

EXECUTIVE NOTE

THE LOCAL GOVERNMENT (DISCRETIONARY PAYMENTS AND INJURY BENEFITS) (SCOTLAND) AMENDMENT REGULATIONS 2009

SSI 2009/187

The above instrument is made in exercise of the powers conferred by sections 7 and 12 and 24 of the Superannuation Act 1972. These powers have been executively devolved to the Scottish Ministers by virtue of the Scotland Act 1998 (Transfer of Functions of the Scottish Ministers etc) Order 1999 (SI 1999/1750). The Instrument is subject to negative resolution procedure.

These Regulations amend the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 (“the Injury Benefit Regulations”). Regulations 3 to 6, 9 to 19, 21 to 25 and 28 are consequential to the Local Government Pension Scheme 2009 constituted by the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 (“the Administration Regulations”) and the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008 (“the Benefits Regulations”) or make other minor amendments.

Policy Objectives

The main changes introduced by these regulations are as follows;

- to make provision for the payment, at the employer’s discretion, of a one-off limited lump sum to an employee in circumstances where the employment is terminated on grounds of ill-health but the employee is not eligible to receive ill-health retirement benefits because they are not *permanently* incapable of discharging their duties;
- to increase the compensation payable to employees who cease to be employed by reason of redundancy or business efficiency from 66 weeks’ pay to 104 weeks’ pay to mirror the provisions in comparable schemes in England and Wales.
- to provide that any lump sums and annual compensation arising from the award of compensatory added years continue to be calculated at $\frac{3}{80}^{\text{th}}$ and $\frac{1}{80}^{\text{th}}$ (respectively) of the person’s pay;

(No additional monies are to be made available to local authorities in respect of these discretionary payments. Any payments would have to be met from within existing budgets.)

- to allow administering authorities to recover additional costs from employing authorities which have been incurred and were attributable to the authorities’ level of performance, and

- to enable administering authorities to set out procedures for liaising and communicating with employing authorities and to establish levels of performance which they and their employing authorities were expected to achieve in carrying out their scheme functions.

A number of minor technical amendments which are consequential on the introduction of the new Local Government Pension Scheme in Scotland on 1 April 2009 and which are not material in nature (ie they do not impact on potential beneficiaries), are also made, including updating references to the Local Government Pension Scheme (Scotland) Regulations 1998 and other pensions legislation.

Consultation

The main changes have been consulted upon and no adverse comments received.

Financial effects

A full regulatory impact assessment has not been produced for this instrument as it has no impact on the costs of businesses, charities or voluntary bodies and does not have a significant financial impact on any public bodies.

Scottish Public Pensions Agency
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