

EXPLANATORY MEMORANDUM TO
THE LOCAL GOVERNMENT PENSION SCHEME (ADMINISTRATION)
REGULATIONS 2008

2008 No. 239

THE LOCAL GOVERNMENT PENSION SCHEME (TRANSITIONAL PROVISIONS)
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1. This explanatory memorandum has been prepared by the Department for Communities and Local Government and is laid before Parliament by Command of Her Majesty.

2. **Description**

These two instruments make provision in connection with the Local Government Pension Scheme (“the Scheme”). They cross refer to each other and are made on the same date. The Local Government Pension Scheme (Administration) Regulations 2008 (“the Administration Regulations”) deal with the administrative provisions of the Scheme. The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 (“the Transitional Regulations”) make transitional and savings provisions in connection with the Scheme.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

None

4. **Legislative Background**

4.1 The Local Government Pension Scheme Regulations 1997 (S.I.1997/1612) (“the 1997 Regulations”) constitute the occupational pension scheme (“the 1997 Scheme”) for local government employees, other than teachers, police officers and firefighters until 31st March 2008. On 1st April 2008 the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (S.I. 2007/1166) (“the Benefits Regulations”) come into force and make provision for the Scheme for the future and replace much of the 1997 Scheme. The Transitional Regulations revoke many but not all provisions of the 1997 Regulations. The Administration Regulations are to make provision for the administration of the Scheme from 1st April 2008.

4.2 See also paragraphs 2 and 7.

5. **Territorial Extent and Application**

This instrument applies to England and Wales.

6. **European Convention on Human Rights**

As these instruments are subject to negative resolution procedure and do not amend primary legislation, no statement is required.

7. Policy background

7.1 Section 7 of the Superannuation Act 1972 enables the Secretary of State to provide through regulations an occupational pension scheme for local government employees (other than teachers, police officers and firefighters) and employees of certain other bodies.

7.2 The Administration Regulations set out the administrative arrangements and processes for the Scheme. They complement the Benefits Regulations.

7.3 The Administration Regulations are similar to those under the 1997 Scheme which dealt with administration. The functions of the fund administering authorities which administer the Scheme at local level will not change. The Regulations replicate provisions of the 1997 Scheme that remain relevant, including recent innovations such as the requirements for each authority to publish a pension fund annual report and a governance compliance statement. But the Regulations also make the changes needed to reflect the details of the benefit package and the different rules on members' contributions under the new Scheme as set out in the Benefits Regulations.

7.4 The Transitional Regulations provide the means of calculating benefits in circumstances where members' total period of membership includes rights accruing under both the 1997 regulations and the Benefits Regulations, which were identified by consultees when the Benefits Regulations were introduced. They also revoke many provisions of the 1997 Regulations and make certain savings provisions to protect the benefits accrued by members of the 1997 Scheme who left before 1st April 2008.

7.5 The Administration and the Transitional Regulations have been made after a statutory consultation with interested parties, i.e. fund administering authorities; participating employers which are local, police, or fire and rescue authorities; trades unions; representative organisations for local government employers, local government professional organisations, the Audit Commission, the Chartered Institute of Public Finance Accountants (CIPFA); and the government departments responsible for comparable schemes in Scotland and Northern Ireland. The regulations include various clarifications and improvements suggested by consultees. Existing well-established means of communication are being used to ensure scheme administrators' awareness of the changes.

8. Impact

8.1 A Regulatory Impact Assessment was provided for the Benefits Regulations but it is not considered necessary for either of these two statutory instruments as they have no further impacts on business, charities or voluntary bodies, nor do they have a significant impact in pension policy development.

8.2 The impact on the public sector is not expected to be significant.

9. Contact

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