

S.539/29

Circular Letter S.10 /2001

29 June 2001

Increase in Retirement Lump Sum

A Chara

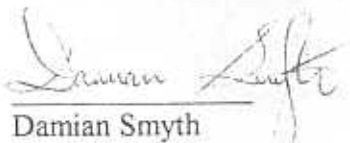
I refer to paragraph 6 of circular letter S.1/99 in connection with the increase in retirement lump sum which may be applied in certain circumstances. The relevant extract from the circular letter is set out below:

➤ **Increase in Lump Sum**

Articles 27(8)(b), 84(7)(b) and 106(7)(b) provide, with effect from 1 April 1997, that where a person retires on reaching the age of 65 years and subsequently falls to have his or her lump sum adjusted to take account of a general pay increase arising within three months of such retirement, he or she may also benefit from any special increase arising between the date of such retirement and the date of the general pay increase. It should be noted that no adjustment will be made where there is only a special pay increase arising within the three months - it must be accompanied by and not be later than the date of the general pay increase. Articles 128(2), 148(2), 192(2) and 215(2) confirm that non-periodic contributions due to be deducted from retirement lump sum in respect of membership of the widows' and orphans'/spouses's and children's schemes are based on the pensionable pay, including any adjustments, by reference to which the retirement lump sum falls to be calculated.

It is hereby confirmed that if a special pay increase either pre-dates or coincides with the date of a general pay increase arising within the three month period following a retirement at age 65, it may be taken account of, in addition to the general pay increase, in the determination of the retirement lump sum, even in situations where it is not sanctioned until some time after the person's retirement but is retrospective to or before the date of the general pay increase. **Where there is no general pay increase within the three month period following a retirement at age 65 or where a general pay increase pre-dates the effective date of a special pay increase within such period, no account may be taken of the special pay increase for lump sum purposes.**

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To each local authority and body to which the LGSS applies

