

# TECHNICAL BULLETIN

NO.3

MARCH 2003



**TO ALL EMPLOYERS WITH MEMBERS IN THE LOCAL GOVERNMENT PENSION SCHEME. PLEASE ENSURE COPIES ARE PASSED TO RELEVANT STAFF.**

## **2003 Actuarial Valuation**

At its meeting on 20 February 2003 the Strathclyde Pension Fund Panel approved the actuarial valuation of the fund as at 31 March 2002. I can now confirm the information contained within Technical Bulletin No.2 regarding the valuation. All employers will receive a full copy of the valuation report which should be ready for issue towards the end of March.

## **Remuneration and Additional Voluntary Contributions (AVC'S)**

As a result of a recent enquiry from an Employing Authority this bulletin has been issued to clarify on what remuneration employee's AVC's are payable.

AVC's are deducted from the same elements as the normal employee contributions of 5% or 6% i.e. from pensionable pay only. For pension purposes an employee's pay is the total of all the salary, wages, fees and other payments paid to an active member for his own use in respect of his employment. It may also include any other payment or benefit specified in his contract of employment as being a pensionable emolument.

However pay cannot include:

- payments for non contractual overtime
- any travelling, subsistence or other allowance paid in respect of expenses incurred in relation to the employment
- any payments in consideration of loss of holidays
- any payment in lieu of notice to terminate his contract of employment
- any payment as an inducement not to terminate his employment before the payment is made
- any amount treated as the money value to the employee of the provision of a motor vehicle or any amount paid in lieu of such provision (apart from some historical cases)