

Note of Proposed Changes

These Regulations set out the transitional and savings provisions relating to members of the Local Government Pension Scheme 2009 (“the 2009 Scheme”) which is to be replaced by a new Local Government Pension Scheme by the Local Government Pension Scheme (Scotland) Regulations 2014 (SSI 2014/???) with effect from 1st April 2015 (“the 2015 Scheme”). Their effect is to protect the benefits accrued by members of the 2009 Scheme before 1st April 2015.

Regulation 2 and **Schedule 1** revoke, subject to savings, the regulations which constitute the 2009 Scheme and its predecessor Schemes.

Regulation 3 preserves the membership and benefits accrued in the previous Schemes.

Regulation 4 ensures that an active member who was within 10 years of normal pension age under the 2009 Scheme on 1st April 2012 is entitled to draw benefits on retirement which are no less than they would have been able to draw if the 2009 Scheme had continued to exist.

Regulation 5 provides for automatic transfer into the 2015 Scheme of persons who are members of the 2009 Scheme on 31st March 2015.

Regulation 6 preserves the status of admission agreements entered into before the 2015 Scheme commences, meaning that membership of the Scheme is maintained for employees who became members by virtue of an admission agreement.

Regulation 7 provides that membership of the 2009 Scheme and its predecessor Schemes, and transfers from different pension schemes into those Schemes counts as membership of the 2015 Scheme. This is relevant for identifying when members of the 2015 Scheme have reached the two year vesting period required to be entitled to benefits under the 2015 Scheme.

Regulation 8 identifies elements of remuneration which are not to count as pensionable pay under the 2015 Scheme.

Regulations 9 and 10 make provision as regards transfers into the 2015 Scheme of benefits from other public service pension schemes and between funds in the 2015 Scheme. The effect of the provisions is to enable certain members to benefit from the provisions in Schedule 7 to the Public Services Pension Act 2013 which provide for the calculation of final salary to be based on the remuneration a person receives at the date of retirement rather than the date of transfer.

Regulation 11 provides for the dates on which benefits under the 2009 Scheme and its predecessor Schemes may and must be drawn.

Regulation 12 preserves transitional protection for certain groups as regards entitlement to ill-health benefits and makes provision for how recipients of ill-health benefits under the 2009 Scheme are to be dealt with under the 2015 Scheme.

Regulation 13 provides for amounts of pension deriving from the 2009 Scheme and its predecessor Schemes taken as a lump sum to be brought into account when a member commutes pension under the 2015 Scheme into a lump sum.

Regulations 14 and 15 make provision in respect of contributions and the purchase of additional pension. Arrangements for the purchase of added membership and additional pension entered into before 1st April 2015 are preserved and purchase benefits under the 2009 Scheme.

Regulation 16 makes provision for payments to be taken from benefits accrued under the 2009 and predecessor Schemes where appropriate when a member has a tax charge to pay under the Finance Act 2004.

Regulation 17 makes provision for survivor pensions and death grants where the deceased member was entitled to benefits under both the 2009 Scheme and the 2015 Scheme.

Regulation 18 and Schedule 2 preserve the so-called “rule of 85” for qualifying members, enabling them to draw benefits without actuarial reduction when the sum of their age and the years membership of the local government pension scheme equals or exceeds 85.

Regulation 19 preserves any directions issued by the Scottish Ministers changing the appropriate administering authority for a member.

Regulation 20 makes provision in respect of pension sharing orders to ensure they have appropriate impact on pre-2015 Scheme benefits.

Regulation 21 preserves regulations entitling members to obtain information necessary to enable them to pursue claims relating to the miss-selling of pensions.

Regulation 22 requires Scheme employers to provide information to administering authorities to enable them to carry out their functions.

Regulation 23 provides for the procedures for the resolution of disputes under the 2015 Scheme to apply in respect of any unresolved disputes under the 2009 Scheme.

Regulation 24 applies to various bodies that have for historical reasons come within the local government pension scheme with modifications as to how the Scheme regulations apply to their employees. The effect of the regulation is to carry over those modifications into the 2015 Scheme with the exception of any modification of the normal retirement age of members, which is to be changed where necessary to come into line with the provisions applying to all members of the 2015 Scheme.

Regulation 25 preserves provisions relating to the application of the Pensions (Increase) Acts which can lead to a requirement on Scheme employers to make additional payments into the fund clarifying where liability for any such requirements lies in the case of certain employers.