2025 No. 48

PUBLIC SERVICE PENSIONS

The Local Government Pension Scheme (Scotland) (Amendment) Regulations 2025

Made - - - -	*19th February 2025*
Laid before the Scottish Parliament	*21st February 2025*
Coming into force - -	*2nd April 2025*

The Scottish Ministers make the following Regulations in exercise of the powers conferred by sections 1(1) and (2)(c), 2, 3(1) to (3) and schedule 2, paragraph 3(b), of the Public Service Pensions Act 2013(**a**) and all other powers enabling them to do so.

In accordance with section 21(1) of that Act, the Scottish Ministers consulted the representatives of such persons as appeared to the Scottish Ministers likely to be affected by these Regulations.

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Local Government Pension Scheme (Scotland) (Amendment) Regulations 2025 and come into force on 2 April 2025.

(2) These Regulations have effect from 1 June 2018 other than regulations 3(3), 3(4), 3(6)(a) and 3(6)(b)(ii) which have effect from 28 March 2024.

Interpretation

2. In these Regulations "the 2018 Regulations" means the Local Government Pension Scheme (Scotland) Regulations 2018(**b**).

Amendment of the 2018 Regulations

3.—(1) Regulation 61 of the 2018 Regulations (special circumstances where revised actuarial valuations and certificates must be obtained) is amended in accordance with paragraphs (2) to (6).

(2) In paragraph (2)(b), for "exit credit payable to the exiting employer, in respect of those benefits", substitute "the excess of assets in the fund relating to that employer over the liabilities specified in paragraph (2)(a)".

(3) In paragraph (2A)(b), for "exit credit payable to such employer in respect of those benefits", substitute "the excess of assets in the fund relating to that employer over the liabilities specified in paragraph (2A)(a)".

(**a**) 2013 c. 25. Sections 3(1) and (2) were amended by section 94(2) and (3) of the Public Service Pensions and Judicial Offices Act 2022 (c. 7). Section 3(3) enables scheme regulations to make retrospective provision.
(**b**) S.S.I. 2018/141, relevantly amended by S.S.I. 2024/37.

(4) In paragraph (2B), after "paragraph (2)(a)" insert "and paragraph (2A)(a)".

(5) After paragraph (2C) insert—

"(2D) An administering authority must determine the amount of an exit credit, which may be zero, taking into account the factors specified in paragraph (2F) and must—

(a) notify its intention to make a determination to—

(i) the exiting employer and any other body that has provided a guarantee to the exiting employer under paragraph 8 of Part 2 of schedule 2 of these Regulations,

(ii) where the exiting employer is a body that has participated in the Scheme as a result of an admission agreement under paragraph 1(d) of Part 2 of schedule 2 of these Regulations, the Scheme employer in connection with the exercise of whose function it was providing a service or assets, and

(b) pay the amount determined to that exiting employer within six months of the exit date, or such longer time as the administering authority and the exiting employer may agree.

(2E) When an administering authority has paid an exit credit to an exiting employer, no further payments are due from that administering authority in respect of any excess of assets relating to the benefits in respect of any current or former employees of that employer as a result of these Regulations.

(2F) In exercising its discretion to determine the amount of any exit credit, the administering authority must have regard to the following factors—

(a) the extent to which there is an excess of assets in the fund relating to that employer over the liabilities specified in paragraph (2)(a) or, if applicable, paragraph (2A)(a),

(b) the proportion of this excess of assets which has arisen because of the value of the employer's contributions,

(c) any representations to the administering authority made by the exiting employer and, where that employer participated in the scheme by virtue of an admission agreement, any body listed in paragraphs 8(a) to (d)(ii) of Part 2 of schedule 2 of these Regulations,

(d) any guidance or statement specified under regulation 56(4) of these Regulations, or any other guidance relating to the preparation of a funding strategy statement issued or endorsed by the Scottish Ministers,

(e) any other relevant factors.".

(6) In paragraph (10) in the definition of—

(a) "exit payment", after "sub-paragraph (2)(b)" insert "or, if applicable, sub-paragraph (2A)(b)",

(b) "exit credit"—

(i) for "the amount required to be paid to the exiting employer by the administering authority to meet", substitute "any amount paid to the exiting employer by the administering authority in respect of",

(ii) after "paragraph (2)(a)" insert "or, if applicable, sub-paragraph (2A)(a)".

Transitional provision

4. The amendments to the 2018 Regulations made by regulation 3, other than by paragraphs (4) and (6)(b)(ii) of regulation 3, do not apply to exit credits that have been paid on or after 1 June 2018 and before 2 April 2025.

IVAN McKEE
Authorised to sign by the Scottish Ministers

St Andrew's House,
Edinburgh
19th February 2025

EXPLANATORY NOTE

(This note is not part of the Regulations)

Regulation 61 of the Local Government Pension Scheme (Scotland) Regulations 2018 provides that an employer exiting the Local Government Pension Scheme (Scotland) may in certain circumstances be liable to receive an exit credit from the relevant scheme administering authority.

These Regulations amend regulation 61 to provide a discretion for administering authorities to determine the amount of an exit credit, by having regard to the factors specified in new regulation 61(2F), in addition to the valuation and certificate which are to be obtained under regulation 61(2) when an employer exits.

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