

## **POLICY NOTE**

### **THE LOCAL GOVERNMENT PENSION SCHEME (MISCELLANEOUS AMENDMENTS) (SCOTLAND) REGULATIONS 2014**

#### **SSI 2014/23**

The above instrument was made in exercise of the powers conferred by sections 7, 12 and 24 of the Superannuation Act 1972. The instrument is subject to negative procedure.

#### **Policy Objectives**

The Regulations introduce amendments to the Local Government Pension Scheme (LGPS) in Scotland to –

- revise current wording on auto-enrolment following updated guidance from the Pensions Regulator, to ensure that local government employers are compliant with the duties required by The Pensions (Automatic Enrolment) Regulations 2009. The amended wording will ensure that eligible jobholders are automatically enrolled into the LGPS, whilst also maintaining the right of the employer to apply a 3 month postponement period for employees on a contract of less than 3 months;
- introduce a further option for members who, on leaving the LGPS with access to their scheme benefits, also have an Additional Voluntary Contributions pot. The new option will allow such persons, as an alternative to purchasing an annuity, to transfer the pot to another registered pension scheme. A similar amendment is shortly to be made to the Scottish Teachers' superannuation Scheme;
- amend the provision relating to death grants in the case of pensioner members to provide that, where an administering authority has not paid a death grant before the end of two years, they must pay the appropriate amount to the member's executors.

These changes do not materially affect members' benefits.

#### **Consultation**

To comply with the requirements of section 7(5) of the Superannuation Act 1972, stakeholders were consulted between 31<sup>st</sup> October and 1<sup>st</sup> December 2013. Those consulted were COSLA, relevant Trades Unions, Scottish Local Government Pension Funds, CIPFA, Society of Local Authority Chief Executives, National Association of Pension Funds, Audit Scotland and Other Relevant Government Departments.

No substantive points were raised as a result of the consultation exercise.

#### **Impact Assessment**

There are no equality impact issues.

## **Financial Implications**

The changes are cost neutral.

## **Business and Regulatory Impact Assessment (BRIA)**

The Cabinet Secretary for Finance , Employment and Sustainable Growth confirms that no BRIA is necessary as the instrument has no financial effects on the Scottish Government, local government or on business.

Scottish Government  
Scottish Public Pensions Agency  
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