Local Government Superannuation Schemes) No. 2 Regulations 1961(e) and these regulations may be cited together as the National Insurance (Modification of Local Government Superannuation Schemes) Regulations 1961 to 1963.

Interpretation

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

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

"the Act of 1948" means the Superannuation (Miscellaneous Provisions) Act 1948(f);

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

"the Northern Ireland Act" means the National Insurance Act (Northern Ireland) 1959(g);

(a) 9 & 10 Geo. 6. c. 67.
(b) 1 Edw. 8 & 1 Geo. 6. c. 68; 2 & 3 Geo. 6. c. 18; 1 & 2 Eliz. 2. c. 25.
(c) 7 & 8 Eliz. 2. c. 47.
(d) S.I. 1961/21 (1961 I, p. 46).
(e) S.I. 1961/405 (1961 I, p. 1031).
(f) 11 & 12 Geo. 6. c. 33.
(g) 1959 c. 21 (N.I.).

" the Isle of Man Act " means the National Insurance (Isle of Man) Act 1961 (an Act of Tynwald);

" the regulations of 1961 " means the National Insurance (Modification of Local Government Superannuation Schemes) Regulations 1961;

" the principal regulations " means the National Insurance (Modification of Local Government Superannuation Schemes) No. 2 Regulations 1961;

" local government service " means service in employment by virtue of which the person employed is a contributory employee or a local Act contributor;

" the Minister " means the Minister of Housing and Local Government;

" modification provision " means, in relation to any pension scheme, any provision of the scheme the effect of which is that pensions under the scheme are to be reduced in connection with the operation of the provisions of the Act of 1959, the Northern Ireland Act or the Isle of Man Act relating to the payment of graduated retirement benefit;

" participating employment " has the same meaning as in the principal regulations and includes any similar period of employment in which the person is, or would be, required to pay graduated contributions under the Northern Ireland Act or the Isle of Man Act;

and other expressions have the same meaning as in the principal regulations.

(2) References in these regulations to the provisions of any enactment, scheme, rule 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, rule, order or regulations, 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(a) shall apply to the interpretation of these regulations as it applies to the interpretation of an Act of Parliament.

PART II—AMENDMENT OF THE NATIONAL INSURANCE (MODIFICATION OF LOCAL GOVERNMENT SUPERANNUATION SCHEMES) REGULATIONS 1961

Amendment of Regulation 4 of the Regulations of 1961

3.—(1) In regulation 4(1) of the regulations of 1961 (which provides for the commencement of certain benefits not later than insured pensionable age) for the word " benefit " where it appears for the second time, there shall be substituted the words " retirement pension ", and for the word " thereunder ", there shall be substituted the words " under the relevant scheme, in lieu of any other benefit receivable by her under the scheme ".

(2) For the proviso to regulation 4(2) of the regulations of 1961 there shall be substituted the following proviso—

" Provided that an annual pension so payable in respect of any period of service shall not be less than the minimum rate of equivalent pension benefits applicable in respect of that period under the provisions of Part II of the Act."

(a) 52 & 53 Vict. c. 63.

Amendment of Regulation 5 of the Regulations of 1961

4. In regulation 5 of the regulations of 1961 (which limits the extent to which pensions can be reduced) after the word "payable" where it first appears there shall be inserted the words "in respect of any period of service", and for the words "such amount as would be equal when expressed as a weekly rate to the graduated retirement benefit which would be payable to the employee under the Act in return for an amount of graduated contributions equal to one such contribution paid in each week of the period of his service in respect of a weekly payment of remuneration of fifteen pounds" there shall be substituted the words "the minimum rate of equivalent pension benefits applicable in respect of that period under the provisions of Part II of the Act."

PART III—AMENDMENT OF THE NATIONAL INSURANCE (MODIFICATION OF LOCAL GOVERNMENT SUPERANNUATION SCHEMES) NO. 2 REGULATIONS 1961

Amendment of Regulation 2 of the Principal Regulations

5. Regulation 2(1) of the principal regulations shall be amended as follows:—

(*a*) After the definition of "local Act contributor" there shall be inserted the following definition—

"'maximum graduated remuneration' for any period of employment or part of a period means the maximum annual amount on which, during that period or part, graduated contributions were payable for any one employment under section 1(1)(*b*) of the Act of 1959".

(*b*) In the definition of "participating employment", after the word "remuneration" there shall be inserted the words "or which would have been paid but for any suspension of remuneration due to leave of absence".

Amendment of Regulation 4 of the Principal Regulations

6. For paragraph (*a*) of regulation 4 of the principal regulations (which provides for the reduction of superannuation contributions) there shall be substituted the following paragraph—

"(*a*) a rate equivalent to one per cent. of so much of his remuneration, as ascertained for the purposes of that enactment or scheme, as does not exceed the maximum graduated remuneration for the time being; or".

Amendment of Regulation 8 of the Principal Regulations

7. The following paragraph shall be inserted at the end of regulation 8 of the principal regulations (which relates to persons in part-time employment):—

"(3) Where a person whose contributions are subject to reduction under this part of these regulations or the regulations of 1947(a) is a contributory employee or local Act contributor in each of two or more separate employments under the same employing authority, then, subject to the provisions of paragraphs (1) and (2) of this regulation or paragraphs (1) and (2) of regulation 8 of the regulations of 1947, as the case may be, the relevant provisions of this part of these regula-

(a) S.R. & O. 1947/1245 (Rev. XVI, p. 273: 1947 I, p. 1498).

tions or of the regulations of 1947, as the case may be, shall apply only in relation to the employment to which he devotes a greater part of his time than to any other of his separate employments or, if there is no such employment, to such one of his separate employments as the employing authority may determine."

Amendment of Regulation 9 of the Principal Regulations

8. Regulation 9 of the principal regulations (which provides for the reduction of payments for added years and additional contributory payments) shall be amended as follows:—

(*a*) In paragraph (1), for the words "paragraph (3)" there shall be substituted the words "paragraphs (3), (5) and (8)".

(*b*) In paragraph (2), for the words "for which" there shall be substituted the words "at the end of which", and for the words "paragraph (4)" there shall be substituted the words "paragraphs (4), (6), (7) and (8)".

(*c*) After paragraph (4) there shall be added the following paragraphs:—

"(5) In relation to any payments mentioned in paragraph (1) of this regulation, consent to the making of which is given after 5th January 1964, paragraph (3)(*a*) of this regulation shall have effect with the substitution for the words 'seven hundred and eighty pounds per annum' of the words 'the maximum graduated remuneration in force at the time when consent to the making of the payments was given'.

(6) In respect of any period of participating employment or part of such period commencing after 5th January 1964, paragraph (4) of this regulation shall have effect with the substitution for the words 'seven hundred and eighty pounds per annum' in subparagraph (*a*) of the words 'the maximum graduated remuneration'.

(7) Where any payments mentioned in paragraph (2) of this regulation are begun after 5th January 1964 in respect of any period of 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 payments of the appropriate percentage of remuneration specified in columns 2, 3 or 4 of the table contained in Schedule 2 to the benefits regulations shall be reduced by an amount equivalent to one quarter of such appropriate percentage of a remuneration which shall be deemed for this purpose to have been seven hundred and eighty pounds per annum for any period or part of a period prior to 6th January 1964 and the maximum graduated remuneration taken into account in calculating the payment in lieu of contributions for any period or part of a period commencing on or after that date.

(8) Where any payments referred to in paragraph (1) or (2) of this regulation would, apart from this regulation, have been reduced by any amount under regulation 31 of the benefits regulations or under any local Act scheme, the reduction required by this regulation shall be of not less than that amount."

Amendment of Regulation 11 of the Principal Regulations

9.—(1) For regulation 11 of the principal regulations (which provides for the reduction of transfer values) there shall be substituted the following regulation:—

"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 in participating employment or in non-participating employment at the end of which a payment in lieu of contributions had been made under the Act of 1959, the Northern Ireland Act or the Isle of Man Act, being service which is reckonable for the purpose of calculating reductions of the benefit under Part III of these regulations or regulation 18 of the National Insurance (Modification of Local Government Superannuation Schemes) Regulations 1963, 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 sums calculated in accordance with paragraphs 4 and 5 of Schedule 1 to the transfer value regulations—

(*a*) in respect of any such period or part of such period prior to 6th January 1964, on so much of the person's remuneration as does not exceed seven hundred and eighty pounds per annum, and

(*b*) in respect of any such period or part of such period after 5th January 1964, on so much of the person's remuneration as does not exceed the maximum graduated remuneration for that period or part:

Provided that—

(i) where a transfer value becomes payable in respect of any person to whom regulation 5 of these regulations applies, 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, 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 if the benefit referred to in that Part had fallen to be reduced in pursuance of paragraph 2(3) of Schedule 3 to the benefits regulations or the corresponding provision of any local Act scheme, but the transfer value shall not thereby be increased to an amount greater than would have been the case if it had not been subject to modification under this regulation;

(ii) where a transfer value becomes payable in respect of any person to whom regulation 6 of these regulations applies, 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 in calculating the amount of the transfer value or part, or of the reduction required to be made hereunder, of any reduction of remuneration required to be made pursuant to proviso (iii) to the definition of 'remuneration' in paragraph 1 of Schedule 1 to the transfer value regulations;

(iii) the reduction in respect of any period of non-participating employment at the end of which a payment in lieu of contributions had been made under the Act of 1959, the Northern Ireland

Act or the Isle of Man Act shall be calculated as if the person's remuneration had been seven hundred and eighty pounds per annum during any period or part of a period prior to 6th January 1964, and the maximum graduated remuneration during any period or part of a period after 5th January 1964; and

(iv) no account shall be taken of any amount attributable to a period of employment such as is mentioned in paragraph (1) of this regulation if the period is of less than one month's duration.

(3) If, in consequence of the operation of this regulation or of Part IV of the transfer value regulations, no sum is payable in respect of any transfer value, payment of the transfer value shall, for the purposes of any enactment, rule or regulation requiring such payment, be deemed to have been made."

(2) Where the liability to pay a transfer value arose before the date of coming into operation of these regulations and the transfer value had not been paid before that date the amount of any reduction of the transfer value shall be calculated as if these regulations had not been made.

Amendment of Regulation 13 *of the Principal Regulations*

10. Regulation 13 of the principal regulations (which provides for the reduction of retirement benefits) shall be amended as follows:—

(*a*) In paragraph (2) after the words "participating employment" there shall be inserted the words "as a contributory employee or local Act contributor".

(*b*) In paragraph (3) for the words "in respect of which" there shall be substituted the words "at the end of which".

Amendment of Regulation 14 *of the Principal Regulations*

11.—(1) At the commencement of regulation 14 of the principal regulations (which provides for the calculation of reductions in retirement benefits) there shall be inserted the words "Subject to paragraphs (2) and (3) of this regulation", and after the words "participating employment" there shall be inserted the words "excluding any period of employment referred to in paragraph (3) of the last preceding regulation".

(2) In proviso (ii) to regulation 14 of the principal regulations, for the words "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", there shall be substituted the words "in respect of any period of participating employment, of retiring remuneration in excess of that specified during the period in a certificate of non-participation issued under section 7 of the Act of 1959 as the level of remuneration at which his employment would have become non-participating employment".

(3) Regulation 14 of the principal regulations shall be numbered paragraph (1) and the following paragraphs shall be inserted at the end thereof:—

"(2) Paragraph (1) of this regulation, except proviso (ii) thereof, shall apply for the reduction of so much of any retirement benefit mentioned therein as is attributable to any period of employment referred to in regulation 13(3) of these regulations as if in relation to any period or part of a period prior to 6th January 1964, the retiring remuneration had been seven hundred and eighty pounds per annum, and in relation to any period or part of a period after 5th January 1964, the retiring

remuneration had been the maximum graduated remuneration taken into account in calculating the payment in lieu of contributions.

(3) In respect of any period or part of a period of participating employment commencing after 5th January 1964, which is taken into account for the purposes of this regulation, paragraph (1) of this regulation shall have effect with the substitution for the words 'seven hundred and eighty pounds per annum' in sub-paragraph (*a*) of the words 'the maximum graduated remuneration'."

Amendment of Regulation 18 *of the Principal Regulations*

12.—(1) At the end of regulation 18(3) of the principal regulations (which provides for the reduction of short service grants and death grants) the following words shall be added—

"and when the said employments were held under the same employing authority, the power shall be exercised in relation to such one only of the benefits as the authority may determine."

(2) Regulation 18 of the principal regulations shall apply for the reduction of a short service grant, death grant or similar benefit payable to or in respect of any person where a payment in lieu of contributions under the Act of 1959, the Northern Ireland Act or the Isle of Man Act has been made upon the termination of any period of his employment which, by virtue of rules made under section 2 of the Act of 1948 or regulations made, or having effect as if made, under section 9 of the Fire Services Act 1959(a), is reckonable in any manner and to any extent as service as a contributory employee or local Act contributor, if—

(*a*) the transfer value payable in respect of that employment has been adjusted to take account of the payment in lieu of contributions, and

(*b*) where superannuation contributions had been made by him in that employment, the payment in lieu of contributions was made in circumstances not involving the return of those superannuation contributions.

(3) Regulation 18 of the principal regulations shall apply for the reduction of any lump sum grant or similar benefit, payable under a local Act scheme or scheme under the Acts of 1937 to 1953 in circumstances where no pension is payable, as that regulation applies for the reduction of the benefits mentioned in paragraph (1) thereof.

Amendment of Regulation 19 *of the Principal Regulations*

13.—(1) For the purposes of the reduction of benefit required by regulation 19 of the principal regulations (which provides for the reduction of benefit attributable to added years), added years for which consent has been given after 5th January 1964, and any period of service after that date for which additional contributory payments are payable shall be treated as a period of service in participating employment after that date in respect of which graduated contributions have been paid.

(2) In regulation 19 of the principal regulations after the words "participating employment" there shall be inserted the words "in respect of which graduated contributions have been paid".

(a) 7 & 8 Eliz. 2. c. 44.

Amendment of Regulation 20 of the Principal Regulations

14.—(1) At the end of regulation 20(3) of the principal regulations (which provides for adjustments following payments in lieu of contributions) the following words shall be inserted :—

" and where the said employments were held under the same employing authority, the reduction shall be made of such one only of the amounts as the authority may determine."

(2) At the end of the said regulation 20 there shall be added the following paragraph :—

" (4) Where a payment to any person by way of return of contributions is reduced under section 10(5) of the Act of 1959 or under paragraph (1) of this regulation, any sum so deducted shall not form part of any amount payable to or in respect of him, either by way of return of contributions or as a benefit ascertained by reference to the amount of contributions paid by him, on the occasion of any later cessation of his employment."

(3) The amount payable to or in respect of any person by way of return of contributions which is subject to reduction under regulation 20 of the principal regulations shall include any contributions deemed to have been made by that person during any period of former employment which, by virtue of rules made under section 2 of the Act of 1948, is reckonable in any manner and to any extent as service as a contributory employee or local Act contributor.

(4) Regulation 20 of the principal regulations shall apply for the reduction of an amount payable by way of return of contributions where a payment in lieu of contributions has been made under the Act of 1959, the Northern Ireland Act or the Isle of Man Act, in respect of any period of former employment which is reckonable as service as a contributory employee or local Act contributor if—

(*a*) the payment in lieu of contributions was made in circumstances not involving the return of any superannuation contributions made by him in that employment, and

(*b*) the transfer value payable in respect of that employment has been adjusted to take account of the payment in lieu of contributions,

and where no superannuation contributions were payable in that former employment, any amount returnable in respect of contributions deemed to have been made in that employment shall be reduced by a sum equal to one half of the payment in lieu of contributions.

Amendment of Regulation 23 of the Principal Regulations

15. For sub-paragraph (ii) of regulation 23(1) of the principal regulations (which requires particulars as to modification to be included in notices to employees) there shall be substituted the following sub-paragraph—

" (ii) at the end of sub-paragraph (*g*) there shall be inserted the words ' what period or periods of that service were in participating employment or non-participating employment for the purposes of Part III of the National Insurance (Modification of Local Government Superannuation Schemes) No. 2 Regulations 1961 ; whether any such period of participating employment falls to be disregarded under regulation 13(2) of the said regulations of 1961 ; and whether a payment in lieu of contributions under Part II of the National Insurance Act 1959 has been made in respect of any such period of non-participating employment and, if so, the amount of any such payment ; ' ".

Amendment of Regulation 25 of the Principal Regulations

16. In regulation 25(2) of the principal regulations (which relates to the exchange of information between local authorities on the transfer of staff), after the words " any such employment " there shall be inserted the words " and of any participating employment which falls to be disregarded under regulation 13(2) of the said regulations of 1961."

PART IV—AMENDMENTS AS TO SERVICE TRANSFERRED FROM A FORMER EMPLOYMENT AND OTHER MATTERS

Persons not subject to Existing Regulations under the Act of 1946

17. Any provision of the rules mentioned in the Schedule to these regulations to the effect that regulations made by the Minister under section 69(4) of the Act of 1946 are not to apply to a person entering local government service shall not include regulations made by the Minister under the said section 69(4) as extended by section 15 of the Act of 1959; and to the extent that any person to whom any such provision applies is affected by such last mentioned regulations, he shall be treated as a person whose contributions and benefits are not subject to reduction in connection with the passing of the Act of 1946.

Reduction of Pension in respect of other Reckonable Employment

18.—(1) Where a person has become employed in local government service after having been employed in other employment (in this regulation referred to as " his former employment ") and by virtue of rules made under section 2 of the Act of 1948 or regulations made, or having effect as if made, under section 9 of the Fire Services Act 1959, his service in his former employment is to be reckoned in any manner and to any extent as service as a contributory employee or local Act contributor, then if his former employment included any period of participating employment or non-participating employment at the end of which a payment in lieu of contributions had been made under the Act of 1959, the Northern Ireland Act or the Isle of Man Act, so much of any pension payable to him at the termination of his local government service as is attributable to any such period shall, in lieu of any reduction for which Part III of the principal regulations provides, be reduced—

(*a*) in the like manner as if—

(i) he had continued in his former employment and retired from it on the day on which he ceased to be employed in local government service, and

(ii) any modification provision applicable to him immediately before he ceased to be employed in his former employment had been applied in relation to the period of his service before that date, or

(*b*) if no modification provision was applicable to him at that time and the transfer value payable in respect of that employment had been adjusted to take account of the payment in lieu of contributions, by the amount of the graduated retirement benefit payable under the Act of 1959, the Northern Ireland Act or the Isle of Man Act, as the case may be, in respect of the payment in lieu of contributions.

(2) Nothing in the foregoing paragraph shall affect any provision in rules made under section 2 of the Act of 1948 with regard to the modification of superannuation benefits in connection with the Act of 1946 or to the right of any person to be excepted from such modification.

(3) A local authority, in determining any question arising under paragraph (1) of this regulation relating to the service of any person in his former employment and the operation of any modification provision applicable to him in that employment shall be entitled to treat as conclusive any relevant certificate issued by his employer in that employment or by the body administering the superannuation scheme to which he was subject in that employment.

Payments for Added Years and Additional Contributory Payments continued from a Former Employment

19. Where in pursuance of any provision in that behalf contained in rules made under section 2 of the Act of 1948 or regulations made, or having effect as if made, under section 9 of the Fire Services Act 1959, a contributory employee or local Act contributor continues to make the like additional contributory payments or payments in respect of added years as he had been entitled to make in his former employment and those payments are reduced in accordance with any provision corresponding with regulation 9 of the principal regulations, then, unless the payments commenced while the person was a contributory employee or local Act contributor, the part of any retirement benefit to which the person subsequently becomes entitled which is attributable to those payments shall be reduced in the like manner as is provided in regulation 18(1) of these regulations as if that part of the retirement benefit had been attributable to a period of such former employment.

Calculation of Disability Pension

20.—(1) In regulation 5(3) of the benefits regulations after the words " Part III of these regulations " there shall be inserted the words " or under Part III of the National Insurance (Modification of Local Government Superannuation Schemes) No. 2 Regulations 1961 "; and the corresponding provisions of any local Act scheme shall be similarly amended.

(2) Where a retirement benefit granted on the grounds of incapacity to perform the duties of an employment by reason of permanent ill-health or infirmity of mind or body is, in pursuance of any provision in that behalf in the benefits regulations or a local Act scheme, payable at a minimum rate, the amount (if any) by which such minimum rate exceeds the amount which would have been payable apart from such provision shall not be subject to reduction under Part III of the principal regulations, but if any part of the benefit is subject to reduction in connection with the passing of the Act of 1946, the first mentioned amount shall be reduced as if the principal regulations had not been made.

Calculation of Additional Compensatory Benefit

21.—(1) In reckoning the amount of any retirement benefit for the purpose of estimating the maximum additional benefit which an employing authority may grant under regulation 13(1) of the benefits regulations or the corresponding provision of any local Act scheme, no account shall be taken of reductions required to be made in connection with the passing of the Act of 1946 or under Part III of the principal regulations.

(2) Where any additional benefit referred to in paragraph (1) of this regulation supplements a retirement benefit which is reduced in connection with the passing of the Act of 1946, the additional benefit shall be reduced in the like manner; and for this purpose the additional benefit shall be deemed to be paid in respect of a period of service, subsequent to any material date, and which at the relevant rate of retiring remuneration, would have created entitlement to a retirement benefit equivalent to the additional benefit.

Reduction of Benefits following Concurrent Employment

22. Notwithstanding anything contained in Part III of the principal regulations, Part III of the benefits regulations or the corresponding provisions of any local Act scheme, where two or more retirement benefits are payable in respect of employments which had been held concurrently under the same employing authority, the relevant provisions of either of the said regulations or of the said scheme shall apply for the reduction of one only of those benefits, being the benefit attributable to the employment to which the employee devoted a greater part of his time than to his other employment or, if there was no such employment, the benefit designated by the employing authority.

Existing Schemes Providing for Modification Later than Insured Pensionable Age

23. Where the reduction of a retirement benefit under regulation 17 of the principal regulations is, by reason of the terms of the scheme under which the benefit is paid, postponed until the pensioner attains an age greater than pensionable age within the meaning of the Act of 1946, the benefit shall, until the pensioner attains that greater age, be reduced in accordance with regulation 16 of the principal regulations.

Calculation of Actuarially Reduced Benefits

24.—(1) In calculating for the purposes of any provision mentioned in paragraph (2) of this regulation the amount of the benefit which might have been payable to a contributory employee or local Act contributor in the circumstances mentioned in those provisions, no account shall be taken of any reduction required to be made under Part III of the benefits regulations, Part III of the principal regulations or the corresponding provisions of any local Act scheme; but the relevant provisions of the said regulations or scheme shall apply for the reduction of a benefit payable in accordance with any provision mentioned in paragraph (2) of this regulation where the person has attained, or when he attains, pensionable age within the meaning of the Act of 1946.

(2) The provisions referred to in the last preceding paragraph are:—

(*a*) regulation 7 of the Local Government Superannuation (Benefits) (New Towns Staffs) Regulations 1958(**a**);

(*b*) rule 4(2) of the Superannuation (Local Government and Overseas Employment) Interchange Rules 1958(**b**); and

(*c*) regulation 4(2) of the regulations of 1961.

Reckoning of Service for the Purposes of the Modification of Retirement Benefit

25.—(1) For the purpose of calculating the amount of the reduction of any retirement benefit under Part III of the benefits regulations—

(*a*) all periods of service in respect of which the reduction is required to be made shall be aggregated;

(*b*) the period reckonable as contributing service in calculating the amount of the reduction for the aggregate period shall be the number of completed years of all periods of such service comprised in that period;

(**a**) S.I. 1958/1273 (1958 II, p. 1806). (**b**) S.I. 1958/1416 (1958 II, p. 1845).

(*c*) the period so reckonable as non-contributing service shall be the remainder of the aggregate period after deducting the completed years of contributing service, but if such remainder amounts to a period of less than a year or to a number of years and a period of less than a year, the period of less than a year shall, if it amounts to or exceeds six months, be treated as a year and in any other case be disregarded ; and

paragraph 2(4)(*a*) of Schedule 3 to the benefits regulations shall cease to have effect.

(2) Paragraph (1) of this regulation shall apply (with the substitution in appropriate cases for references to contributing service of references to service or to a period of contribution) for the purpose of calculating the amount of the reduction of any retirement benefit under Part III of the principal regulations and for determining the periods for which different reductions are to be made thereunder.

(3) Where in pursuance of section 12(5) of the Act of 1937 or the corresponding provision of any local Act scheme a period of part-time service is treated as though it were whole-time service for a proportionately reduced period for the purposes of calculating a benefit and that benefit is subject to reduction in accordance with paragraph 2 of Schedule 3 to the benefits regulations or the corresponding provision of any local Act scheme, that paragraph or corresponding provision as the case may be, shall apply as if the part-time service in question had been reckonable at its actual length.

Modification of Payments for Added Years

26. In reckoning the amount of the equivalent contributions payable by an employing authority or local Act authority in respect of added years under regulation 12 of the benefits regulations or the corresponding provision of any local Act scheme, account shall be taken of any reduction of the employee's additional contributions in connection with the passing of the Act of 1946.

Regulation 17 SCHEDULE

The Superannuation (Local Government and Public Boards) Interchange Rules 1949 and 1955(a) ;

The Superannuation (Transfers between the Civil Service and Local Government) Rules 1950 and 1955(b) ;

The Superannuation (English Local Government and Isle of Man) Interchange Rules 1951(c) ;

The Superannuation (English Local Government and Northern Ireland) Interchange Rules 1952 and 1958(d) ;

The Superannuation (English Local Government and Northern Ireland Health Service) Interchange Rules 1957(e) ;

The Superannuation (English Local Government and Northern Ireland Civil Service) Interchange Rules 1957(f) ;

(a) S.I. 1949/1464 (1949 I, p. 3075) ; S.I. 1955/1546 (1955 II, p. 1782).
(b) S.I. 1950/145 (1950 II, p. 277) ; S.I. 1955/1542 (1955 II, p. 1812).
(c) S.I. 1951/309 (1951 II, p. 148).
(d) S.I. 1952/937 (1952 II, p. 2354); S.I. 1958/2136 (1958 II, p. 1822).
(e) S.I. 1957/2197 (1957 II, p. 1783). (f) S.I. 1957/1155 (1957 II, p. 1774).

The Superannuation (Transfers between Metropolitan Police Staffs and Local Government) Rules 1959(a);

The Superannuation (English Local Government and Jersey) Interchange Rules 1961(b);

The Superannuation (Teaching and Local Government) Interchange Rules 1961(c).

Given under the official seal of the Minister of Housing and Local Government on 18th December 1963.

(L.S.)

Keith Joseph,
Minister of Housing and Local Government.

EXPLANATORY NOTE

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

The regulations amend the National Insurance (Modification of Local Government Superannuation Schemes) Regulations 1961 and the National Insurance (Modification of Local Government Superannuation Schemes) No. 2 Regulations 1961 and modify the local government superannuation schemes in various other respects in connection with the National Insurance Acts 1946 to 1963.

The general purport of the amendments is as follows—

(*a*) The right of local government employees to be contracted out of the graduated pensions scheme depends on their being assured pension benefits not less favourable than those available under the scheme. The National Insurance (Modification of Local Government Superannuation Schemes) Regulations 1961 are amended to ensure that the pension benefits provided by the local government schemes are not less favourable than the increased benefits payable under the National Insurance Act 1963 (1963 c. 7) (regulations 3 and 4).

(*b*) The superannuation contributions and the pensions of local government employees not contracted out of the graduated scheme are reduced to take account of the contributions and benefits payable under the scheme. These reductions are calculated by reference to the employees' remuneration and are subject to maxima based on the maximum amount on which graduated contributions are payable, namely, seven hundred and eighty pounds per annum. The National Insurance (Modification of Local Government Superannuation Schemes) No. 2 Regulations 1961 are amended to allow for the increase of this maximum amount by the National Insurance Act 1963 in respect of periods after 5th January 1964 (regulations 5, 6, 8, 9 and 14).

(*c*) Where a local government employee is entitled to reckon for pension purposes service in an earlier employment, the regulations provide that the reduction of pension payable in respect of that earlier service shall be in accordance with the terms of the pension scheme to which he was subject in the earlier employment (regulations 18 and 19).

(a) S.I. 1959/1243 (1959 II, p. 2041). (b) S.I. 1961/316 (1961 I, p. 501).
(c) S.I. 1961/1895 (1961 III, p. 3556).

(*d*) The regulations make a number of other detailed amendments to the National Insurance (Modification of Local Government Superannuation Schemes) No. 2 Regulations 1961 and to the provisions of the Local Government Superannuation (Benefits) Regulations 1954 (S.I. 1954/1048) (referred to in these regulations as " the benefits regulations ") and local Act superannuation schemes relating to the reduction of benefits to take account of flat rate benefits payable under the National Insurance Act 1946.