POLICY NOTE

THE LOCAL GOVERNMENT PENSION SCHEME (SCOTLAND) AMENDMENT (No. 2) REGULATIONS 2015

SSI 2015/448

1. Purpose of the instrument

1. This instrument amends the Local Government Pension Scheme (Scotland) 2014 Regulations (SSI 2014/164) and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) (Scotland) Regulations 2014 (SSI 2014/233) which came into force on 1 April 2015.

1.2 These changes have arisen as the UK Government continues to reform public sector pensions provision and following those policy changes. We have also been working with stakeholders to identify areas in the 2014 regulations which require clarification. These amending regulations are the product of that work and reflect policy developments, including the flexibilities available as part of the Finance Act 2014.

1.3 These changes will provide those clarifications and will therefore improve efficiency in the administration of the scheme. They will not affect the operation of the scheme or the benefits payable to members.

1.4 Many of these amendments are technical in nature and have been made in response to points raised by the Delegated Powers and Law Reform Committee (DPLRC) in March 2015.

1.5 This instrument also makes amendments to the Local Government Pension Scheme (Scotland) Regulations 1998 and the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008 to allow for survivor benefits to be payable in relation to survivors of same sex marriages under old schemes which are carried over into the 2015 Scheme. A consequential change is also made to the Local Government Pension Scheme (Transitional Provisions)(Scotland) Regulations 2008.

2. Legislative context

2.1 The Independent Public Service Pensions Commission recommended a number of changes to public sector schemes in order to ensure long term sustainability as well as a more balanced distribution of costs between members, employers and the tax payer.

2.2 This instrument introduces further changes including changes to provide for the new shared parental leave, changes to the 1998 regulations to ensure that deferred ill health applications are considered by the administering authority rather than the former Scheme employer, and the introduction of a new regulation 25A into the Transitional Regulations to cover employer payments for historic liabilities. Similar exit and cessation type liabilities of employers are also dealt with by way of amendments to regulation 62 of the Main Regulations made by regulation 21 of these Regulations.

2.3 Further regulations to introduce same sex marriage and the transgender exception are made in accordance with the Marriage and Civil Partnership (Scotland) Act 2014.

3. Territorial Extent and Application

3.1 This instrument applies to Scotland.

4. Policy Objectives

4.1 The Regulations introduce amendments to the Local Government Pension Scheme (LGPS) in Scotland to ensure that they continue to provide valued benefits for scheme members, and are affordable, sustainable and fair to employers, scheme members and tax payers.

4.2 The objectives for the reform of the LGPS were to ensure the sustainability of the scheme by encouraging existing members remain in the scheme and non-members to join. Levels of contribution rates which will ensure protection of the lowest paid within the workforce and to continue to provide quality benefits to scheme members.

5. Consultation

5.1 A six week technical consultation exercise on the draft Local Government Pension Scheme (Scotland) (Amendment No. 2) Regulations 2015 commenced on 1 September 2015 and ended on 12 October 2015.

6. Impact Assessment

6.1 These Regulations have no new impact on business or the voluntary sector as they are amending Regulations to improve administration of the scheme and to implement other government policies.

7. Contact

7.1 If you have any queries regarding this instrument, please contact Annette Greenslade at the Scottish Public Pensions Agency;
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Scottish Public Pensions Agency
An Agency of the Scottish Government

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