

The Draft Local Government Pension Scheme (Scotland) (Amendment No. 2) Regulations 2015 (“the Draft Regulations”).

1. The majority of these amendments are technical; for example where we have replaced “employing authority” with “Scheme employer”. There are amendments to both the Local Government Pension Scheme (Scotland) Regulations 2014 (“the main regulations”) and the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014 (“the transitional regulations”).

2. The draft amendments also introduce provisions required by the Marriage and Civil Partnership (Scotland) Act 2014 into the Local Government Pension Scheme (Scotland) Regulations 1998 and the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008. These changes are required as there are deferred and pensioner members in both of these earlier schemes.

3. Draft amendments are also made to the 1998 regulations to ensure that deferred ill health applications are considered by the administering authority rather than the former Scheme employer. This reflects the policy intent in both the 2008 regulations and the 2014 regulations, and mirrors the procedure currently followed by the administering authorities.

4. In regulation 31(9) of the main regulations, for “of the determination that the member is permanently incapable under that regulation” substitute “the member makes an application under that regulation or, if later, the date the IRMP certifies the member first met the conditions in regulation 36(3)(a) and (b)”, and the associated amendment to regulation 37, in paragraph (3) for “from which benefits are awarded” substitute “the member made a request under regulation 36 or, if later, the date the IRMP certifies the member first met the conditions in regulation 36(3)(a) and (b)”.

This is a refinement of the existing wording and clarifies the relevant date for deferred ill health applications.

5. Currently, in the 2015 scheme, additional pension does not include survivor benefits. The existing wording for relevant regulations states that additional pension purchased is excluded from the calculation of survivor benefits.

Additional pension may be purchased by a member for two reasons: to top up their retirement benefits, or buy pension lost due to an absence of the type mentioned in the draft amendment. The draft amendment ensures that where additional pension is purchased to cover an absence, it does count towards survivor benefits.

In all relevant regulations of the main regulations, we propose the following: after “regulation 16 (additional pension contributions)” insert “except where the member elects to purchase additional pension to cover the amount of pension that would otherwise have accrued but for an absence from work with no

pensionable pay in consequence of a trade dispute, or an absence from work with permission with no pensionable pay otherwise than because of illness or injury, child related leave or reserve forces service leave”.

6. An amendment to Regulation 62 of the main regulations is proposed to provide a grace period of up to three years before a cessation debt payment is required by the fund actuary. This can be applied where an employer has no active members in the scheme and the administering authority believes that the employer is likely to have one or more active members contributing to the fund within the period specified in the suspension notice.

A new regulation 25A regarding employer contributions for historic liabilities is proposed to be inserted into the transitional regulations. The new regulation allows flexibility regarding the time period over which cessation debts are paid.

7. Regulations regarding the Cost-Cap, as required by the Public Service Pensions Act 2013, will be consulted on separately.

SPPA
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