Dear Sir/Madam

DRAFT REGULATIONS - THE LOCAL GOVERNMENT PENSION SCHEME (ADMINISTRATION)(SCOTLAND)(AMENDMENT) REGULATIONS 2014

1. I attach for your comments the draft Local Government Pension Scheme (Administration) (Scotland) (Amendment) Regulations 2014.

2. The regulations introduce amendments relating to auto-enrolment and AVCs.

3. Your technical comments on the draft regulations are now invited and they should be returned to SPPA **NO LATER THAN CLOSE ON MONDAY 2 DECEMBER 2013**.

4. The proposed changes are set out in detail in Annex A attached.

Handling your response

5. All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

6. A Respondent Information Form is also provided at Annex B for completion and return to SPPA. Using this form will simplify our task of collating responses and will make the process more efficient.

Next steps in the process

7. Where respondents have given permission for their response to be made public these will be made available to the public in the Scottish Government Library after the consultation period. We will check all responses where agreement to publish has been given for any potentially defamatory material before logging them in the library. You can
make arrangements to view responses by contacting the SG Library on 0131 244 4556. Responses can be copied and sent to you, but a charge may be made for this service.

8. Once the consultation has closed we will consider all responses when preparing the final Regulations.

Completed information

9. The completed Respondent Information Form and any comments you wish to make should be returned, by the deadline of 2 December 2013, to Kim Linge, Policy Manager, Scottish Public Pension Agency, 7 Tweedside Park, Tweedbank, Galashiels TD1 3TE (tel: 01896 893229).

10. Copies of the proposals and Respondent Information form can be accessed on the LGPS page of the SPPA website. Your responses and completed Respondent Information form can be sent electronically to locgovpensionsreform@scotland.gsi.gov.uk. If you would prefer to have a set of these consultation documents and draft regulations sent to you in hard copy, please do not hesitate to contact kimberly.linge@scotland.gsi.gov.uk to request a set.

Comments and complaints

11. Information on the Scottish Government Consultation Process can be found in Annex B of this letter. If you have any comments about how this consultation exercise has been conducted, please contact Jackie Foster by telephone on 01896 893096 or by e-mail to jackie.foster@scotland.gsi.gov.uk. If you wish to discuss the proposals for the new scheme in more detail please do not hesitate to contact myself either by telephone on 01896 893227 or by e-mail to david.lauder@scotland.gsi.gov.uk.

Yours faithfully

D Lauder
Policy Manager, LGPS

Addresseees
COSLA
TGWU
GMB
STUC
UNISON
AMICUS
Secretary, LGPC
Educational Institute for Scotland
Union of Construction, Allied Trades and Technicians
Audit Scotland
National Association of Pension Funds
Scottish Local Government Pension Scheduled Bodies
Scottish Local Government Pension Funds
CIPFA
Women’s National Commission
Other Relevant Government Departments
SOLACE
SLARC
NAC
The changes introduced by the draft regulations are as follows:

**Auto-enrolment**

The Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 were amended in 2012 to meet the requirements of Auto-Enrolment. The substantial amendment was to regulation 10 of the Administration Regulations and an amendment was also made to regulation 3 of the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008, adding new sub-paragraph (4). (SSI 2012/347).

Following the introduction of these changes, concerns were expressed by some employers that the Local Government Pension Scheme (LGPS) was still not properly compliant with the primary Auto Enrolment legislation as it did not fully meet the requirements to auto-enrol those LG employees who had a contract of less than three months duration. Although the original changes would allow such persons to opt into the scheme on taking up employment, they did not deal with the circumstance where such individuals did not take up that option. The proposed amendments provide that where such a person does not opt to join to scheme on the first day of employment, they will become an active member –

(a) on their automatic enrolment date;
(b) if they apply to become a member; or
(c) on the first day of the payment period following an extension to the contract of employment.

**Transfer of AVCs**

It has been decided to introduce an additional option for members with an AVC who leave LG employment. The additional option is to transfer their AVCs to another registered pension scheme. This change will bring the LGPS into line with the Scottish Teachers’ superannuation scheme, which is introducing a similar amendment.