

POLICY NOTE

The Local Government Pension Scheme (Scotland) Regulations 2018

SSI 2018/141

1. Purpose of the instrument

1.1 These regulations consolidate all previous amendments and take into account the day to day experience of applying the 2014 Regulations since 1 April 2015 where areas for clarification have been sought or a change in approach has been requested. The recent UK Government Pension Schemes Act 2015 has been taken into account.

1.2 The regulations revise existing provisions to add clarity and address other issues raised as part of good stewardship of the regulatory framework of the Scheme created by the 2014 Regulations (“the Scheme”).

2. Legislative context

2.1 This instrument was made in exercise of the powers conferred by section 9 and 12 of and Schedule 3 to the Superannuation Act 1972, section 1(1) and (2)(d) of, and paragraph 4 (b) of schedule 2 of, the Public Service Pensions Act 2013. It is subject to negative procedure, which will be made under the powers conferred by sections 1 and 3 of, and Schedule 3 to, the Public Service Pensions Act 2013.

3. Territorial Extent and Application

3.1 This instrument applies to Scotland.

4. Policy Objectives

4.1. The changes include amendments to allow more flexibility for administering authorities to manage liabilities when employers leave the Scheme and to provide for an ‘exit credit’ to exiting employers if appropriate.

4.2. They provide more options for using Additional Voluntary Contributions in the Scheme following the introduction of the UK Government’s ‘Freedom and Choice in Pensions, policy. Other draft regulations deal with how the Scheme operates within the Public Sector Transfer Club, while there are a number of draft amending regulations that are intended to improve the administration of the Scheme.

5. Consultation

5.1 The Scottish Public Pensions Agency conducted a nine week consultation, extended to the 15 January 2018 on request. The consultation was circulated to interested parties via email on 6 November 2017. The consultation received 8 responses. These included suggestions to provide the Regulations with tracked changes to easily identify all amendments, recommended changes to enable pension funds to operate Voluntary Scheme Pays, a recommendation that all Funds should align their policies to achieve greater efficiency of public services for taxpayers. Lessons have been learned from this

consolidation including the need to provide tracked changes and the numbering changes as a result of consolidation. These comments will be considered in the context of future amendments.

6. Impact Assessment

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

7. Contact

7.1 If you have any queries regarding this instrument, please contact Kimberly Linge at the Scottish Public Pensions Agency;

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Scottish Public Pensions Agency
An Agency of the Scottish Government

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