



## LGPS administrator guide to:

### Aggregation

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# 1. Introduction

The guide is aimed at administering authorities in Scotland.

The guide sets out the aggregation outcomes for a member who either –

- re-joins the LGPS Scotland after 31 March 2015, or
- has concurrent periods of active membership and some of those, but not all, end after 31 March 2015.

[Section 2](#) sets out how to use this guide.

[Section 3](#) sets out the ‘golden rules of aggregation’.

[Section 4](#) sets out the different scenarios with a brief overview of the aggregation outcomes for each and includes links to more detailed information in sections 5 to 9.

[Section 10](#) gives further information relevant on aggregation and meanings of terms used in the guide.

[Section 11](#) lists the regulatory references relevant to each section.

## 2. How to use the guide

You can use the guide for councillor and non-councillor members.

The guide sets out the different scenarios and aggregation outcomes for each one.

We have split the scenarios into two groups:

- The member re-joins the LGPS Scotland on or after 1 April 2015 and at that time has a separate deferred benefit or deferred refund record. These scenarios are shown in [table 1 \(consecutive cases\)](#) of section 4 as scenario A, B, C and D cases.
  - ❖ Scenario A: the separate record contains [post-March 15 benefits](#) only
  - ❖ Scenario B: the separate record contains [post-March 15 benefits](#) and [pre-April 15 benefits](#) and the member did not have a [disqualifying break](#)
  - ❖ Scenario C: the separate record contains [post-March 15 benefits](#) and [pre-April 15 benefits](#) and the member did have a [disqualifying break](#)
  - ❖ Scenario D: the separate record contains [pre-April 15 benefits](#) only.

At the time of re-joining, a member may have a separate record because this is the first time the member has re-joined after membership ended for the separate record or because the member decided against aggregating the separate record to an earlier active pension account.

- The member holds concurrent periods of active membership and some, but not all, of those periods end. These scenarios are shown in [table 2 \(concurrent cases\)](#) of section 4 as scenario E cases.

The scenarios shown in table 2 deal with the outcomes if aggregation to the ongoing active pension account is completed. If a member does not aggregate the separate record with the ongoing active pension account and later re-joins, the member will fall into one of the scenarios set out in table 1.

Where [a transfer value of pre-April 15 benefits was used to buy CARE pension](#) on a previous aggregation, those benefits will be [post-March 15 benefits](#) when determining the scenario for any future aggregation.

Sections 5, 6, 7, 8 and 9 of this guide give more detailed information for each scenario, including what happens when a member has AVCs linked to the separate

record. There are links to this more detailed information in each of the scenarios summarised in tables 1 and 2.

[Section 10](#) gives further information relevant to aggregation and the meanings of terms underlined.

### 3. The 'golden rules of aggregation'

This section sets out the main principles – the 'golden rules of aggregation' - which are:

- a deferred refund must be aggregated with the active pension account; the member does not need to elect
- a deferred benefit for non-councillor membership can be aggregated with an active pension account for non-councillor membership
- a deferred benefit for councillor membership can be aggregated with an active pension account for councillor membership
- if the membership in the deferred benefit ended after 31 March 2015, aggregation is automatic unless the member elects for separate benefits
- if the membership in the deferred benefit ended before 1 April 2015, aggregation will only occur if the member elects
- if the member is subject to a transfer to which the TUPE regulations apply, or treated as if those regulations apply, the member cannot elect for the deferred benefit for the ceased employment to be separate from the active pension account for the new employment. Note that we received legal advice that one employment ceases and a new one begins on a TUPE transfer
- if the deferred refund or deferred benefit contains [pre-April 15 benefits](#) and [post-March 15 benefits](#), the member cannot aggregate the [pre-April 15 benefits](#) and leave the [post-March 15 benefits](#) separate, and vice versa. The member must aggregate all or none
- a deferred benefit or deferred refund can only be aggregated with an active pension account: it cannot be aggregated with any pension credit account, deferred member account, deferred refund account, retirement pension account, flexible retirement pension account or survivor member's account.

## 4. Overview of scenarios and aggregation outcomes

**Table 1 (consecutive cases)**

A member re-joins LGPS Scotland after 31 March 2015 where, at that time, the member has a separate deferred benefit or deferred refund

**Table 1 - brief overview of the different scenarios and aggregation outcomes for consecutive cases**

Scenario	Status of separate record	Separate record contains:	LGPS break exceeding five years?	Disqualifying break?	Aggregation outcome for consecutive cases	Link to more detailed information
A1	Deferred refund	<a href="#">Post-March 15 benefits</a> only	No	No	Automatic aggregation  No option to elect for separate benefits	<a href="#">Section 5.1</a>
A2	Deferred refund	<a href="#">Post-March 15 benefits</a> only	Yes	Yes and No	Aggregation not possible  Refund should have been paid	<a href="#">Section 5.2</a>

Scenario	Status of separate record	Separate record contains:	LGPS break exceeding five years?	Disqualifying break?	Aggregation outcome for consecutive cases	Link to more detailed information
A3	Deferred benefit	<a href="#">Post-March 15 benefits</a> only	No	No	Automatic aggregation unless the member elects by <a href="#">the time limit</a> for separate benefits	<a href="#">Section 5.3</a>
A4	Deferred benefit	<a href="#">Post-March 15 benefits</a> only	Yes	Yes and No	Automatic aggregation unless the member elects by <a href="#">the time limit</a> for separate benefits	<a href="#">Section 5.4</a>
B1	Deferred refund	<a href="#">Pre-April 15 benefits</a> and <a href="#">post-March 15 benefits</a>	No	No	Automatic aggregation  No option to elect for separate benefits	<a href="#">Section 6.1</a>

Scenario	Status of separate record	Separate record contains:	LGPS break exceeding five years?	Disqualifying break?	Aggregation outcome for consecutive cases	Link to more detailed information
B2	Deferred refund	<a href="#">Pre-April 15 benefits</a> and <a href="#">post-March 15 benefits</a>	Yes	No	Aggregation not possible  Refund should have been paid	<a href="#">Section 6.2</a>
B3	Deferred benefit	<a href="#">Pre-April 15 benefits</a> and <a href="#">post-March 15 benefits</a>	No	No	Automatic aggregation unless the member elects by <a href="#">the time limit</a> for separate benefits	<a href="#">Section 6.3</a>
B4	Deferred benefit	<a href="#">Pre-April 15 benefits</a> and <a href="#">post-March 15 benefits</a>	Yes	No	Automatic aggregation unless the member elects by <a href="#">the time limit</a> for separate benefits	<a href="#">Section 6.4</a>



Scenario	Status of separate record	Separate record contains:	LGPS break exceeding five years?	Disqualifying break?	Aggregation outcome for consecutive cases	Link to more detailed information
C1	Deferred refund	<a href="#">Pre-April 15 benefits</a> and <a href="#">post-March 15 benefits</a>	Yes	Yes	Aggregation not possible  Refund should have been paid	<a href="#">Section 7.1</a>
C2	Deferred benefit	<a href="#">Pre-April 15 benefits</a> and <a href="#">post-March 15 benefits</a>	Yes	Yes	Automatic aggregation unless the member elects by <a href="#">the time limit</a> for separate benefits	<a href="#">Section 7.2</a>
D1	Deferred refund	<a href="#">Pre-April 15 benefits</a> only	Yes and no	Yes and no	Automatic aggregation  No option to elect for separate benefits	<a href="#">Section 8.1</a>

Scenario	Status of separate record	Separate record contains:	LGPS break exceeding five years?	Disqualifying break?	Aggregation outcome for consecutive cases	Link to more detailed information
D2	Deferred benefit	<a href="#">Pre-April 15 benefits</a> only	Yes and no	No	Member can elect by <a href="#">the time limit</a> to aggregate the deferred benefits	<a href="#">Section 8.2</a>
D3	Deferred benefit	<a href="#">Pre-April 15 benefits</a> only	Yes	Yes	Member can elect by <a href="#">the time limit</a> to aggregate the deferred benefits	<a href="#">Section 8.3</a>

## Table 2 (concurrent cases)

A member holds concurrent periods of active membership in LGPS Scotland and some, but not all, of those periods end after 31 March 2015

**Table 2 - brief overview of the different scenarios and aggregation outcomes for concurrent cases**

Scenario	Vesting period met in the separate record?	Separate record contains:	Aggregation outcome for concurrent cases	Link to more detailed information
E1	No	<a href="#">Post-March 15 benefits</a> only	Automatic aggregation  No option to elect for separate benefits	<a href="#">Section 9.1</a>
E2	Yes	<a href="#">Post-March 15 benefits</a> only	Automatic aggregation unless the member elects by <a href="#">the time limit</a> for separate benefits	<a href="#">Section 9.2</a>
E3	No	<a href="#">Pre-April 15 benefits</a> and <a href="#">post-March 15 benefits</a>	Automatic aggregation  No option to elect for separate benefits	<a href="#">Section 9.3</a>

Scenario	Vesting period met in the separate record?	Separate record contains:	Aggregation outcome for concurrent cases	Link to more detailed information
E4	Yes	<a href="#">Pre-April 15 benefits</a> and <a href="#">post-March 15 benefits</a>	Automatic aggregation unless the member elects by <a href="#">the time limit</a> for separate benefits	<a href="#">Section 9.4</a>

## 5. Scenario A – Post-March 15 benefits only

In scenario A cases, the separate record contains [post-March 15 benefits](#) only and the membership in the active pension account started after the membership in the separate record ended.

### 5.1 Scenario A1

#### Overview of the separate record

- Deferred refund
- Membership ended after 31 March 2015
- Contains [post-March 15 benefits](#) only.

#### Overview of the active pension account

- Membership started after the membership in the separate record ended and before the refund has been paid.

#### Break between the separate record and the active pension account

Between the end of the membership in the separate record and the start of the membership in the active pension account:

- there has been no [LGPS break](#) exceeding five years, and
- there has been no [disqualifying break](#).

#### Overview of aggregation outcome

Automatically aggregate the separate record with the active pension account. The member cannot elect for separate benefits. You can no longer pay the refund.

There is no restriction on aggregating councillor and non-councillor membership together.

#### Aggregation method

Add the CARE balance from the separate record on the [relevant date](#), recalculated as if [in-service revaluation](#) continued to apply after leaving, to the active pension account.

## Aggregation options for AVCs linked to the separate record

### Post-15 AVC plan

If the member has [a post-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to [a post-15 AVC plan](#) linked to the active pension account. The member may make further AVC payments into the plan.

### Further information

See further information on:

- [annual allowance](#)
- [APCs](#) if the member had an APC contract on the separate record
- [information for underpin calculations](#)
- [interfund adjustment](#) if the administering authority for the separate record is different from the administering authority for the active pension account
- [opting out](#) if the member opts out of the LGPS for the active pension account within three months.

## 5.2 Scenario A2

### Overview of the separate record

- Deferred refund
- Membership ended after 31 March 2015
- Contains [post-March 15 benefits](#) only.

### Overview of the active pension account

- Membership started after the membership in the separate record ended and before the refund has been paid.

### Break between the separate record and the active pension account

Between the end of the membership in the separate record and the start of the membership in the active pension account:

- there has been an [LGPS break](#) exceeding five years.

Whether there has been a [disqualifying break](#) is not relevant.

### **Overview of aggregation outcome**

The regulations say that, if the member does not elect for payment, you must pay the refund on the expiry of the five-year period beginning with the date the membership ended for the separate record, or the day before the member's 75th birthday if earlier. In this scenario, this has not happened. Though the member has re-joined, you should still pay the refund and not aggregate the separate record with the active pension account. Refunds paid after re-joining will be unauthorised payments.

### **Aggregation method**

Not relevant as the separate record is not aggregated with the active pension account.

### **Aggregation options for AVCs linked to the separate record**

Not relevant as any AVCs linked to the separate record should also be refunded.

## **5.3 Scenario A3**

### **Overview of the separate record**

- Deferred benefit
- Membership ended after 31 March 2015
- Contains [post-March 15 benefits](#) only.

### **Overview of the active pension account**

- Membership started after the membership in the separate record ended.

### **Break between the separate record and the active pension account**

Between the end of the membership in the separate record and the start of the membership in the active pension account:

- there has been no [LGPS break](#) exceeding five years
- there has been no [disqualifying break](#).

## Overview of aggregation outcome

Automatically aggregate the separate record with the active pension account unless the member elects by the time limit for separate benefits. The time limit is the end of the 12-month period beginning with the date the membership starts for the active pension account, or such longer period as the employer allows.

Where the member's employment was transferred to a different employer and the TUPE regulations applied, or were treated as applying, the member cannot elect to keep the records separate. See [TUPE transfers](#) for more information.

If the separate record is for councillor membership and the active pension account is for non-councillor membership, or vice versa, you cannot aggregate the records.

## Aggregation method

Add the CARE balance in the separate record on the [relevant date](#), recalculated as if [in-service revaluation](#) continued to apply after leaving, to the active pension account.

## Aggregation options for AVCs linked to the separate record

### Post-15 AVC plan

If the separate record is aggregated and the member has [a post-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to a [post-15 AVC plan](#) linked to the active pension account. The member may make further AVC payments into the plan.

If the separate record is not aggregated and the member sets up a new [post-15 AVC plan](#) which is linked to the active pension account, the member can elect for the realisable value in the other plan to be transferred into the new plan. The member can do this at any time as an active member.

## Further information

See further information on:

- [annual allowance](#)
- [APCs](#) if the member had an APC contract on the separate record
- [information for underpin calculations](#)



- [interfund adjustment](#) if the administering authority for the separate record is different from the administering authority for the active pension account
- [opting out](#) if the member opts out of the LGPS for the active pension account within three months.

## 5.4 Scenario A4

### Overview of the separate record

- Deferred benefit
- Membership ended after 31 March 2015
- Contains [post-March 15 benefits](#) only.

### Overview of the active pension account

- Membership started after the membership in the separate record ended.

### Break between the separate record and the active pension account

Between the end of the membership in the separate record and the start of the membership in the active pension account:

- there has been an [LGPS break](#) exceeding five years.

Whether there has been a [disqualifying break](#) is not relevant.

### Overview of aggregation outcome

Automatically aggregate the separate record with the active pension account, unless the member elects by the time limit for separate benefits. The time limit is the end of the 12-month period beginning with the date the membership starts for the active pension account, or such longer period as the employer allows.

If the separate record is for councillor membership and the active pension account is for non-councillor membership, or vice versa, you cannot aggregate the records.

### Aggregation method

Add the CARE balance in the separate record on the [relevant date](#) to the active pension account. The CARE balance is **not recalculated** as if in-service revaluation continued to apply after leaving.

## Aggregation options for AVCs linked to the separate record

### Post-15 AVC plan

If the separate record is aggregated and the member has [a post-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to a [post-15 AVC plan](#) linked to the active pension account. The member may make further AVC payments to the plan.

If the separate record is not aggregated and the member sets up a new [post-15 AVC plan](#) which is linked to the active pension account, the member can elect for the realisable value in the other plan to be transferred into the new plan. The member can do this at any time as an active member.

### Further information

See further information on:

- [annual allowance](#)
- [APCs](#) if the member had an APC contract on the separate record
- [information for underpin calculations](#)
- [interfund adjustment](#) if the administering authority for the separate record is different from the administering authority for the active pension account
- [opting out](#) if the member opts out of the LGPS for the active pension account within three months.

## 6. Scenario B – Both pre and post 15 benefits, no disqualifying break

In scenario B cases, the separate record contains both [post-March 15 benefits](#) and [pre-April 15 benefits](#), the membership in the active pension account started after the membership ended in the separate record and there has been no [disqualifying break](#).

### 6.1 Scenario B1

#### Overview of the separate record

- Deferred refund
- Membership ended after 31 March 2015
- Contains [post-March 15 benefits](#) and [pre-April 15 benefits](#).

#### Overview of the active pension account

- Membership started after the membership in the separate record ended and before the refund has been paid.

#### Break between the separate record and the active pension account

Between the end of the membership in the separate record and the start of the membership in the active pension account:

- there has been no [LGPS break](#) exceeding five years, and
- there has been no [disqualifying break](#).

#### Overview of aggregation outcome

Automatically aggregate the separate record with the active pension account. The member cannot elect for separate benefits. You can no longer pay the refund.

There is no restriction on aggregating councillor and non-councillor membership together. Though it is unclear how the [final salary link](#) or the [career average pay link](#) would work in this situation.

## Aggregation method

Attach the [pre-April 15 benefits](#) from the separate record to the active pension account. The pre-April 15 membership regains a [final salary link](#) (for non-councillor membership) or a [career average pay link](#) (for councillor membership). If, for non-councillor membership, the employment for the separate record was a variable-time employment and the employment for the active pension account is not, see [variable-time adjustment](#).

Add the CARE balance from the separate record on the [relevant date](#), recalculated as if [in-service revaluation](#) continued to apply after leaving, to the active pension account.

## Aggregation options for AVCs linked to the separate record

### Protected post-15 AVC plan

If the member has a [protected post-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to a [post-15 AVC plan](#) linked to the active pension account unless the member otherwise elects. If the AVC plan is linked to the active pension account, the member can make further payments to the plan.

If the member elects to keep the [protected post-15 AVC plan](#) separate and later sets up a [post-15 AVC plan](#) linked to the active pension account, the member can elect for the realisable value in the [protected post-15 AVC plan](#) to be transferred into the current plan. The member can do this at any time as an active member.

### Post-15 AVC plan

If the member has a [post-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to a [post-15 AVC plan](#) linked to the active pension account. The member may make further AVC payments into the plan.

## Further information

See further information on:

- [annual allowance](#)
- [APCs / ASBCs / ARCs](#) if the member had an APCs / ASBCs / ARCs contract on the separate record
- [Information for underpin calculations](#)

- [interfund adjustment](#) if the administering authority for the separate record is different from the administering authority for the active pension account
- [opting out](#) if the member opts out of the LGPS for the active pension account within three months.

## 6.2 Scenario B2

### Overview of the separate record

- Deferred refund
- Membership ended after 31 March 2015
- Contains [post-March 15 benefits](#) and [pre-April 15 benefits](#).

### Overview of the active pension account

- Membership started after the membership in the separate record ended and before the refund has been paid.

### Break between the separate record and the active pension account

Between the end of the membership in the separate record and the start of the membership in the active pension account:

- there has been an [LGPS break](#) exceeding five years, and
- there has been no [disqualifying break](#).

### Overview of aggregation outcome

The regulations say that, if the member does not elect for payment, you must pay the refund on the expiry of the five-year period beginning with the date the membership ended for the separate record, or the day before the member's 75th birthday if earlier. In this scenario, this has not happened. Though the member has re-joined, the refund should still be paid and the separate record should not be aggregated with the active pension account.

Refunds paid after re-joining will be unauthorised payments.

## **Aggregation method**

Not relevant as the separate record is not aggregated with the active pension account.

## **Aggregation options for AVCs linked to the separate record**

Not relevant as any AVCs linked to the separate record should also be refunded.

## **6.3 Scenario B3**

### **Overview of the separate record**

- Deferred benefit
- Membership ended after 31 March 2015
- Contains [post-March 15 benefits](#) and [pre-April 15 benefits](#).

### **Overview of the active pension account**

- Membership started after the membership in the separate record ended.

### **Break between the separate record and the active pension account**

Between the end of the membership in the separate record and the start of the membership in the active pension account:

- there has been no [LGPS break](#) exceeding five years, and
- there has been no [disqualifying break](#).

### **Overview of aggregation outcome**

Automatically aggregate the separate record with the active pension account unless the member elects by the time limit for separate benefits. The time limit is the end of the 12-month period beginning with the date the membership starts for the active pension account, or such longer period as the employer allows.

Where the member's employment was transferred to a different employer and the TUPE regulations applied, or were treated as applying, the member cannot elect to keep the records separate. See [TUPE transfers](#) for more information.

If the separate record is for councillor membership and the active pension account is for non-councillor membership, or vice versa, the records cannot be aggregated.

### **Aggregation method**

Attach the [pre-April 15 benefits](#) from the separate record to the active pension account. The pre-April 15 membership regains a [final salary link](#) (for non-councillor membership) or a [career average pay link](#) (for councillor membership). If, for non-councillor membership, the employment for the separate record was a variable-time employment and the employment for the active pension account is not, see [variable-time adjustment](#).

Add the CARE balance from the separate record on the [relevant date](#), recalculated as if [in-service revaluation](#) continued to apply after leaving, to the active pension account.

### **Aggregation options for AVCs linked to the separate record**

#### **Protected post-15 AVC plan**

If the separate record is aggregated with the active pension account and the member has [a protected post-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to a [post-15 AVC plan](#) linked to the active pension account unless the member otherwise elects. If the AVC plan is linked to the active pension account, the member can make further payments to the plan.

If the separate record is not aggregated or the member elects to keep the [protected post-15 AVC plan](#) separate and later sets up [a post-15 AVC plan](#) linked to the active pension account, the member can elect for the realisable value in the [protected post-15 AVC plan](#) to be transferred into the current plan. The member can do this at any time as an active member.

#### **Post-15 AVC plan**

If the separate record is aggregated and the member has [a post-15 AVC plan](#) linked to the deferred benefit, automatically transfer the realisable value to a [post-15 AVC plan](#) linked to the active pension account. The member may make further AVC payments to the plan.

If the separate record is not aggregated and the member sets up [a new post-15 AVC plan](#) which is linked to the active pension account, the member

can elect for the realisable value in the other plan to be transferred into the new plan. The member can do this at any time as an active member.

### **Further information**

See further information on:

- [added years](#) if the member had an added years contract on the separate record
- [annual allowance](#)
- [APCs / ASBCs / ARCs](#) if the member had an APCs / ASBCs / ARCs contract on the separate record
- [Information for underpin calculations](#)
- [interfund adjustment](#) if the administering authority for the separate record is different from the administering authority for the active pension account
- [opting out](#) if the member opts out of the LGPS for the active pension account within three months.

## **6.4 Scenario B4**

### **Overview of the separate record**

- Deferred benefit
- Membership ended after 31 March 2015
- Contains [post-March 15 benefits](#) and [pre-April 15 benefits](#).

### **Overview of the active pension account**

- Membership started after the membership in the separate record ended.

### **Break between the separate record and the active pension account**

Between the end of the membership in the separate record and the start of the membership in the active pension account:

- there has been an [LGPS break](#) exceeding five years, and
- there has been no [disqualifying break](#).



## Overview of aggregation outcome

Automatically aggregate the separate record with the active pension account unless the member elects by the time limit for separate benefits. The time limit is the end of the 12-month period beginning with the date the membership starts for the active pension account, or such longer period as the employer allows.

If the separate record is for councillor membership and the active pension account is for non-councillor membership, or vice versa, you cannot aggregate the records.

## Aggregation method

Attach the [pre-April 15 benefits](#) from the separate record to the active pension account. The pre-April 15 membership regains a [final salary link](#) (for non-councillor membership) or a [career average pay link](#) (for councillor membership). If, for non-councillor membership, the employment for the separate record was a variable-time employment and the employment for the active pension account is not, see [variable-time adjustment](#).

Add the CARE balance from the separate record on the [relevant date](#) to the active pension account. The CARE balance is not recalculated as if [in-service revaluation](#) continued to apply after leaving.

## Aggregation options for AVCs linked to the separate record

### Protected post-15 AVC plan

If the separate record is aggregated with the active pension account and the member has [a protected post-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to a [post-15 AVC plan](#) linked to the active pension account unless the member otherwise elects. If the AVC plan is linked to the active pension account, the member can make further payments to the plan.

If the separate record is not aggregated or the member elects to keep the [protected post-15 AVC plan](#) separate and later sets up [a post-15 AVC plan](#) linked to the active pension account, the member can elect for the realisable value in the [protected post-15 AVC plan](#) to be transferred into the current plan. The member can do this at any time as an active member.

### Post-15 AVC plan

If the separate record is aggregated and the member has [a post-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to a

[post-15 AVC plan](#) linked to the active pension account. The member may make further AVC payments into the plan.

If the separate record is not aggregated and the member sets up [a new post-15 AVC plan](#) which is linked to the active pension account, the member can elect for the realisable value in the other plan to be transferred into the new plan. The member can do this at any time as an active member.

### **Further information**

See further information on:

- [added years](#) if the member had an added years contract on the separate record
- [annual allowance](#)
- [APCs / ASBCs / ARCs](#) if the member had an APCs / ASBCs / ARCs contract on the separate record
- [information for underpin calculations](#)
- [interfund adjustment](#) if the administering authority for the separate record is different from the administering authority for the active pension account
- [opting out](#) if the member opts out of the LGPS for the active pension account within three months.

## 7. Scenario C – Both pre and post 15 benefits, disqualifying break

In Scenario C cases, the separate record contains both [post-March 15 benefits](#) and [pre-April 15 benefits](#), the membership in the active pension account started after the membership ended in the separate record and there has been a [disqualifying break](#).

### 7.1 Scenario C1

#### Overview of the separate record

- Deferred refund
- Membership ended after 31 March 2015
- Contains [post-March 15 benefits](#) and [pre-April 15 benefits](#).

#### Overview of the active pension account

- Membership started after the membership in the separate record ended and before the refund has been paid.

#### Break between the separate record and the active pension account

Between the end of the membership in the separate record and the start of the membership in the active pension account:

- there has been an [LGPS break](#) exceeding five years, and
- there has been a [disqualifying break](#).

#### Overview of aggregation outcome

The regulations say that, if the member does not elect for payment, you must pay the refund on the expiry of the five-year period beginning with the date the membership ended for the separate record, or the day before the member's 75th birthday if earlier. In this scenario, this has not happened. Though the member has re-joined, the refund should still be paid and the separate record should not be aggregated with the active pension account.

Refunds paid after re-joining will be unauthorised payments.

## **Aggregation method**

Not relevant as the separate record is not aggregated with the active pension account.

## **Aggregation options for AVCs linked to the separate record**

Not relevant as any AVCs linked to the separate record should also be refunded.

## **7.2 Scenario C2**

### **Overview of the separate record**

- Deferred benefit
- Membership ended after 31 March 2015
- Contains [post-March 15 benefits](#) and [pre-April 15 benefits](#).

### **Overview of the active pension account**

- Membership started after the membership in the separate record ended.

### **Break between the separate record and the active pension account**

Between the end of the membership in the separate record and the start of the membership in the active pension account:

- there has been an [LGPS break](#) exceeding five years, and
- there has been a [disqualifying break](#).

### **Overview of aggregation outcome**

Automatically aggregate the separate record with the active pension account unless the member elects by the time limit for separate benefits. The time limit is the end of the 12-month period beginning with the date the membership starts for the active pension account, or such longer period as the employer allows.

If the separate record is for councillor membership and the active pension account is for non-councillor membership, or vice versa, you cannot aggregate the records.

## Aggregation method

Use [the transfer value of the pre-April 2015 benefits to buy CARE pension](#) in the active pension account on the [relevant date](#).

Add the CARE balance from the separate record on the [relevant date](#) to the active pension account. The CARE balance is not recalculated as if in-service revaluation continued to apply after leaving.

## Aggregation options for AVCs linked to the separate record

### Protected post-15 AVC plan

If the separate record is aggregated with the active pension account and the member has [a protected post-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to a [post-15 AVC plan](#) linked to the active pension account. The member may make further AVC payments to the plan.

If the separate record is not aggregated and the member sets up [a post-15 AVC plan](#) linked to the active pension account, the member can elect for the realisable value in the [protected post-15 AVC plan](#) to be transferred into the current plan. The member can do this at any time as an active member.

### Post-15 AVC plan

If the separate record is aggregated and the member has [a post-15 AVC plan](#) linked to the deferred benefit, automatically transfer the realisable value to a [post-15 AVC plan](#) linked to the active pension account. The member may make further AVC payments into the plan.

If the separate record is not aggregated and the member sets up [a new post-15 AVC plan](#) which is linked to the active pension account, the member can elect for the realisable value in the other plan to be transferred into the new plan. The member can do this at any time as an active member.

## Further information

See further information on:

- [added years](#) if the member had an added years contract on the separate record
- [annual allowance](#)

- [APCs / ASBCs / ARCs](#) if the member had an APCs / ASBCs / ARCs contract on the separate record
- [interfund adjustment](#) if the administering authority for the separate record is different from the administering authority for the active pension account
- [opting out](#) if the member opts out of the LGPS for the active pension account within three months.

## 8. Scenario D – Pre-April 15 benefits only

In scenario D cases, the membership in the separate record ended before 1 April 2015 and the membership in the active pension account started after 31 March 2015.

### 8.1. Scenario D1

#### Overview of the separate record

- Deferred refund
- Contains [pre-April 15 benefits](#) only.

#### Overview of the active pension account

- Membership started after 31 March 2015 and before the refund has been paid.

#### Break between the separate record and the active pension account

It is not relevant whether there has been an [LGPS break](#) exceeding five years or a [disqualifying break](#) between the end of the membership in the separate record and the start of the membership in the active pension account.

#### Overview of aggregation outcome

Automatically aggregate the separate record with the active pension account. The member cannot elect for separate benefits. You can no longer pay the refund.

There is no restriction on aggregating councillor and non-councillor membership together. It is unclear how the [final salary link](#) or the [career average pay link](#) would work in this situation.

#### Aggregation method

Use [the transfer value of the pre-April 2015 benefits to buy CARE pension](#) in the active pension account on the [relevant date](#).

Pension increase between the end of the membership in the separate record and the [relevant date](#) is included in the transfer out calculation.

## Aggregation options for AVCs linked to the separate record

### Pre-15 AVC plan

If the member has [a pre-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to [a post-15 AVC plan](#) linked to the active pension account. The member may make further AVC payments into the plan.

### Further information

See further information on:

- [added years](#) if the member had an added years contract on the separate record
- [annual allowance](#)
- [ASBCs / ARCs](#) if the member had an ASBCs / ARCs contract on the separate record
- [interfund adjustment](#) if the administering authority for the separate record is different from the administering authority for the active pension account
- [opting out](#) if the member opts out of the LGPS for the active pension account within three months.

## 8.2. Scenario D2

### Overview of the separate record

- Deferred benefit
- Contains [pre-April 15 benefits](#) only.

### Overview of the active pension account

- Membership started after 31 March 2015.

### Break between the separate record and the active pension account

Between the end of the membership in the separate record and the start of the membership in the active pension account:

- there has not been a [disqualifying break](#).

Whether there has been an [LGPS break](#) exceeding five years is not relevant.



## Overview of aggregation outcome

Member can elect in writing by the time limit to aggregate the separate record with the active pension account. If the member elects to aggregate, the member can decide on either aggregation method 1 or 2.

The time limit is the end of the 12-month period beginning with the date the membership starts for the active pension account. The employer for the active pension account can agree to extend the time limit for elections under aggregation method 2 but cannot do so for elections under method 1.

### Important

For elections made for aggregation method 1, the regulations only refer to being able to make the election within 12 months of becoming a member of the 2015 Scheme. It does not specify whether this means 12 months of first becoming a member of the 2015 Scheme. We have assumed that it is not limited in this way and the 12-month period restarts each time the member re-joins the 2015 Scheme.

If the separate record is for councillor membership and the active pension account is for non-councillor membership, or vice versa, you cannot aggregate the records.

## Aggregation method

### Aggregation method 1

Member is treated as being a member on 31 March and 1 April 2015.

Attach the [pre-April 15 benefits](#) from the separate record to the active pension account. The pre-April 15 membership regains a [final salary link](#) (for non-councillor membership) or a [career average pay link](#) (for councillor membership). If, for non-councillor membership, the employment for the separate record was a variable-time employment and the employment for the active pension account is not, see [variable-time adjustment](#).

### Aggregation method 2

Use [the transfer value of the pre-April 2015 benefits to buy CARE pension](#) in the active pension account on the [relevant date](#).

## Aggregation options for AVCs linked to the separate record

### Pre-15 AVC plan

If the member elects to aggregate using aggregation method 1 and has [a pre-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to [a post-15 AVC plan](#) linked to the active pension account, unless the member otherwise elects. If the AVC plan is linked to the active pension account, the member can make further payments to the plan. If the member elects to aggregate using aggregation method 2 and has a [pre-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to [a post-15 AVC plan](#) linked to the active pension account. The member may make further AVC payments into the plan.

If the separate record is not aggregated, or the member elects for aggregation method 1 and elects to keep the [pre-15 AVC plan](#) separate, and later sets up [a post-15 AVC plan](#) linked to the active pension account, the member can elect for the realisable value in the [pre-15 AVC plan](#) to be transferred into the current plan. The member can do this at any time as an active member.

### Further information

See further information on:

- [added years](#) if the member had an added years contract on the separate record
- [annual allowance](#)
- [ASBCs / ARCs](#) if the member had an ASBCs / ARCs contract on the separate record
- [interfund adjustment](#) if the administering authority for the separate record is different from the administering authority for the active pension account
- [opting out](#) if the member opts out of the LGPS for the active pension account within three months.

## 8.3. Scenario D3

### Overview of the separate record

- Deferred benefit
- Contains [pre-April 15 benefits](#) only.

## Overview of the active pension account

- Membership started after 31 March 2015.

## Break between the separate record and the active pension account

Between the end of the membership in the separate record and the start of the membership in the active pension account:

- there has been a [disqualifying break](#) exceeding five years.

## Overview of aggregation outcome

Member can elect by the time limit to aggregate the deferred benefits. The time limit is the end of the 12-month period beginning with the date the membership starts for the active pension account, or such longer period as the employer allows.

If the separate record is for councillor membership and the active pension account is for non-councillor membership, or vice versa, you cannot aggregate the records.

## Aggregation method

Use [the transfer value of the pre-April 2015 benefits to buy CARE pension](#) in the active pension account on the [relevant date](#).

## Aggregation options for AVCs linked to the separate record

### Pre-15 AVC plan

If the member elects to aggregate and has a [pre-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to [a post-15 AVC plan](#) linked to the active pension account. The member may make further AVC payments into the plan.

If the separate record is not aggregated and the member later sets up [a post-15 AVC plan](#) linked to the active pension account, the member can elect for the realisable value in the [pre-15 AVC plan](#) to be transferred into the current plan. The member can do this at any time as an active member.

## Further information

See further information on:

- [added years](#) if the member had an added years contract on the separate record

- [annual allowance](#)
- [ASBCs / ARCs](#) if the member had an ASBCs / ARCs contract on the separate record
- [interfund adjustment](#) if the administering authority for the separate record is different from the administering authority for the active pension account
- [opting out](#) if the member opts out of the LGPS for the active pension account within three months.

## 9. Scenario E – Concurrent cases

In scenario E cases, the membership in the separate record ended after 31 March 2015 while membership in an ongoing active pension account continued, ie concurrent cases.

### 9.1 Scenario E1

#### Overview of the separate record

- Membership ended after 31 March 2015
- Contains [post-March 15 benefits](#) only
- On ceasing membership, the member does not have qualifying service for a period of at least two years, as defined in regulation 3(7) of the LGPS (Scotland) Regulations 2018.

#### Overview of the ongoing active pension account

- Membership ran concurrently with, and continued after, the membership in the separate record.

#### Overview of aggregation outcome

Automatically aggregate the separate record with the ongoing active pension account. The member cannot elect for separate benefits or a refund.

There is no restriction on aggregating councillor and non-councillor membership together.

If there is more than one ongoing active pension account, the member can choose with which account to aggregate.

#### Aggregation method

Add the CARE balance from the separate record on the [relevant date](#) to the ongoing active pension account.

## Aggregation options for AVCs linked to the separate record

### Post-15 AVC plan

If the member has [a post-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to a [post-15 AVC plan](#) linked to the ongoing active pension account. The member may make further AVC payments to the plan.

### Further information

See further information on:

- [annual allowance](#)
- [APCs](#) if the member had an APC contract on the separate record
- [information for underpin calculations](#)
- [interfund adjustment](#) if the administering authority for the separate record is different from the administering authority for the ongoing active pension account
- [opting out](#) if the member opts out of the LGPS for the ongoing active pension account within three months.

## 9.2 Scenario E2

### Overview of the separate record

- Deferred benefit
- Membership ended after 31 March 2015
- Contains [post-March 15 benefits](#) only.

### Overview of the ongoing active pension account

- Membership ran concurrently with, and continued after, the membership in the separate record.

### Overview of aggregation outcome

Automatically aggregate the separate record with the ongoing active pension account unless the member elects by the time limit for separate benefits. The time

limit is the end of the 12-month period beginning with the date the membership in the separate record ended.

If there is more than one ongoing active pension account, the member can choose with which account to aggregate.

If the separate record is for councillor membership and the ongoing active pension account is for non-councillor membership, or vice versa, you cannot aggregate the records.

### **Aggregation method**

Add the CARE balance from the separate record on the [relevant date](#), recalculated as if [in-service revaluation](#) continued to apply after leaving, to the ongoing active pension account.

### **Aggregation options for AVCs linked to the separate record**

#### **Post-15 AVC plan**

If the separate record is aggregated and the member has [a post-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to a [post-15 AVC plan](#) linked to the ongoing active pension account. The member may make further AVC payments to the plan.

If the separate record is not aggregated and the member sets up or already has a [post-15 AVC plan](#) linked to the ongoing active pension account, the member can elect for the realisable value in the other plan to be transferred into the current plan. They can do this at any time as an active member.

### **Further information**

See further information on:

- [annual allowance](#)
- [APCs](#) if the member had an APC contract on the separate record
- [information for underpin calculations](#)
- [interfund adjustment](#) if the administering authority for the separate record is different from the administering authority for the ongoing active pension account

- [opting out](#) if the member opts out of the LGPS for the active pension account within three months.

### 9.3 Scenario E3

#### Overview of the separate record

- Membership ended after 31 March 2015
- On ceasing membership, the member does not have qualifying service for a period of at least two years, as defined in regulation 3(7) of the LGPS (Scotland) Regulations 2018
- Contains [post-March 15 benefits](#) and [pre-April 15 benefits](#).

#### Overview of the ongoing active pension account

- Membership ran concurrently with, and continued after, the membership in the separate record.

#### Overview of aggregation outcome

Automatically aggregate the separate record with the ongoing active pension account. The member cannot elect for separate benefits or a refund.

There is no restriction on aggregating councillor and non-councillor membership together. It is unclear how any [final salary link](#) or [career average pay link](#) would work.

#### Aggregation method

Attach the [pre-April 15 benefits](#) from the separate record to the ongoing active pension account. The pre-April 15 membership regains a [final salary link](#) (for non-councillor membership, see [concurrent adjustment](#)) or a [career average pay link](#) (for councillor membership).

Where there is more than one ongoing active pension account, the member may make an election specifying which ongoing active pension account the benefits should be attached to. They must make this election within 12 months of the date membership ended in the separate record. In the absence of an election, the administering authority must decide on behalf of the member.



Add the CARE balance from the separate record on the [relevant date](#) to the ongoing active pension account. If there is more than one ongoing active pension account, the member can choose with which record to aggregate the CARE balance.

## **Aggregation options for AVCs linked to the separate record**

### **Protected post-15 AVC plan**

If the member has [a protected post-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to a [post-15 AVC plan](#) linked to the ongoing active pension account unless the member otherwise elects. If the AVC plan is linked to the active pension account, the member can make further payments to the plan.

If the member elects to keep the [protected post-15 AVC plan](#) separate and later sets up or already has a [post-15 AVC plan](#) linked to the ongoing active pension account, the member can elect for the realisable value in the [protected post-15 AVC plan](#) to be transferred into the current plan. They can do this at any time as an active member.

### **Post-15 AVC plan**

If the member has [a post-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to a [post-15 AVC plan](#) linked to the ongoing active pension account. The member may make further AVC payments into the plan.

## **Further information**

See further information on:

- [annual allowance](#)
- [APCs / ASBCs / ARCs](#) if the member had an APCs / ASBCs / ARCs contract on the separate record
- [information for underpin calculations](#)
- [interfund adjustment](#) if the administering authority for the separate record is different from the administering authority for the ongoing active pension account
- [opting out](#) if the member opts out of the LGPS for the active pension account within three months.

## 9.4 Scenario E4

### Overview of the separate record

- Deferred benefit
- Membership ended after 31 March 2015
- Contains [post-March 15 benefits](#) and [pre-April 15 benefits](#).

### Overview of the ongoing active pension account

- Membership ran concurrently with, and continued after, the membership for the separate record.

### Overview of aggregation outcome

Automatically aggregate the separate record with the ongoing active pension account unless the member elects by the time limit for separate benefits. The time limit is the end of the 12-month period beginning with the date the membership in the separate record ended.

If the separate record is for councillor membership and the ongoing active pension account is for non-councillor membership, or vice versa, you cannot aggregate the records.

### Aggregation method

Attach the [pre-April 15 benefits](#) from the separate record to the ongoing active pension account. The pre-April 15 membership regains a [final salary link](#) (for non-councillor membership, see [concurrent adjustment](#)) or a [career average pay link](#) (for councillor membership). Where there is more than one ongoing active pension account, the member may make an election specifying which ongoing active pension account the benefits should be attached to. They must make this election within 12 months of the date membership ended in the separate record. In the absence of an election, the administering authority must decide on behalf of the member.

Add the CARE balance from the separate record on the [relevant date](#), recalculated as if [in-service revaluation](#) continued to apply after leaving, to the ongoing active pension account. If there is more than one ongoing active pension account, the member can choose with which record to aggregate the CARE balance.

## Aggregation options for AVCs linked to the separate record

### Protected post-15 AVC plan

If the separate record is aggregated and the member has [a protected post-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to a [post-15 AVC plan](#) linked to the ongoing active pension account unless the member otherwise elects. If the AVC plan is linked to the active pension account, the member can make further payments to the plan.

If the separate record is not aggregated or the member elects to keep the [protected post-15 AVC plan](#) separate and later sets up or already has [a post-15 AVC plan](#) linked to the ongoing active pension account, the member can elect for the realisable value in the [protected post-15 AVC plan](#) to be transferred into the current plan. The member can do this at any time as an active member.

### Post-15 AVC plan

If the separate record is aggregated and the member has [a post-15 AVC plan](#) linked to the separate record, automatically transfer the realisable value to a [post-15 AVC plan](#) linked to the ongoing active pension account. The member may make further AVC payments to the plan.

If the separate record is not aggregated and the member sets up or already has [a post-15 AVC plan](#) linked to the ongoing active pension account, the member can elect for the realisable value in the other plan to be transferred into the current plan. The member can do this at any time as an active member.

## Further information

See further information on:

- [added years](#) if the member had an added years contract on the separate record
- [annual allowance](#)
- [APCs / ASBCs / ARCs](#) if the member had an APCs / ASBCs / ARCs contract on the separate record
- [information for underpin calculations](#)
- [interfund adjustment](#) if the administering authority for the separate record is different from the administering authority for the ongoing active pension account

- [opting out](#) if the member opts out of the LGPS for the active pension account within three months.

## 10. Meaning of terms used and further information

### Added years

If the member was paying additional contributions under an added years contract while in the separate record, the contract ended on ceasing the membership in that record. Presuming the member did not end membership due to redundancy and elect to pay off the balance, the contract can continue while in the active pension account if:

- the member re-joins within 12 months of ceasing membership in the separate record,
- the member pays the arrears of additional contributions to cover the period between leaving and re-joining, based on the additional contributions before leaving, and
- the member pays those arrears within three months of re-joining.

Though not explicitly clear in the regulations, the member must aggregate the separate record with the active pension account to continue the contract. This is because the regulations do not set out what happens if the member continues the contract but keeps the records separate.

### **Additional Regular Contributions (ARCs), Additional Pension Contributions (APCs), Additional Survivor Benefit Contributions (ASBCs)**

If the member was paying extra under an ARC or APC contract, including a Shared Cost APC contract, for the separate record, the contract ended on ceasing membership in that record. The member cannot continue the contract while in the active pension account. The member may elect to start a new APC contract.

If the member was paying extra under an ASBCs contract to count pre-6 April 1988 membership for a cohabiting partner's pension on the separate record, the contract ended on ceasing membership in that record. The member cannot continue the contract in the active pension account.

## Additional Voluntary Contributions (AVCs)

If a member has an AVC plan linked to the separate record, you must consider the plan as part of the aggregation process. How you treat the plan depends on whether it is a post-15 AVC plan, pre-15 AVC plan or protected post-15 AVC plan:

- where the plan started after 31 March 2015, or is treated as such on aggregation, the plan is a 'post-15 AVC plan'
- where the plan started before 1 April 2015 and the membership in the separate record ended before then, the plan is a 'pre-15 AVC plan'
- where the plan started before 1 April 2015 and the membership in the separate record ended on or after then, the plan is a 'protected post-15 AVC plan'.

Where a member has a pre-15 AVC plan linked to the separate record the realisable value of which is not transferred to a post-15 AVC plan linked to the active pension account, the plan continues to fall under the LGPS (Administration) (Scotland) Regulations 2008 or equivalent earlier regulations.

Where a member has a pre-15 AVC plan or a protected post-15 AVC plan linked to the separate record the realisable value of which is transferred to a post-15 AVC plan linked to the active pension account, all the AVCs under the plan fall under the LGPS (Scotland) Regulations 2018, regardless of whether the member makes further AVC payments to the plan.

## Annual allowance

You begin to include aggregation in annual allowance calculations in the pension input period in which the aggregation occurs. The date an [Interfund adjustment](#) is paid does not affect when aggregation occurs. The date on which aggregation occurs is in line with [the relevant date](#) for each scenario.

A member may have a significant pension input amount when they aggregate [pre-April 15 benefits](#) if they re-join on a higher salary.

You must update the record at the appropriate time to ensure that you and the member can meet deadlines associated with:

- giving a pension saving statement
- submitting an event report

- reporting an annual allowance tax charge through self-assessment tax return
- paying an annual allowance tax charge.

You can read more about aggregation and annual allowance in the Annual allowance technical guide, which is available on the Administrator guides and documents page of [www.scotlgpsregs.org](http://www.scotlgpsregs.org).

## **Career average pay link**

In some scenarios, the member regains a career average pay link when you attach a councillor's pre-April 15 membership to the active pension account.

This means that when the membership ends for the active pension account, you calculate the benefits for the pre-April 15 membership using the career average pay, including pay the member earned after 31 March 2015. You calculate the career average pay in accordance with paragraph 1 of the schedule to the LGPS (Benefits, Membership and Contributions) (Scotland) Regulations 2008.

A member regains a career average pay link in the following scenarios:

- B1
- B3
- B4
- D2, where the member elects for aggregation method 1.
- E3
- E4.

It is important that you input the correct membership dates and service breaks when you attach pre-April 15 councillor membership to an active pension account.

## **Concurrent adjustment**

In most scenarios, when you attach pre-April 15 membership to an active pension account, you do so on a day-for-day basis.

However, if you are attaching pre-April 15 membership (for non-councillors) to an ongoing active pension account under scenarios E3 or E4 and the membership on the ongoing active pension account also contains pre-April 15 membership, you

must adjust the pre-April 15 membership before attaching it to the active pension account. Transferred-in membership and membership before the start of the membership in the ongoing active pension account must also be adjusted in this way.

You adjust the pre-April 15 membership, pro-rated for part-time, by multiplying the membership by the whole-time rate of pay in the ceased employment and then dividing by the whole-time rate of pay in the ongoing employment. The whole-time rate of pay is the annual rate of pay on the last day of the ceased employment.

You will need to perform this calculation on each relevant period of membership separately. This is so that your computer software will correctly include the adjusted membership in later calculations. For example, for the purposes of using the correct accrual rate, your software will need to distinguish between pre-April 2009 and post-31 March 2009 membership. It will also need to distinguish between different tranches and types of membership for rule of 85 and survivor benefit calculations.

If the member qualifies for underpin protection, see [information for underpin calculations](#).

### **Important**

The regulations do not require you to adjust the pre-April 15 membership where the ongoing active pension account does not contain pre-April 15 membership.

The Scottish Public Pensions Agency (SPPA) confirmed in 2018 that this does not reflect the policy intent: “unfortunately it is clear that the regulations do not currently address this scenario correctly. The policy intent is that any pre-1 April 2015 membership should be adjusted when adding it to the membership for a continuing employment... We do intend to amend the regulations as per LGA’s correction list, when the Transitional Regulations are updated, which will be in the New Year”.

SPPA has not yet amended the regulations. Therefore, you will need to decide how to process these cases in the meantime.

## **Disqualifying break**

Whether there has been a disqualifying break between the end of the membership in the separate record and the start of the membership in the active pension account determines whether the member’s pre-April 15 membership regains a [final salary link](#) or, for councillors, a [career average pay link](#) on aggregation.



There will have been a disqualifying break in that period if the member had a continuous break in active membership of any [public service pension scheme](#) of more than five years.

If the member is entitled to a refund for a period of membership in a different public service pension scheme, ignore that period when considering whether there has been a disqualifying break. This is because the member does not qualify for a pension under the different scheme.

**Example:**

The membership in the separate record ended on 15 June 2011.

The membership in the active pension account started on 4 September 2019.

Between these dates, the member was in the NHS pension scheme from 4 September 2015 to 28 November 2015. On leaving, the member is entitled to a refund.

As you ignore the membership with the NHS pension scheme, there has been a disqualifying break in the period beginning with 16 June 2011 and ending with 3 September 2019.

**Final salary link**

In some scenarios, the member regains a final salary link when you attach pre-April 15 membership (non-councillors) to the active pension account.

This means that when the membership ends for the active pension account, you calculate the benefits for the pre-April 15 membership using the final pay, including pay the member earned after 31 March 2015. You calculate the final pay in accordance with the LGPS (Benefits, Membership and Contributions) (Scotland) Regulations 2008.

A member regains a final salary link in the following scenarios:

- B1
- B3
- B4
- D2, where the member elects for aggregation method 1.

- E3
- E4.

Therefore, it is important that you –

- correctly record the membership dates when attaching pre-April 15 membership to the active pension account
- if applicable, adjust the pre-April 2015 membership as set out under [variable-time employment](#) or [concurrent adjustment](#)
- accurately record hours changes, service breaks and added years.

## Information for underpin calculations

Where the member aggregates and qualifies for underpin protection, you should record the information that will be needed for underpin calculations in respect of the post-March 15 membership from the separate record. For example, membership dates, part-time hours, service breaks and details about added pension with the reasons for paying extra.

Where you would have calculated a [concurrent adjustment](#) or a [variable-time adjustment](#) on the post-March 15 membership had the 2008 regulations not been revoked, you will need to calculate a notional adjustment on that membership. You will include the adjusted membership when calculating the final salary part of the underpin. To allow your software to correctly include the adjusted membership in the calculation of this part of the underpin, you will need to perform the notional adjustment on each relevant period of membership separately. Your software will need to be able to distinguish between:

- pre-April 2020 and post-March 2020 membership for members who are group 1 members for rule of 85 protections
- pre-April 2022 and post-March 2022 membership for members who attain their normal retirement date under the 2009 scheme after then.

## In-service revaluation

You apply in-service revaluation in accordance with HM Treasury orders on 1 April to CARE balances –

- in active pension accounts, and

- in accounts where active membership ended in the previous scheme year (1 April to 31 March).

## Interfund adjustment

If the administering authority for the separate record is different from the administering authority for the active pension account, any election from the member must be made to the administering authority for the active pension account.

If the records are to be aggregated, the administering authority for the separate record must pay an interfund adjustment payment to the administering authority for the active pension account. The authority must calculate the payment in accordance with GAD guidance. See the Interfund transfers GAD guidance on the [Actuarial guidance](#) page of [www.scotlgpsregs.org](http://www.scotlgpsregs.org).

You calculate an interfund adjustment payment at [the relevant date](#). If you pay the amount more than three months after [the relevant date](#), you must recalculate it as at the payment date without adding interest.

Where interfund adjustment payments are due in respect of 10 or more members because of a single event, you instead calculate the amount under the bulk interfund rules. See regulations 97(3) to (5) of the LGPS (Scotland) Regulations 2018.

## LGPS break

Whether there has been an LGPS break exceeding five years between the end of the membership in the separate record and the start of the membership in the active pension account determines whether you recalculate the CARE balance in the separate record before adding it to the active pension account.

If the LGPS break is five years or less, you recalculate the CARE balance in the separate record at [the relevant date](#) as if [in-service revaluation](#) had continued to apply after leaving, rather than Pension Increase (Review) Orders. Otherwise, you do not recalculate the balance.

For more information, see the Revaluation technical guide, which you can find on the [Administrator guides and documents](#) page of [www.scotlgpsregs.org](http://www.scotlgpsregs.org).

## Opting out

If the member opts out of the LGPS for the active pension account within three months of the start of the membership in the account, you cannot aggregate the

separate record with the active pension account. The member will be treated as if they did not join the Scheme on that occasion, ie the active pension account will be treated as if it was never opened.

## **Public service pension scheme**

A public service pension scheme is a scheme covering:

- civil servants
- the judiciary
- the armed forces
- local government workers in England, Wales or Scotland
- teachers in England, Wales or Scotland
- health service workers in England, Wales or Scotland
- fire and rescue workers in England, Wales or Scotland
- members of the police forces in England, Wales or Scotland
- membership of a new public body pension scheme.

## **Post-March 15 benefits**

Post-March 15 benefits are CARE benefits in the 2015 Scheme. This includes:

- Added CARE pension purchased or awarded under the 2015 Scheme
- CARE pension in the 2015 Scheme bought with a transfer value from a different scheme, regardless of the membership dates in the different scheme
- CARE pension bought with a [transfer value of pre-April 15 benefits](#) on a previous aggregation.

## **Pre-April 15 benefits**

Pre-April 15 benefits means benefits under the earlier regulations.

Mainly, this means final salary benefits (non-councillors) or career average pay benefits (councillors) calculated using pre-April 15 membership. Pre-April 15 membership includes:

- membership bought with a transfer value from a different scheme, including transfer values received after 31 March 2015 that bought pre-April 15 membership
- membership bought or awarded under the earlier regulations, for example, added years
- pre-April 15 membership attached to the record on a previous aggregation.

Pre-April 15 benefits also includes added pension bought or awarded under the earlier regulations, such as under an additional regular contributions contract.

## Relevant date

The GAD guidance on Interfunds sets out the relevant date.

The table below sets out the relevant date for each scenario.

**Table 3 – relevant date for each scenario**

Scenario	Relevant date
A1	the date membership starts for the active pension account
A2	not applicable

<b>Scenario</b>	<b>Relevant date</b>
A3	<p>the day after the end of the 12-month period beginning with the date the membership starts for the active pension account (if the employer has extended the deadline, the day after the end of the longer period), or, if sooner, the earlier of:</p> <ul style="list-style-type: none"> <li>• the date the member left active membership in the active pension account</li> <li>• the date of the election to aggregate the separate record with the active pension account</li> </ul>
A4	<p>the day after the end of the 12-month period beginning with the date the membership starts for the active pension account (if the employer has extended the deadline, the day after the end of the longer period), or, if sooner, the earlier of:</p> <ul style="list-style-type: none"> <li>• the date the member left active membership in the active pension account</li> <li>• the date of the election to aggregate the separate record with the active pension account</li> </ul>
B1	the date membership starts for the active pension account
B2	not applicable

<b>Scenario</b>	<b>Relevant date</b>
B3	<p>the day after the end of the 12-month period beginning with the date the membership starts for the active pension account (if the employer has extended the deadline, the day after the end of the longer period), or, if sooner, the earlier of:</p> <ul style="list-style-type: none"> <li>• the date the member left active membership in the active pension account</li> <li>• the date of the election to aggregate the separate record with the active pension account</li> </ul>
B4	<p>the day after the end of the 12-month period beginning with the date the membership starts for the active pension account (if the employer has extended the deadline, the day after the end of the longer period), or, if sooner, the earlier of:</p> <ul style="list-style-type: none"> <li>• the date the member left active membership in the active pension account</li> <li>• the date of the election to aggregate the separate record with the active pension account</li> </ul>
C1	Not applicable

<b>Scenario</b>	<b>Relevant date</b>
C2	<p>the day after the end of the 12-month period beginning with the date the membership starts for the active pension account (if the employer has extended the deadline, the day after the end of the longer period), or, if sooner, the earlier of:</p> <ul style="list-style-type: none"> <li>• the date the member left active membership in the active pension account</li> <li>• the date of the election to aggregate the separate record with the active pension account</li> </ul>
D1	the date membership starts for the active pension account
D2	the date of the election to aggregate the separate record with the active pension account
D3	the date of the election to aggregate the separate record with the active pension account
E1	the day after the membership ends for the separate record
E2	<p>the day after the end of the 12-month period beginning with the day after the membership ends for the separate record (if the employer has extended the deadline, the day after the end of the longer period), or, if sooner, the earlier of:</p> <ul style="list-style-type: none"> <li>• the date the member left active membership in the ongoing active pension account</li> <li>• the date of the election to aggregate the separate record with the ongoing active pension account</li> </ul>



Scenario	Relevant date
E3	the day after the membership ends for the separate record
E4	<p>the day after the end of the 12-month period beginning with the day after the membership ends for the separate record (if the employer has extended the deadline, the day after the end of the longer period), or, if sooner, the earlier of:</p> <ul style="list-style-type: none"> <li>• the date the member left active membership in the ongoing active pension account</li> <li>• the date of the election to aggregate the separate record with the ongoing active pension account</li> </ul>

## Transfer value of pre-April 15 benefits used to buy CARE pension

In the following scenarios, you use the transfer value of the [pre-April 15 benefits](#) to buy CARE pension in the active pension account:

- C2
- D1
- D2 where the member elects for aggregation method 2
- D3.

On buying CARE pension, the [pre-April 15 benefits](#) become [post-15 benefits](#).

You calculate both the transfer value of the [pre-April 15 benefits](#) and the CARE pension it buys as at the [relevant date](#) using the GAD guidance on interfund transfers. See the guidance on the [Actuarial guidance](#) page of [www.scotlgpsregs.org](http://www.scotlgpsregs.org).

Where the administering authority for the separate record is different from the administering authority for the active pension account, the authority must pay an [interfund adjustment](#) payment. This payment will include the transfer value for the [pre-April 15 benefits](#).

The authority for the active pension account will always calculate the CARE pension using the transfer value of the [pre-April 15 benefits](#) as at the [relevant date](#), including cases where the authority for the separate record recalculates the [interfund adjustment](#) payment due to late payment. Therefore, the authority for the separate record must always give the authority for the active account details of the transfer value of the [pre-April 15 benefits](#) as at the [relevant date](#).

### **Important**

Though the GAD guidance says that you calculate the transfer value and the CARE pension it buys as non-Club transfers, this does not mean that the member must meet the same conditions that a member would need to meet to qualify for a transfer to a different pension scheme. Members who wish to transfer to a different scheme must elect to do so at least one year before their normal pension age and, where the member has multiple deferred benefits, elect to transfer all or none. These conditions do not apply when deciding whether a member is able to use the transfer value of their pre-April 2015 benefits to purchase CARE pension on aggregation.

## **TUPE transfers**

When a member's employment is transferred to a different employer, one employment ends and a new one begins.

This means that you close the pension account for the employment that has ended and, where the member is in the LGPS in the employment that begins, open an active pension account for that employment. You then aggregate the accounts together. Ordinarily, if the member met the vesting period (as set out in regulation 3(7) of the LGPS (Scotland) Regulations 2018), the member would be able to elect for separate benefits by the time limit. However, if the transfer is a transfer to which the Transfer of Undertakings (Protection of Employment) Regulations 2006 apply (or which is treated as if those regulations apply), the member cannot do so, ie you must aggregate the accounts.

## **Variable-time adjustment**

In most scenarios, when you attach pre-April 15 membership to the active pension account, you do so on a day-for-day basis.

However, if you are attaching pre-April 15 membership (for non-councillors) to an active pension account under scenarios B1, B3, B4 and D2, where the member elects for aggregation method 1, and the employment for the separate record was a

variable-time employment and the employment for the active pension account is not, you must adjust the pre-April 15 membership before attaching it to the active pension account as follows:

Pre-April 15 membership × annual rate of pay in the employment for the separate record / annual rate of pay in the employment for the active pension account

An employment is a variable time employment if the employee's contract provides that their pay is calculated by reference to the duties undertaken, rather than by reference to the number of hours worked. In other words, the employee is paid a fixed sum of money for the work they undertake, regardless of how long it takes the person to do the work. Returning officers and acting returning officers are examples of variable time employments. Zero hours or variable hours contracts under which employees are paid for the hours of work undertaken are not variable time employments.

## 11. Regulatory references used in this guide

This section lists the regulatory references used throughout the guide. It is divided into the same sections as the guide for ease of use.

### Regulatory references used in section 5 – Scenario A – Post-March 15 benefits only

#### Scenario A1

- Regulations 17(10), 19(1)(a), 22(5) and 22(9) of the LGPS (Scotland) Regulations 2018

#### Scenario A2

- Regulation 18(5) of the LGPS (Scotland) Regulations 2018
- Paragraph 5(1)(d) of schedule 29 to the Finance Act 2004

#### Scenario A3

- Regulations 17(10), 17(11), 22(8), 22(9), 22(10) and paragraph 7 of schedule 5 of the LGPS (Scotland) Regulations 2018

#### Scenario A4

- Regulations 17(10), 17(11), 22(8) and paragraph 7 of schedule 5 of the LGPS (Scotland) Regulations 2018

### Regulatory references used in section 6 – Scenario B – Both pre and post 15 benefits, no disqualifying break

#### Scenario B1

- Regulations 17(10), 17(11), 19(1)(a), 22(5) and 22(9) of the LGPS (Scotland) Regulations 2018
- Regulations 3(6), 3(7), 10(1), 10(2), 10(10) and 15(3) of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014

#### Scenario B2

- Regulation 18(5) of the LGPS (Scotland) Regulations 2018

- Paragraph 5(1)(d) of schedule 29 to the Finance Act 2004

### **Scenario B3**

- Regulations 17(10), 17(11), 22(8), 22(9), 22(10) and paragraph 7 of schedule 5 of the LGPS (Scotland) Regulations 2018
- Regulations 3(6), 3(7), 10(1), 10(2), 10(10), 10(11) and 15(3) of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014

### **Scenario B4**

- Regulations 17(10), 17(11), 22(8) and paragraph 7 of schedule 5 of the LGPS (Scotland) Regulations 2018
- Regulations 3(6), 3(7), 10(1), 10(2), 10(10), 10(11), and 15(3) of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014

## **Regulatory references used in section 7 – Scenario C – Both pre and post 15 benefits, disqualifying break**

### **Scenario C1**

- Regulation 18(5) of the LGPS (Scotland) Regulations 2018
- Paragraph 5(1)(d) of schedule 29 to the Finance Act 2004

### **Scenario C2**

- Regulations 17(10), 17(11), 22(8) and paragraph 7 of schedule 5 of the LGPS (Scotland) Regulations 2018
- Regulations 10(3), 10(4) and 10(11) of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014

## **Regulatory references used in section 8 – Scenario D – Pre-April 15 benefits only**

### **Scenario D1**

- Regulations 17(10) and (11) of the LGPS (Scotland) Regulations 2018
- Regulation 10(5) of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014

- Regulations 41(3) and 42(3) of the LGPS (Administration) (Scotland) Regulations 2008
- Regulation 86(3) of the LGPS (Scotland) Regulations 1998

### **Scenario D2**

- Regulations 17(10) and (11) of the LGPS (Scotland) Regulations 2018
- Regulations 3(6), 3(7), 5(5), 5(6), 10(6), 10(11) and 15(3) of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014

### **Scenario D3**

- Regulations 17(10) and (11) of the LGPS (Scotland) Regulations 2018
- Regulations 10(6) and 10(11) of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014

## **Regulatory references used in section 9 – Scenario E – Concurrent cases**

### **Scenario E1**

- Regulations 17(10), 19(1)(d) and 22(6) of the LGPS (Scotland) Regulations 2018

### **Scenario E2**

- Regulations 17(10), 17(11), 22(7) and 22(9) and paragraph 7 of schedule 5 of the LGPS (Scotland) Regulations 2018

### **Scenario E3**

- Regulations 17(10), 17(11), 19(1)(d) and 22(6) of the LGPS (Scotland) Regulations 2018
- Regulations 10(1), 10(2), 10(8), 10(9) and 15(3) of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014

### **Scenario E4**

- Regulations 17(10), 17(11), 22(7) and 22(9) and paragraph 7 of schedule 5 of the LGPS (Scotland) Regulations 2018

- Regulations 3(6), 3(7), 10(1), 10(2), 10(8), 10(9), 10(11) and 15(3) of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014

## **Regulatory references used in section 10 – meaning of terms used and further information**

### **Added years**

- Regulation 15(1)(c) of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014
- Regulations 82(1) and 82(9) of the LGPS (Scotland) Regulations 1998

### **ARCs, APCs and ASBCs**

- Regulations 16(11)(d) and (f) of the LGPS (Scotland) Regulations 2018
- Regulation 15(1)(d) of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014
- Regulations 21(1)(b) and 21B(1)(b) of the LGPS (Administration) (Scotland) Regulations 2008

### **Additional Voluntary Contributions**

- Regulation 17 of the LGPS (Scotland) Regulations 2018
- Regulation 15(1)(e) of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014

### **Career average pay link**

- Paragraph 1 of the schedule to the LGPS (Benefits, Membership and Contributions) (Scotland) Regulation 2008

### **Concurrent adjustment**

- Regulations 10(8) and 10(9) of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014
- Regulations 14(4) and 41(4), paragraph 3 of schedule 5 of the LGPS (Administration) (Scotland) Regulations 2008

### **Disqualifying break**

- Regulations 3(7) and 5(6) of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014

### **Final salary link**

- Regulations 8, 9, 10 and 11 of the LGPS (Benefits, Membership and Contributions) (Scotland) Regulation 2008

### **Information for underpin calculations**

- Regulation 4 of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014

### **In-service revaluation**

- Schedule 1 of the LGPS (Scotland) Regulations 2018

### **Interfund adjustment**

- Regulation 97 of the LGPS (Scotland) Regulations 2018
- Regulations 10(2), 10(4) and 10(6) of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014

### **LGPS break**

- Regulation 22(9) of the LGPS (Scotland) Regulations 2018

### **Opting out**

- Regulation 5(6) of the LGPS (Scotland) Regulations 2018

### **Public service pension scheme**

- Regulation 1(4) of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014
- Section 1 of the Pension Schemes Act 1993

### **Transfer value of pre-April 15 benefits used to buy CARE pension**

- Regulations 10(4) and 10(6) of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014



### **TUPE transfers**

- Regulation 22(10) of the LGPS (Scotland) Regulations 2018

### **Variable-time adjustment**

- Regulation 10(10) of the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014
- Regulation 82(2) of the LGPS (Administration) (Scotland) Regulations 2008
- Regulation 2 of the LGPS (Benefits, Membership and Contributions) (Scotland) Regulations 2008

## **12. Disclaimer**

The information contained in this guide has been prepared by the LGPC Secretariat, a part of the LGA. It represents our views and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of any piece of legislation. No responsibility whatsoever will be assumed by either party for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained in this Guide.

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