



Consultation on DRAFT REGULATIONS The Local Government Pension Scheme (Scotland) Regulations 2018

RESPONDENT INFORMATION FORM

Please Note this form **must** be returned with your response to ensure that we handle your response appropriately

1. Name/Organisation

Organisation Name

The Local Government Pensions Committee (LGPC) a committee of the Local Government Association (LGA)

Title Mr Ms Mrs Miss Dr *Please tick as appropriate*

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3. Permissions - I am responding as...

Individual

Group/Organisation

Please tick as appropriate

- (a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

Please tick as appropriate Yes No

- (b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

Please tick ONE of the following boxes

Yes, make my response, name and address all available

or

Yes, make my response available, but not my name and address

or

Yes, make my response and name available, but not my address

- (c) The name and address of your organisation **will be** made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your **response** to be made available?

Please tick as appropriate Yes No

- (d) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Please tick as appropriate Yes No



Kimberly Linge
Policy Manager
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5 January 2018

Dear Kim

Local Government Pension Scheme (Scotland) Regulations 2018

Thank you for the Agency's consultation document inviting comments on changes to the LGPS (Scotland) Regulations.

I respond on behalf of the Local Government Pensions Committee (LGPC).

The Local Government Pensions Committee (LGPC) is a committee of councillors constituted by the Local Government Association (LGA), the Welsh Local Government Association (WLGA) and the Convention of Scottish Local Authorities (COSLA). The LGPC considers policy and technical matters affecting the Local Government Pension Schemes (LGPS) in the UK.

This covering letter sets out the LGPC's views on the matters covered in the consultation from a policy perspective.

Attached to this letter is a report that provides our detailed comments on the draft regulations from a technical perspective. The report also includes some suggestions for further amendments to the LGPS (Scotland) Regulations which we believe are necessary for the purpose of the effective and efficient administration of the scheme, or which would be highly desirable for those same reasons. Many of those suggestions are already included on the query list which you will be aware that we maintain and send over to the Agency from time to time.

Early payment of pension for members aged 55 and older

The deletion of regulation 29(13) provides for a welcome change that would allow members who left the LGPS with a deferred benefit under the 2014 LGPS (Scotland) Regulations to elect to receive an actuarially reduced pension between the ages of 55 and 59 (inclusive) without requiring their employer's consent. By making this change, all individuals leaving the LGPS (Scotland) on or after 1st April 2015 with a deferred benefit, who make an election for early payment on or after 1 April 2018, would have this option available to them.

Although not directly consulted upon, we would also strongly support this option being extended to members who left active membership of the LGPS (Scotland) prior to 1st April 2015, for the following reasons: -

- As such pensions are paid with actuarial reductions, the change would be cost neutral.
- Greater flexibility in how a member may choose to access their pension would be consistent with the Government's Freedom and Choice reforms.
- It may help to prevent these members from transferring out their pension rights which often results in the payment of a less generous pension benefit.

Special circumstances where revised actuarial valuations and certificates must be obtained

We understand that the changes made to regulation 62 are intended to give more flexibility for administering authorities to manage the liabilities of exiting employers and to provide for an 'exit credit' if appropriate.

On the whole we support these changes, however, we would suggest that the conditions for suspension are retained and expanded in order to ensure that the administering authority has properly assessed the risks of such a suspension.

I hope the above is helpful; if you have any questions, please do not hesitate to contact me.

Yours sincerely



Jeff Houston
Secretary to the LGPC