STATUTORY INSTRUMENTS

1970 No. 628 (S.46)

PENSIONS

The Superannuation (Local Government and National and Local Government Officers Association) Interchange (Scotland) Rules 1970

Made - - -	*22nd April* 1970
Laid before Parliament	*30th April* 1970
Coming into Operation	*1st May* 1970

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In exercise of the powers conferred on me by sections 2 and 15 of the Superannuation (Miscellaneous Provisions) Act 1948(**a**) as amended by section 11(6) of the Superannuation (Miscellaneous Provisions) Act 1967(**b**), and of all other powers enabling me in that behalf, I hereby make the following rules :—

PART I

PRELIMINARY

Title and commencement

1. These rules may be cited as the Superannuation (Local Government and National and Local Government Officers Association) Interchange (Scotland) Rules 1970, and shall come into operation on 1st May 1970.

Interpretation

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

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

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

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

"added years" means—

(*a*) in relation to a person in local government employment, any additional years of service reckonable by him under regulation 12 of the benefits regulations or that regulation as applied by or under any enactment, and includes any additional years of service which, having been granted thereunder, have subsequently become reckonable under or by virtue of any other enactment ; and

(*b*) in relation to a person in Association employment, any additional years of service of the nature of the additional years of service referred to in (*a*) of this definition which have been granted in, or have otherwise become reckonable in, that employment ;

"the Association" means the National and Local Government Officers Association ;

"Association employment", in relation to any person, means employment in which the person is subject to the Staff Superannuation Fund ;

"benefit" means any superannuation benefit payable to or in respect of any person ;

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

"contributing service" and "contributory employee" have the same meanings as in the Act of 1937 ;

(**a**) 1948 c. 33.
(**b**) 1967 c. 28.
(**c**) 1937 c. 69.
(**d**) 1953 c. 25.
(**e**) S.I. 1954/1059 (1954 II, p. 1632).

"the Council" means the National Executive Council of the Association ;

"enactment" includes any instrument made under any enactment ;

"fund authority" means a local authority maintaining a superannuation fund to which a person either became a contributor after he left Association employment or, as the case may be, was last a contributor before he entered Association employment ;

"interchange rules" means rules made under section 2 of the Act of 1948 ;

"local authority" has the same meaning as in the Act of 1937 ;

"local government employment" means employment by virtue of which the person employed is or is deemed to be a contributory employee ;

"national service", in relation to any person, means service which is relevant service within the meaning of the Reserve and Auxiliary Forces (Protection of Civil Interests) Act 1951(**a**), and any similar service immediately following relevant service, entered into with the consent of the authority or person by whom he was employed before undertaking that service or, in the case of a person who holds an appointment to an office and is not employed under a contract of employment, with the consent of the authority by whom he was appointed ;

"non-contributing service" has the same meaning as in the Act of 1937 ;

"prescribed period" has the meaning assigned to it by rule 3 ;

"the Staff Superannuation Fund" means the Staff Superannuation Fund of the Association ;

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

"voluntary contributions" means—

(*a*) in relation to a person who enters Association employment after leaving local government employment, payments made voluntarily by him, while in local government employment or in overseas employment within the meaning of the Superannuation (Local Government and Overseas Employment) Interchange (Scotland) Rules 1969(**c**), for the purpose of securing benefits for his widow, children or other dependants and payments (other than payments made in respect of a liability which has been wholly discharged) of any of the following categories :—

(i) additional contributory payments of the kind referred to in section 2(3) and (4) of the Act of 1953 ;

(ii) any similar 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;

(iii) any 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 ;

(iv) any payment made in respect of added years ; and

(**a**) 1951 c. 65.
(**b**) S.I. 1954/1256 (1954 II, p. 1736).
(**c**) S.I. 1969/1642 (1969 III, p. 5163).

(*b*) in relation to a person who enters local government employment after leaving Association employment, any payments similar in character to those referred to in (*a*) of this definition for which provision was made by the rules of the Staff Superannuation Fund.

(2) Any references in these rules to a person as a contributory employee, or to contributing service, or to the Act of 1937, the Act of 1953, the benefits regulations, or any provision in any of those enactments in their application to that person shall be deemed to include references to a person as a local Act contributor within the meaning of the Act of 1937 and to a person entitled to participate in the benefits of a superannuation fund maintained under a local Act scheme, or to service for the purposes of a local Act scheme, or to any corresponding local Act or scheme or provision therein in their application to that person.

(3) References in these rules to a numbered rule shall, unless the reference is to a rule of a specified enactment, be construed as references to the rule bearing that number in these rules.

(4) Unless the context otherwise requires, references in these rules to the provisions of any enactment shall be construed as references to those provisions as amended, extended, modified, applied or re-enacted by any subsequent enactment.

(5) The Interpretation Act 1889(**a**) shall apply for the interpretation of these rules as it applies for the interpretation of an Act of Parliament.

Meaning of "prescribed period"

3.—(1) Subject to the provisions of these rules, the expression "prescribed period" in rules 4 and 8 means a period of 12 months after the date on which a person left local government employment or, as the case may be, Association employment, and in the case of a person who immediately after leaving such employment became engaged in national service, a period of 6 months after the termination of that service.

(2) The reference in the preceding paragraph to a period of 12 months shall be construed in relation to a person to whom section 6 of the Act of 1948 applies (which makes special provision as to local government superannuation during periods of emergency) as a reference to a period of 5 years or such longer period as the Secretary of State may in any particular case allow.

PART II

TRANSFER FROM LOCAL GOVERNMENT EMPLOYMENT TO ASSOCIATION EMPLOYMENT

Persons to whom Part II applies

4.—(1) Subject to the provisions of these rules and subject to the conditions specified in rule 5 being satisfied, this Part of these rules shall apply—

(*a*) to a person who on or after the commencement of these rules enters Association employment within the prescribed period, having left local government employment not earlier than 4th February 1948 ; and

(*b*) if the fund authority consent, to a person who before the commencement of these rules entered Association employment within the prescribed period, having left local government employment not earlier than 4th February 1948.

(**a**) 1889 c. 63.

(2) This Part of these rules shall not apply to any person—

(*a*) who has become entitled to and received payment of any benefit (other than a return of contributions) in respect of his local government employment ; or

(*b*) in respect of whom a transfer value has been paid by the fund authority since he left his local government employment.

Conditions for application of Part II

5. The conditions referred to in rule 4 are that the person shall, before or within 3 months after entering Association employment or, if he entered that employment before the commencement of these rules, within 6 months after their commencement—

(*a*) notify the Council in writing that he desires these rules to apply to him;

(*b*) furnish the Council with particulars in writing of any national service in which he has been engaged since leaving local government employment ; and

(*c*) pay to the Staff Superannuation Fund an amount equal to any sum paid to him by way of return of contributions (other than voluntary contributions) on or after leaving local government employment, together with any further sum by way of interest required under rule 18.

Payment of transfer value

6.—(1) The fund authority shall, when this Part of these rules becomes applicable to a person—

(*a*) pay to the Staff Superannuation Fund, subject to the provisions of these rules, the same transfer value as would have been payable under the transfer value regulations if that person had become a contributory employee under another local authority in the circumstances described in section 24 of the Act of 1937, less—

(i) an amount equal to any sum which the fund authority may become liable to pay by way of income tax in respect of the amount transferred by way of transfer value ; and

(ii) an amount equal to any interest required under rule 18 ; and

(*b*) furnish the Council and the person with the same particulars as to previous pensionable service as would have been furnished to the person if instead of entering Association employment he had become a contributory employee under another local authority.

(2) The transfer value payable in respect of a person who left local government employment before 1st May 1969 and who entered Association employment before 1st May 1970 shall be calculated by reference to his age at 1st May 1970.

(3) The transfer value payable in respect of a person who enters Association employment on or after 1st May 1970 and more than 12 months after leaving local government employment shall be calculated by reference to his age on entering Association employment.

(4) The transfer value payable in respect of a person who had been an established officer or servant within the meaning of the Asylums Officers' Superannuation Act 1909(**a**) (in this rule called "the Act of 1909") shall be calculated as if paragraph (*c*) had been omitted from the definition of "service" in paragraph 1 of Schedule 1 to the transfer value regulations.

(**a**) 1909 c. 48.

(5) Where—

(*a*) a transfer value is payable by a fund authority in respect of a person who before entering local government employment had been subject to the Act of 1909, and

(*b*) the body by whom he was last employed while subject to that Act (in this rule called "the hospital body") would, if he had become entitled to a superannuation allowance on leaving local government employment, have been liable to contribute to that allowance,

the hospital body shall pay to the fund authority a sum equal to the transfer value which they would have been liable to pay to the Secretary of State under regulation 52(4) of the National Health Service (Scotland) (Superannuation) Regulations 1950(**a**) if that regulation had become applicable to the person when he entered Association employment.

(6) Where the hospital body would have had in respect of any such contribution as aforesaid a right of contribution from any other body, that other body shall pay to the fund authority a sum equal to the transfer value which they would have been liable to pay to the Secretary of State under paragraph (5) of the said regulation 52 if that regulation had become applicable to the person when he entered Association employment.

(7) Where any body referred to in paragraph (5) or (6) hereof has been dissolved or has ceased to exercise functions as such, references to that body shall be construed as references to the appropriate authority as defined in paragraph (15) of the said regulation 52.

(8) Notwithstanding anything in the Act of 1937, when this Part of these rules becomes applicable to a person, he shall cease to be entitled to any payment out of the superannuation fund administered by the fund authority other than a payment by way of return of voluntary contributions.

Exercise by local authority of discretionary powers to increase benefits

7.—(1) Where a person enters, or before the commencement of these rules entered, Association employment after leaving local government employment and these rules have become applicable to him, the authority or body by whom he was employed may, within 6 months after the date on which they are informed by the Council of his notification that he desires these rules to apply to him, exercise any discretion which, with a view to increasing the benefits payable to him, they could have exercised at the time when he left their employment if he had then retired and had been entitled to a retirement pension under regulation 5 of the benefits regulations or (if that regulation was not applicable to him) to any corresponding benefit provided under the superannuation provisions which were applicable to him in that employment.

(2) A decision in the exercise of any discretion under this rule shall be subject to the limitations and restrictions (if any) and to the right of appeal (if any) to which it would have been subject if the discretion had been exercised on the person's retirement in the circumstances aforesaid.

(3) Where a discretion has been exercised under this rule, the service reckonable immediately before he left his former employment by the person in whose favour the discretion has been exercised shall be deemed to have been correspondingly increased, and the transfer value payable in respect of him shall be calculated accordingly.

(**a**) S.I. 1950/498 (1950 I, p. 1458).

(4) Any increase in service, if attributable to a decision under this rule to increase benefit otherwise than by any notional increase or extension of the service reckonable for the purpose of calculating benefit, or by treating any specified period of non-contributing service as contributing service, or, under a local Act scheme, by similarly converting service of one category to service of another category, shall be ascertained by converting the service in respect of which the higher rate of benefit is payable into contributing service in the manner in which non-contributing service is converted into contributing service under section 2(4) of the Act of 1953.

(5) Where the amount of any transfer value payable under rule 6 is increased in consequence of the exercise by an authority or body of any power conferred upon them by this rule, that authority or body shall repay the amount of the said increase to the superannuation fund out of which the transfer value is payable.

PART III

TRANSFER FROM ASSOCIATION EMPLOYMENT TO LOCAL GOVERNMENT EMPLOYMENT

Persons to whom Part III applies

8. Subject to the provisions of these rules and to the conditions specified in rule 9 being satisfied, this Part of these rules shall apply—

(*a*) to a person who on or after the commencement of the rules enters local government employment within the prescribed period, having left Association employment not earlier than 4th February 1948 ; and

(*b*) if the Council consent, to a person who before the commencement of these rules entered local government employment within the prescribed period, having left Association employment not earlier than 4th February 1948.

Conditions for application of Part III

9. The conditions referred to in rule 8 are that—

(*a*) the person shall, before or within 3 months after entering local government employment or, if he entered that employment before the commencement of these rules, within 6 months thereafter—

(i) notify the fund authority in writing that he desires these rules to apply to him ;

(ii) furnish the fund authority with particulars in writing of any national service in which he has been engaged since leaving Association employment ; and

(iii) pay to the fund authority an amount equal to any sum paid to him by way of return of contributions (other than voluntary contributions) on or after leaving Association employment, together with any further sum by way of interest required under rule 18 ; and

(*b*) the fund authority shall receive from the Staff Superannuation Fund a transfer value, calculated in accordance with the schedule to these rules, in respect of the service which the person was entitled to reckon for purposes of the Staff Superannuation Fund immediately before leaving Association employment.

Reckoning of service

10.—(1) Subject to the provisions of these rules, a person to whom this Part of these rules applies shall be entitled to reckon—

(*a*) the pensionable service he was entitled to reckon at full length for the purposes of the Staff Superannuation Fund, as contributing service ; and

(*b*) any other service he was entitled to reckon for such purposes as contributing service for a period reduced by the fraction by which it would have been reduced under the Staff Superannuation Fund.

(2) Where a person had been engaged in national service before entering local government employment, the period of service which he becomes entitled to reckon under this rule shall, if the transfer value received under rule 9(*b*) is calculated so as to include the liability from which the Staff Superannuation Fund was relieved in respect of the period of national service, be treated as increased by so much of that period as would have been reckonable as pensionable service had the person returned to Association employment on the termination of his national service.

(3) Any service which would have been reckonable under the Staff Superannuation Fund by a person to whom this Part of these rules applies for the purpose of determining whether he was entitled to receive a benefit thereunder shall be reckonable to the same extent for the purpose of determining whether he is entitled to receive a benefit as a contributory employee.

(4) Where any part of the service of a person to whom this Part of these rules applies is attributable to service, before he entered Association employment, which was non-contributing service for the purpose of these rules or of regulations made under section 66 of the National Health Service (Scotland) Act 1947(**a**), such service shall be reckonable in the manner and to the extent to which it would have been reckonable if instead of entering Association employment he had become a contributory employee.

(5) A person to whom this Part of these rules applies shall not be entitled under section 12(2) of the Act of 1937 to reckon as non-contributing service any service as referred to therein before the date he entered Association employment if—

(*a*) a transfer value in respect of that service has been paid under rule 6 ; or

(*b*) a transfer value in respect of that service has been paid under the corresponding provision of any other interchange rules ; or

(*c*) a transfer of assets in respect of his accrued pension rights has been made out of a local authority's superannuation fund under any enactment.

(6) Where at any time after a transfer value has been received under rule 9(*b*), any further period of employment has become reckonable as service for purposes of the Staff Superannuation Fund, and the Council remit to the fund authority a further transfer value in respect of it, that further period shall be reckonable as it would have been if the further transfer value had been received under rule 9(*b*).

Continuation of voluntary contributions

11.—(1) The provisions of this rule shall have effect for the purpose of enabling a person to whom this Part of these rules applies to continue any

(**a**) 1947 c. 27.

voluntary contributions which are described herein and which he was in course of paying immediately before leaving Association employment.

(2) Where a person elects to continue any such contributions he shall—

(*a*) when notifying the fund authority under rule 9(*a*)(i), notify them also that he wishes to continue the payment of voluntary contributions ;

(*b*) within the period specified in rule 9(*a*)(iii) or allowed under rule 17, pay to the fund authority a sum equal to the sum (if any) paid to him by way of return of any such contributions ; and

(*c*) make the payments required by this rule.

(3) Where the voluntary contributions were paid in respect of added years, the person shall pay the outstanding amounts as they would have been payable in his Association employment ; and thereupon in respect of the added years to which the voluntary payments relate he shall enjoy rights and be subject to liabilities as if those years were added years in respect of which payments were being made under regulation 12 of the benefits regulations.

(4) Where the voluntary contributions were paid by way of—

(i) instalments in discharge of a fixed sum or

(ii) contributions of a fraction or percentage of emoluments,

as a condition of being entitled to reckon any period of service for the purposes of the Staff Superannuation Fund, or as a condition of increasing the length at which any period of service would be reckoned for those purposes, the person shall pay in the former case a sum or sums equivalent to the aggregate amount or value of the unpaid instalments, and in the latter case a sum or sums equivalent to the capital value of the outstanding liabilities (as certified by an actuary appointed by the Staff Superannuation Fund trustees), as if paragraphs 2, 4(*a*) and 4(*b*) of the Second Schedule to the benefits regulations applied to the payment of any such sum or sums ; and thereupon his service shall for purposes of rule 10 be affected as nearly as may be in the same manner as it would have been affected in his Association employment if he had completed those payments before leaving that employment.

(5) Notwithstanding the provisions of this rule, the person shall not be required to make payments between the date on which he retires from local government employment and the date on which he would ordinarily have expected to retire from Association employment if he had continued therein.

Computation of contributions

12.—(1) Where any enactment relating to local government superannuation refers, in connection with assessing a return of contributions or a benefit, to the amount of the contributions paid by a person, the amount of the contributions paid by a person to whom this Part of these rules applies shall be deemed to be increased, in accordance with the provisions of this rule, to take account of earlier periods of service which became reckonable under rule 10.

(2) Subject to the provisions of this rule, the amount of the increase shall be the amount which would have been payable to him if, on leaving Association employment, he had been entitled to a return of contributions without interest.

(3) Where an amount described in paragraph (1) of this rule is the amount of a person's contributions with interest thereon, interest shall also be payable on the amount by which those contributions are increased under paragraph (2), calculated—

(*a*) as respects the period ending immediately before he entered local gov-

ernment employment, at the rate at which it would have been calculated under the Staff Superannuation Fund if on leaving Association employment he had been entitled to a return of contributions with interest ; and

(*b*) as respects the period beginning on his entry into local government employment, in the manner described in section 10(1) of the Act of 1937.

(4) For the purposes of this rule no account shall be taken of—

(*a*) payments made voluntarily for securing family benefits ;

(*b*) any sum in respect of contributions which were returned to and retained by the person who paid them ;

(*c*) any voluntary contributions described in rule 11 which have not been continued under that rule ; or

(*d*) any sum paid by way of interest under rule 9(*a*)(iii).

Modification of benefits and obligations in relation to National Insurance

13.—(1) In this rule—

"insured person" means an insured person within the meaning of the National Insurance Act 1965(**a**) or, if the person left Association employment before 5th July 1948, an insured person under the National Health Insurance Acts 1936 to 1938(**b**) or the Widows', Orphans' and Old Age Contributory Pensions Act 1936(**c**) ;

"local government modification provisions" means the provisions of the National Insurance (Modification of Local Government Superannuation Schemes) (Scotland) Regulations 1947(**d**) and of Part III of and Schedule 3 to the benefits regulations ;

"pension scheme modification provisions" means any provisions contained in or relating to the Staff Superannuation Fund, whereby the benefits provided under the Fund are modified in pursuance of any enactment re-enacted in the National Insurance Act 1965, whether directly, or indirectly, by adjustment of remuneration by reference to which benefits are calculated, or otherwise ;

"unreduced" in relation to a transfer value, means without reduction under regulation 6 of the transfer value regulations, or under that regulation as applied by paragraph 8(1) of the schedule to these rules.

(2) Where the following conditions are satisfied in relation to a person to whom this Part of these rules applies, namely—

(*a*) that he was an insured person in Association employment ; and

(*b*) that a transfer value is received which is unreduced in respect of the whole of the period of employment which he becomes entitled to reckon under these rules,

the local government modification provisions shall not apply to him.

(3) Where the conditions specified in paragraph (2) above are not satisfied in relation to such a person, the local government modification provisions shall apply to him, and shall so apply as if any period of employment which he becomes entitled to reckon under these rules were service rendered on or after 5th July 1948 :

(**a**) 1965 c. 51.
(**b**) 1936 c. 32; 1937 c. 24; 1938 c. 14.
(**c**) 1936 c. 33.
(**d**) S. R. & O. 1947, 1697 (Rev. XVI, p. 286; 1947 I, p. 1509).

Provided that—

(*a*) if part of the transfer value is received unreduced, the period of employment to which that part relates shall be treated as service before 1st September 1947 ; and

(*b*) if on or before 5th July 1948 the pension scheme modification provisions (or any corresponding provisions contained in any scheme to which he was formerly subject in employment which was reckonable as service for the purposes of the Staff Superannuation Fund) modified benefit by reference to a table and to age at a given date, the local government modification provisions shall have effect as if any provision therein modifying benefit by reference to a table and age at a given date applied to him, except that the reference to age at that date shall be construed as a reference to his age at that date which was relevant for the purpose of the pension scheme modification provisions.

Application of section 11 *of the Act of* 1953

14. The provisions of section 11 of the Act of 1953 (which enables persons who would otherwise be debarred from becoming contributory employees on grounds of age to reckon, in relation to local government employment, previous service reckonable under a pension scheme) shall apply in relation to a person who entered the employment of a local authority from Association employment before the commencement of these rules ; and the references in subsection (3) of that section to the passing of the Act shall be construed as including references to the commencement of these rules.

Period of Association employment : effect on later period of local government employment and on transfer values

15. Where a person to whom this Part of these rules applies—

(*a*) had entered, and then left, local government employment before the commencement of these rules, and then

(*b*) had entered, or enters, further employment in such circumstances that a transfer value is paid under section 24 of the Act of 1937 or by virtue of interchange rules,

then, if the fund authority to whom the person first paid contributions after leaving Association employment receive a transfer value under rule 9(*b*), they shall—

(i) treat the service which becomes reckonable under rule 10 as though it had been reckonable at the time when he ceased to participate in their fund ; and

(ii) re-calculate the transfer value which they paid in respect of him.

Right of appeal

16. The provisions of section 30 of the Act of 1937 (which provides for decision of questions and appeals to the Secretary of State) shall have effect in relation to a person who enters local government employment in circumstances in which these rules apply as if the reference in that section to regulations made under that Act included a reference to these rules :

Provided that this rule shall not apply in relation to a person who is a local Act contributor.

PART IV

MISCELLANEOUS

Extension of time

17.—(1) A fund authority and the Council may at any time, on the application of a person who desires these rules to apply to him, agree to extend any of the following periods, namely—

(*a*) the periods of 6 and of 12 months referred to in rule 3(1); and

(*b*) the periods of 3 and of 6 months referred to in rules 5 and 9 within which the person must notify in writing that he desires these rules to apply to him.

(2) A fund authority or the Council may, in respect of a person required to furnish particulars in writing of national service or pay any sum described in rule 5(*c*) or 9(*a*)(iii), at any time extend, on the application of that person, the period of 3 or of 6 months referred to in rule 5 or 9, as the case may be, within which he must take such action; and when the person receives notice in writing of their approval of his application he shall be deemed to have complied with the relevant condition specified in that rule.

Interest on returned contributions

18.—(1) Where a period of 12 months is extended pursuant to rule 17(1)(*a*), the fund authority in respect of a person who has left local government employment, or the Council in respect of a person who has left Association employment, may require that person to pay compound interest on any sum paid to him by way of return of contributions (other than voluntary contributions) on or after leaving that employment, at a rate of 3% per annum with half-yearly rests for a period beginning either with the date 12 months after the date on which he left that employment or, where this is later, the date on which he received such sum, and ending with the date on which he notified in writing that he desired these rules to apply to him.

(2) The interest payable under this rule shall not exceed a sum equal to one-half of the difference between the transfer value payable under these rules and the transfer value which would be payable if calculated by reference to the person's age on leaving such employment.

William Ross,
One of Her Majesty's Principal Secretaries of State.

St. Andrew's House,
Edinburgh.
22nd April 1970.

SCHEDULE

Rule 9(b)

TRANSFER VALUES RECEIVABLE FROM THE STAFF SUPERANNUATION FUND

Method of calculation

1. The transfer value receivable under these rules in respect of a person who leaves Association employment shall be an amount equal to the transfer value which would have been payable under the transfer value regulations if—

(*a*) the person, at the date when he left Association employment, had ceased to be a contributory employee under one local authority and had become such an employee under another local authority in the circumstances described in section 24 of the Act of 1937; and

(*b*) the transfer value regulations had, at that date, been subject to the modifications set out in this schedule and to such incidental and consequential modifications as might have been necessary.

Contributing service

2. References to contributing service shall be construed as references to service which—

(*a*) would have been reckonable for the purpose of calculating a benefit under the Staff Superannuation Fund; and

(*b*) is not non-contributing service:

Provided that where such service would not have been reckonable at full length, it shall be reckonable as service for a period reduced by the fraction by which it would have been reduced under the Staff Superannuation Fund.

Non-contributing service

3. References to non-contributing service shall be construed as references to service which—

(*a*) would have been reckonable for the purpose of calculating a benefit under the Staff Superannuation Fund; and

(*b*) is attributable to service, before entering Association employment, which was non-contributing service for the purpose of the Act of 1937 or of regulations made under section 66 of the National Health Service (Scotland) Act 1947.

Voluntary contributions

4. Where the person was formerly in local government employment and was making voluntary contributions which he had continued but not completed while in Association employment, or where the person was making similar payments originating in Association employment or any other employment, and in either case has elected to continue payments under rule 11, then—

(*a*) the period in respect of which the payments are being made shall be treated as if the payments had been completed before he left Association employment; and

(*b*) the transfer value shall be reduced by the amount of the payments outstanding at the date of leaving Association employment.

Added years

5. References to added years shall be construed as references to added years as defined in rule 2(1).

Age

6.—(1) Where the person left Association employment before 1st May 1969 and entered local government employment before 1st May 1970, references to his age shall be construed as references to his age at 1st May 1970.

(2) Where the person enters local government employment on or after 1st May 1970 and more than 12 months after leaving Association employment, his age shall be taken to mean his age at the date of entering local government employment.

(3) The transfer value payable in respect of a further period of employment described in rule 10(6) shall be calculated by reference to the person's age at the date on which the Council notify the fund authority that such a transfer value has become payable.

Remuneration

7. References to a person's remuneration shall be construed as references to his annual remuneration for the purpose of the Staff Superannuation Fund immediately before leaving Association employment.

National Insurance

8.—(1) Where a person's benefits under the Staff Superannuation Fund would have been reduced in respect of any period of Association employment by reason of the provisions for flat-rate retirement pension in the National Insurance Act 1965, the amount of the transfer value shall be reduced by the sum shown in the appropriate column of the Table in Schedule 5 to the transfer value regulations in relation to an age which corresponds—

(*a*) in the case of a person referred to in paragraph 6 of this schedule, with the age specified therein; and

(*b*) in any other case, with his age at the date of leaving Association employment, in respect of each one pound of the amount by which any benefit by way of annual amounts to which he may become entitled under the Staff Superannuation Fund may be reduced thereunder in respect of any service of which account is taken in the calculation of the transfer value (excepting service referred to in sub-paragraph (2) hereof), and by a proportionate sum in respect of any fraction of a pound included in the said amount.

(2) Where either—

(*a*) a person's benefits under the Staff Superannuation Fund would have been reduced in respect of any period of Association employment by reason of the provisions for graduated retirement benefit in the National Insurance Act 1965; or

(*b*) on or after leaving Association employment a payment in lieu of contributions has been made or equivalent pension benefits have been assured,

regulation 11 of the National Insurance (Modification of Local Government Superannuation Schemes) No. 2 (Scotland) Regulations 1961(a) (which relates to the reduction of transfer values) shall apply as if that period of employment were mentioned in paragraph (1) thereof; and for this purpose—

(i) references in the said regulation 11 to Part IV of the transfer value regulations shall be construed as references to sub-paragraph (1) hereof; and

(ii) references in the said regulation 11 to persons mentioned in regulation 5 of the said regulations of 1961 shall be construed as references to persons who have not been subject to reduction as mentioned in the said sub-paragraph (1).

Interest on returned contributions

9. The transfer value shall be reduced by an amount equal to that paid under rule 18 by the person in respect of interest on the contributions returned to him on or after he left Association employment.

Income Tax

10. The transfer value shall be reduced by an amount equal to any income tax which the Staff Superannuation Fund may have become liable to pay in respect of the transfer value.

(a) S.I. 1961/492 (1961 I, p. 1125).

EXPLANATORY NOTE

(This Note is not part of the Rules.)

These Rules provide for the aggregation of service and for a single superannuation award in cases where persons transfer within the prescribed period (generally 12 months) from pensionable employment with a local authority in Scotland to employment entailing membership of the Staff Superannuation Fund of the National and Local Government Officers Association, and vice versa. Where such a transfer is made the person is enabled, subject to the payment of an appropriate transfer value, to reckon previous service at its actual length for pension under the superannuation scheme to which he transfers.

The Rules are given retrospective effect to a limited extent under the express powers of, and subject to the safeguards required by, section 2(5) of the Superannuation (Miscellaneous Provisions) Act 1948.

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