

TECHNICAL BULLETIN

NO.12

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TO ALL EMPLOYERS WITH MEMBERS IN THE LOCAL GOVERNMENT PENSION SCHEME. PLEASE ENSURE COPIES ARE PASSED TO RELEVANT STAFF.

THE LOCAL GOVERNMENT PENSION SCHEME (SCOTLAND) AMENDMENT REGULATIONS 2005 (SSI 2005/293)

The above-mentioned Amendment Regulations have recently been issued, coming into force on 30 June 2005 with Amendment Regulation 3 having retrospective effect from 8 December 2002.

The Amendment Regulations make various changes to the Local Government Pension Scheme (Scotland) Regulations 1998. The changes are broadly analogous with various changes made to the LGPS in England and Wales over the period since 2001, including the "Phase One Stocktake" changes.

Copies can be purchased from The Stationery Office and can also be viewed at the following web address: <http://www.opsi.gov.uk/legislation/scotland/ssi2005/20050293.htm>

A brief résumé of the main amendments follows for information. But please note that this is not intended to be a comprehensive guide. It remains the responsibility of individual employers to ensure they are familiar with the Regulations.

Regulation 3 amends various Regulations of the principal Regulations so as to take account of new entitlements to paternity and adoption leave provided for by the Employment Act 2002 that came into force on 8th December 2002.

Regulation 5 amends regulation 4 of the principal Regulations by substituting new regulations 4, 4A and 4B, which provide for administering authorities to make admission agreements to enable employees of non Scheme employers to be members of the Scheme.

This and Reg 28 (below) may be of particular interest to those employers considering, or in the process of, moving services to a private contractor.

Regulation 12 amends regulation 26 of the principal Regulations (ill health) to clarify the definition of "permanently incapable". *Employers must inform their Occupational Health advisers of this change.*

Regulations 21 and 22 amend regulations 51 and 52 of the principal Regulations to provide that employing authorities may augment an active member's total membership at any time during scheme membership. *This is a discretion available to employers, who should now check whether their policy on discretions available under the LGPS requires updating/amendment.*

Regulations 26 and 27 amend regulations 75 (accounts and audit) and 76 (actuarial valuations and certificates) of the principal Regulations to require administering authorities "after consultation with such persons as they think appropriate" to prepare, maintain and publish a written Funding Strategy Statement. This must take account of guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) together with the fund's Statement of Investment Principles. The FSS must be

taken into account by the Scheme Actuary in carrying out an actuarial valuation. *The Strathclyde Pension Fund will issue a draft FSS for consultation later in 2005.*

Regulation 28 amends regulation 77 of the principal Regulations (special circumstances where actuarial valuations and certificates must be obtained) to require an indemnity or bond instead of a guarantee or indemnity and to allow the actuary to provide, in certain circumstances, that where an outgoing admission body cannot pay revised contributions to a fund, that liability is borne by the Scheme employer who is a party to the admission agreement.

Regulation 38 inserts a new Regulation 105A into the principal Regulations requiring the administering authority to issue an annual benefit statement to each of its active, deferred and pension credit members.

If you have any questions regarding this bulletin or amending SSI No. 293 please direct them to your usual contact within SPFO or speak to Tom Hammond on 0141 287 7441 or Sarah Mallon on 287 7348.

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