

**EXPLANATORY MEMORANDUM TO THE
LOCAL GOVERNMENT PENSION SCHEME (AMENDMENT) REGULATIONS
2005 No. 1903**

1. This explanatory memorandum has been prepared by the Office of the Deputy Prime Minister and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Select Committee on the Merits of Statutory Instruments.

2. Description

- 2.1 The Regulations amend the Local Government Pension Scheme Regulations 1997 (the “principal Regulations”) to have effect from 1st April 2005.

3. Matters of special interest to the Select Committee on the Merits of Statutory Instruments

- 3.1 None.

4. Legislative Background

- 4.1 The rules governing the Local Government Pension Scheme (the “Scheme”) are found in the principal Regulations.
- 4.2 The Regulations place the Scheme in the position it was in as at 31 March 2005 immediately before the Local Government Pension Scheme (Amendment)(No 2) Regulations 2004 (the “No 2 Regulations”) came into effect.
- 4.3 The Regulations revoke most of the provisions to be found in the No 2 Regulations, but leave in place certain corrective measures linked to the counting of periods of membership in the Scheme.
- 4.4 The Regulations enable further actuarial valuations to be carried out as at 31 March 2005 to establish the cost implications of this change, and how that cost can be managed.

5. Extent

- 5.1 This instrument applies to England and Wales.

6. European Convention on Human Rights

- 6.1 Not applicable.

7. Policy background

- 7.1 Following a statutory consultation exercise and having considered the responses, Ministers have decided to revoke changes introduced by the Local Government Pension Scheme (Amendment)(No 2) Regulations 2004, with effect from 1 April 2005. This will allow for fresh evidential based data to be

gathered on the effects of phasing out the capacity of Scheme members to retire on unreduced pensions at age 60. At the same time, interim valuations will allow an updated assessment of the solvency position of individual pension funds and how the consequences for each one arising from the regulation changes are being managed as from 1 April 2005 in terms of adjusting employer contribution rates from 1 April 2006.

8. Impact

8.1 A Regulatory Impact Assessment has been prepared for this Regulation.

9. Contact

9.1 Brian Town at the Office of the Deputy Prime Minister Tel: 020 7944 6015 or e-mail: brian.town@odpm.gsi.gov.uk can answer any queries regarding the instrument.