

**LOCAL GOVERNMENT PENSION SCHEME (SCOTLAND)
CIRCULAR SPN/LG No. 1/2019**

WHO SHOULD READ: Secretary General, Convention of Scottish Local Authorities
Chief Executive, Scottish Local Authorities
Chief Executive, Water Authorities
Principal Reporter, Scottish Children's Reporter Administration
Chief Executive, Scottish Environment Protection Agency
Director General, Strathclyde Passenger Transport Executive
Clerk, Strathclyde Passenger Transport Authority
Chief Executive/Director, VisitScotland

ACTION: For information - this circular should be brought to the attention of Pension Managers, Superannuation Sections and LGPS(S) Employer Payroll Departments. You may also wish to draw it to the attention of the Directors of Finance and Administration

SUBJECT: Public Service Pension Indexation and CARE Scheme revaluation 2019

The purpose of this circular is to:

- Confirm that, in common with other public service pension schemes, there will be a 2.4% increase in the value of local government pensions in payment (or deferred pensions) from 8 April 2019
- Average Revalued Earnings (CARE) benefits accrued in the 2015 Local Government Pension Scheme (Scotland) is 2.4%

Public Service Pensions Indexation

Public service pensions in payment, together with those that are deferred for payment at a future date, are indexed annually based on the annual change in the Consumer Price Index (CPI) measured as at the previous September.

In the 12 months to September 2018, CPI was 2.4%. As a result, an increase of 2.4% is to be applied from 8 April 2019 for pensions in payment and deferred pensions.

The UK Government expects to lay the Pensions Increase (Review) Order 2019 in March 2019.

CARE Scheme Revaluation

The Local Government Pension Scheme (Scotland) Regulations 2018 were made under the Public Service Pension Act 2013 (the Act). The 2018 pension scheme is a Career Average Revalued Earnings (CARE) scheme and Section 9 of the Act deals with the annual “in-service” revaluation of CARE scheme benefits, so that they keep pace with the passage of time. The national website for members of the LGPS provides further information on the principles of CARE scheme revaluation can be found at <http://www.lgps.org.uk>

The Local Government Pension Scheme (Scotland) Regulations provide for annual revaluation of active members’ pension accounts by reference to changes in prices. As a result of the 2.4% increase for CPI contained in the Pensions Increase (Review) Order 2019.

Section 9(2) of the Act requires the change in earnings used for such revaluation to be such percentage increase or decrease as is specified in an order made by HM Treasury. The Public Service Pensions Revaluation (Prices) Order 2019 will fulfil that requirement in relation to prices and reflects the change in CPI (2.4%) in the 12 months to September 2018. The Chief Secretary to the Treasury has issued a [written statement](#) to this effect, with the Public Service Pensions Revaluation Order 2019, coming into force on 1 April 2019.

The in-service revaluation for the 2018 Local Government Pension Scheme in respect of 2018/19 will be 2.4%.

Kimberly Linge
LGPS Policy Manager

25 February 2019

Contact Information: Please contact Kimberly.linge@gov.scot if you have any enquiries about this circular. If you have any queries relating to the administration the scheme, please contact your administration team at the relevant fund. A list of [contact details](#) can be found on the SPPA website.

Scottish Public Pensions Agency
7 Tweedside Park
Tweedbank
GALASHIELS
TD1 3TE

www.sppa.gov.uk
Telephone: 01896 893000
Fax: 01896 89 214
kimberly.linge@gov.scot

