

POLICY NOTE

THE LOCAL GOVERNMENT PENSION SCHEME (SCOTLAND) (MISCELLANEOUS AMENDMENTS) REGULATIONS 2022

SSI 2022/153

The above instrument was made in exercise of the powers conferred by sections 1 and 12 of the Public Services Pensions Act 2013 (“the 2013 Act”). The instrument is subject to negative procedure.

Purpose of the instrument

These Regulations amend the principal Scottish Local Government Pension Scheme Regulations (“the LGPS regulations”) in order to provide deferred members, who left scheme employment before 1 April 2015, with the right to receive early payment of their pension (reduced by relevant GAD factors) on or after age 55, without needing their previous employer’s consent. This also extends to ‘credit members’, as a result of a ‘pension-sharing’ agreement, as a result of divorce proceedings.

They also update the current survivor benefits in the LGPS regulations, to address the differences in surviving partner pensions between civil partners, survivors of married same-sex couples and male survivors of female married members, in response to recent Supreme Court rulings.

Additionally, they amend the ‘cost cap’ figure specified in the LGPS regulations from 15.5% to 15.2%, after the Government Actuary’s Department (GAD) identified an error in their original calculation. In order for GAD to finalise the result of the 2017 valuation, the cost cap figure is amended with retrospective effect from 1 April 2015.

These provisions will also provide additional resources to Fund Authorities when dealing with employer exits from the LGPS. Charities with members in the LGPS, are closing due to restrictions in the Local Government Pension Scheme Regulations. This issue has been a problem for some time. As a result of Ministerial intervention, a working group of the Scheme Advisory Board has recommended these changes, which will enable charities, and other employers, to pay off their debts over a longer period of time and therefore continue to support the people of Scotland, during and beyond the pandemic.

Policy Objectives

These Regulations deliver improvements to the management of the scheme, taking into account the application of the principal 2018 Regulations where areas for clarification have been sought or a change in approach has been requested.

Consultation

To comply with the requirements of Section 21 of the 2013 Act, the Scottish Public Pensions Agency conducted a 12 week technical consultation between 1st November 2021 and 21 January 2022. The consultation received 14 responses and changes were made to the draft Regulations as a result of comments provided by Stakeholders.

Impact Assessments

These Regulations have no new impact on business or the voluntary sector. They provide additional resources to Fund Authorities when dealing with employers leaving the fund. It is intended that employers will be supported to meet their debts to the scheme, to further safeguard the benefits for members of the LGPS.

Financial Effects

These Regulations have had no new Business and Regulatory Impact Assessment (BRIA) carried out upon on them as the financial aspects of these regulations remain unchanged. Scottish Ministers confirm that no BRIA is necessary as the instrument has no financial effects on the Scottish Government, local government or on business.

Equality Impact Assessment

An Equality Impact Assessment was carried out for the principal Scottish Local Government Pension Scheme Regulations (“the LGPS regulations”) 2014 and these Amendments ensure that widowers are treated the same as same sex marriage and co-habiting partners for survivor benefits.

Scottish Public Pensions Agency
An Agency of the Scottish Government

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