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<http://www.sppa.gov.uk>

To the addressees below

Tel: 01896 89 3227
Fax: 01896 893214
Kimberly.linge@scotland.gsi.gov.uk

Your ref:
Our ref: LGT

6th January 2014

Dear Sir/Madam

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

1. I attach a link to the draft Local Government Pension Scheme (Scotland) Regulations 2014, which set out the new Local Government Pension Scheme (LGPS) in Scotland to be introduced from 1st April 2015:

http://www.sppa.gov.uk/index.php?option=com_content&view=article&id=486&Itemid=252

2. Your technical comments on the draft regulations are now invited and they should be returned to SPPA **NO LATER THAN CLOSE ON FRIDAY 14th FEBRUARY 2014**.

Background

3. The Scottish Local Government Pensions Advisory Group (SLOGPAG), comprising representatives from COSLA, the trades unions and the Scottish Government, has over the last eighteen months, been working, to develop proposals for a new Scottish Local Government Pension Scheme with effect from April 2015. This method of developing the new Scheme to meet Scottish needs represents the Scottish Government's preferred collaborative approach and the advantages of this open and transparent process are recognised by each of us.

4. Some of the proposed amendments to the existing Regulations are to ensure that the reformed LGPS in Scotland complies with the UK Public Services Pensions Act 2013. The purpose of the changes is to ensure the delivery of a scheme, which continues to provide valued benefits for scheme members which are affordable, sustainable and fair to employers, scheme members and tax payers.

5. The new LGPS will be a defined benefit 'career average revaluation of earnings' (CARE) scheme. This will ensure that it maintains its relative value in terms of benefits in



relation to other public sector schemes. The main changes relate to the issues highlighted in the report produced by Lord Hutton of Furness in March 2011 – “Independent Public Service Pensions Commission: Final Report” (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/207720/hutton_final_100311.pdf) which made recommendations aimed at ensuring the sustainability of all Public Service Pension Schemes.

6. A summary of the features of the new scheme are set out in the attached [Annex A](#).
7. It will be noted that the current scheme’s approach of having two separate sets of Regulations – the Local Government Pension Scheme (Benefits, Membership and Contributions)(Scotland) Regulations 2008 and the Local Government Pension (Administration)(Scotland) Regulations 2008 – has been changed. The new scheme is covered by a single set of Regulations.
8. A Derivation Table is attached at [Annex B](#).
9. The Heads of Agreement document, signed in December 2013 by representatives of COSLA, the trades unions and the Scottish Government, (annex A of which gives a more detailed “at a glance” guide to the features of the new scheme) is available through the attached link:

Transitional Regulations

10. Drafting of Transitional Regulations, which will cover the position of existing staff moving to the new scheme in April 2015, is on-going but we hope to be in a position to issue draft regulations for comment at the beginning of February. The consultation exercise on the Transitional Regulations will have its own timetable.

Handling your response

11. 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.

12. A Respondent Information Form is also provided at [Annex C](#) 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

13. 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.

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



Completed information

15. The completed 'Respondent Information Form', and any comments you wish to make, should be returned by the deadline of **Friday 14th February 2014**, to; Kimberly Linge, Policy Manager, Scottish Public Pension Agency, 7 Tweedside Park, Tweedbank, Galashiels TD1 3TE (tel: 01896 893229).

16. Copies of these proposals and Respondent Information form can be accessed on the [Pension Reforms](#) area 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

17. Information on the Scottish Government Consultation Process can be found in Annex C of this letter. If you have any comments about how this consultation exercise has been conducted, please contact David Lauder by telephone on 01896 893227 or by e-mail to david.lauder@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 893229 or by e-mail to kimberly.linge@scotland.gsi.gov.uk

Yours faithfully

Kimberly Linge
Policy Manager, LGPS

Addressees:

AMICUS
Audit Scotland
CIPFA
COSLA
Educational Institute for Scotland
GMB
NAC
National Association of Pension Funds
Other Relevant Government Departments
Scottish Local Government Pension Scheduled Bodies
Scottish Local Government Pension Funds
Secretary, LGPC
SLARC
STUC
SOLACE
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UNITE
Women's National Commission



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