

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

### Introduction

This Equality Impact Assessment (EQIA) has been designed to identify whether, and how, this policy will affect people and to ensure the needs and rights of all individuals affected are considered. It has considered relevant evidence in order to understand the likely effect on protected groups which include:

- identifying any existing inequality
- predicting any potential adverse impact
- informing service improvement - particularly for disadvantaged or under-represented groups
- identifying any appropriate actions to eliminate or minimise any adverse impact and for promoting positive impact

An EQIA process is not just about identifying (and mitigating) negative impacts. It is about proactively looking for opportunities to promote equality.

This Equality Impact Assessment of the new Local Government Pension Scheme (LGPS) (Scotland) 2014 (which will take effect from April 2015) began in March 2013 and has been undertaken by Scottish Government in consultation with representatives from LGPS Employers and Unions.

The public sector equality duty in the Equality Act 2010 came into force in April 2011 – this is often referred to as the general duty. Scottish public authorities must have 'due regard' to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations.

Marriage and civil partnership are covered under the general duty in respect of eliminating unlawful discrimination.

The relevant protected characteristics referred to in the second and third elements of the general duty are age, disability, sex, gender reassignment, pregnancy and maternity, race, religion or belief, and sexual orientation.

The Scottish Local Government Pensions Advisory Group (SLOGPAG) are committed to ensuring that future Governance arrangements for the LGPS scheme include the collation of the necessary data from employers including; sexual orientation, gender reassignment, pregnancy and maternity and religion or belief. This information is required to ensure that there is sufficient evidence that these groups are treated equally in the scheme.

### Consultation/engagement

The members of SLOGPAG were diverse and they consulted with, and represented the views of, stakeholders. There will be a period of public consultation on the new scheme before the scheme regulations are laid in parliament in April 2014.

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

### Stated Policy Aims

#### COSLA

“Scotland’s Councils are one of Scotland’s largest employers, employing over 280,000 people. Our employees work at the heart of every local community, providing valued and cherished services allowing people to work, live in or visit our communities.

COSLA recognise the essential role played by our employees in delivering these services and realising positive outcomes for people and communities and so we welcome the opportunity to ensure we are providing a fair and sustainable reward package to our employees.

The reform of the LGPS in Scotland, whilst deemed unnecessary by COSLA and the Trade Unions, has provided an opportunity for COSLA to ensure that the scheme design and governance arrangements are sustainable, focused on supporting colleagues at the lower end of the pay-scale and uniquely Scottish in approach.”

#### Trade Unions

“The local government trades unions, UNISON, GMB, Unite and UCATT, regard the reform of the Scottish LGPS as an unnecessary interference by the UK Government in the operation of a pension scheme that had been updated as recently as April 2009.

Our approach has been to minimise the impact of the changes imposed by the UK Government and maintain the main elements of the uniquely Scottish approach. The main aim was to protect and improve pension benefits for the majority of members without increasing contributions. Such an increase would simply drive members away from pension provision at a time of pay cuts and other economic pressure.

We hope the new scheme will attract new members, particularly women and those at the lower end of the pay scale who are most likely to suffer by not having a secure pension in retirement. In doing so we believe we have a sustainable and affordable scheme for the longer term.”

#### Scottish Ministers

The reform of the Local Government Pension Scheme in Scotland is as a result of the overarching UK Public Service Pensions (PSP) Act 2013. Scottish Ministers aim to provide a new scheme, specific to Scottish members, which is affordable, sustainable and fair to employers, scheme members and tax-payers.

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

### Step One - Define the Aims of the Policy

Title of policy	Local Government Pension Scheme (LGPS) Scotland 2015
Name of Branch or Division	Policy Branch
Directorate or Agency	Scottish Public Pensions Agency
What is the purpose of the proposed policy (or changes to be made to the policy)?	The reform of the Local Government Scheme in Scotland is as a result of the overarching UK PSP Act 2013.
Who is affected by the policy or who is intended to benefit from the proposed policy and how?	The policy affects: <ul style="list-style-type: none"> <li>• Local Government Employers</li> <li>• LGPS Administering Authorities</li> <li>• Admitted and Scheduled Body Employers (including 3<sup>rd</sup> Sector organisations)</li> <li>• Scheme members (predominantly LG workforce).</li> </ul>
How have you, or will you, put the policy into practice, and who is or will be responsible for delivering it?	<ul style="list-style-type: none"> <li>• The new LGPS will come into effect on 1 April 2015.</li> <li>• To be regulated by the Scottish Ministers.</li> <li>• It will continue to be managed by the 11 Administering Authorities, who also manage fund investments.</li> </ul>
How does the policy fit into our wider or related policy initiatives?	<ul style="list-style-type: none"> <li>• The revised LGPS is one of a number of public sector pension schemes to be reformed as a result of the UK Pensions Act.</li> <li>• The aim of the Act was to reform public sector pension schemes to ensure that they are affordable and sustainable over the longer term.</li> <li>• The new scheme also introduces: <ul style="list-style-type: none"> <li>○ A career average revaluation of earnings (CARE), which is more equitable for all members than the current final salary scheme, which favours the higher paid.</li> <li>○ A link between Normal Pension Age (NPA) and State Pension Age (SPA) to encourage members to continue working past age 65</li> <li>○ A cost-control arrangement which</li> </ul> </li> </ul>

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

	<p>ensures that there is a mechanism in place to control the costs of employer contributions.</p> <ul style="list-style-type: none"><li>○ A new Governance structure with oversight of the whole scheme and associated costs.</li><li>○ Aspects to ensure the long term viability of the LGPS scheme and pensions benefits which are part of the overall Public Sector reward package.</li><li>○ The new scheme incorporates some elements of choice designed to encourage both retention of existing members and new membership.</li></ul> <ul style="list-style-type: none"><li>• In keeping with good practice, the new scheme was developed via a tripartite process under the aegis of SLOGPAG. This group included representatives from employers (including COSLA), trades unions and the Scottish Government.</li></ul>
Do you have a set budget?	Yes – liabilities are met through employer and member contributions. Administration costs met by local authorities.

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

**Step Two - What do you already know about the diverse needs and/or experiences of your target audience?**

<b>Do you have information on</b>	<b>Yes</b>	<b>No</b>
Age	√	
Disability		√
Gender	√	
Lesbian, Gay, Bisexual & Transgender		√
Race	√	
Religion and Belief	√	

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

<b>Age</b>	<u>Evidence</u>			
	<ul style="list-style-type: none"> <li>• Current scheme accessible from 16 to 75 years of age.</li> <li>• A flexible retirement age means it is not compulsory to take pension at NPA. The age at which benefits may be taken (the pension age) is any time between 55 and 75. Benefits will be subject to an actuarial adjustment (up or down) relative to the proximity of the pension age to the NPA, which is to be linked to the SPA or age 65, whichever is later. (Please note that a member seeking to access pension benefits between the ages of 55 and 60 require their employer's permission).</li> <li>• Retirement age protection to 2020 (Rule of 85 protections) and ill-health transitional protection from the previous scheme retained.</li> <li>• Transitional arrangements to protect the pensions of those members within 10 years of retirement at 1 April 2012.</li> </ul>			
	<b>Age</b>	<b>LGPS 1Membership</b>	<b>LGPS 2Workforce</b>	<b>LGPS Membership as % of Workforce</b>
	16-20	2,177	3,791	57.4
	21-30	12,074	19,858	60.8
	31-40	24,978	34,079	73.3
	41-50	51,722	66,492	77.8
	51-60	56,717	69,215	81.9
	61-65	8,859	14,868	59.6
	<b>Totals</b>	<b>156,527</b>	<b>208,303</b>	<b>75.1</b>
	<ul style="list-style-type: none"> <li>• The raising of the NPA to 66, 67 and beyond will cause a disproportionate impact on men. A review of life expectancy for members of the LGPS in Scotland has shown that the life expectancy of men (aged 65 in 2011) is 22.1 years compared to 24.8 for women. This amounts to 12% more pension years for women.</li> <li>• The raising of the NPA to 66, 67 and beyond is required by the UK Government's PSP Act 2013, and will have a greater impact on younger people as they will have a longer working period. If, however, the expected increases in life expectancy are realised, the period of 'pension-in-payment' should equate to that of older members.</li> </ul>			

<sup>1</sup> Source – Local Authority Pension Fund Administrators

<sup>2</sup> Source – Local Authority Employers

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

<b>Disability</b>	<p><u>Evidence</u></p> <ul style="list-style-type: none"><li>• Equal access to current scheme. Based on anecdotal evidence it may be assumed that disabled people are more likely to work part-time and potentially be lower paid. The new 50/50 option allows members to pay ½ the contribution rate in return for ½ the pension benefits. This may encourage lower paid members to join the scheme and assist existing members to remain in the scheme during short-term periods of hardship. This option will be reviewed following the 2017 valuations to ensure that it fulfils the policy intent.</li><li>• The flexible retirement options may be beneficial to disabled people and those with care responsibilities (in particular the care of older people). This provision allows a member to access pension benefits whilst remaining in employment.</li></ul> <p>The new scheme also retains career breaks, which allows members to take a break to attend to short or long-term care for family members with disabilities or ill-health.</p>
<b>Gender</b>	<p><u>Evidence</u></p> <ul style="list-style-type: none"><li>• CARE with 1/49<sup>th</sup> accrual and CPI revaluation - designed to better reflect the essentially short service, low paid, low expectation of promotion, membership base. This shift to calculating pension as a fraction of pensionable pay in each year rather than using service and final pay would redress the current advantage provided by a final salary arrangement to members with long service who gain promotion in excess of average pay increases, particularly towards the end of their careers.</li><li>• A CARE scheme will disadvantage those high earners who experience career progression later in their working life (mostly men - women are more likely to work part-time and take career breaks to bring up children). Those with low levels of pay, promotion and length of service due to e.g. childcare/other care responsibilities or/and disability reasons, will benefit from the CARE scheme, making the scheme more equitable over the whole workforce.</li><li>• Annual Benefit Statements will ensure that all groups are fully aware of the level of benefits that have been accrued and the ability to purchase additional pension.</li></ul>

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

<b>Gender (contd)</b>	<ul style="list-style-type: none"> <li>The new scheme will retain a five-tier contribution rate structure. This structure mitigates against the problem, that a fixed contribution rate for all members impacts negatively on low paid, who tend to be women.</li> <li>Contributions will be based on the actual pay of those working part-time not the full-time equivalent. This means that the cost of contributions is lower and better reflects the part-time salary. 57% of females and 12% of males work part-time. Most staff in the scheme earn, on average, less than £26,000, so the majority of scheme members will not face an increase in contributions, which will benefit all protected groups.</li> <li>The 50/50 option included in the new scheme is intended to encourage lower paid workers into the scheme and to retain those members during short-term periods of hardship. Lower paid / part-time female workers are expected to benefit from this provision.</li> <li>The definition of Pensionable Pay will include additional hours worked up to the standard full-time working week. This will specifically benefit scheme members who work part-time.</li> <li>The data table below clearly shows that the overwhelming majority of part-time workers are women. The data for disabled employees is not broken down by part-time / full time status but it is likely that a greater proportion of disabled people work part-time than non-disabled people<sup>3</sup>.</li> </ul>				
		<b><u>Total</u></b>	<b><u>Full-time</u></b>	<b><u>Part-time</u></b>	<b><u>% Part-time</u></b>
	<b>Male</b>	<b>74,100</b>	<b>66,700</b>	<b>7,400</b>	<b>12%</b>
	<b><u>Total</u></b>	<b><u>Full-time</u></b>	<b><u>Part-time</u></b>	<b><u>% Part-time</u></b>	
<b>Female</b>	<b>136,500</b>	<b>62,300</b>	<b>74,200</b>	<b>57%</b>	

<sup>3</sup> \*Scheme membership (GAD data – 2013 based on Fund Actuarial valuation reports as at 31 March 2011)



# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

<p><b>Lesbian, Gay, Bisexual &amp; Transgender</b></p>	<p><u>Evidence</u></p> <ul style="list-style-type: none"> <li>• Equal access to current scheme.</li> <li>• Pensions for partners who cohabit and civil partners equal those benefits afforded to married couples.</li> <li>• The requirement to nominate a cohabitee has been dropped.</li> </ul>																																																																											
<p><b>Race</b></p>	<p><u>Evidence</u></p> <ul style="list-style-type: none"> <li>• Equal access to current scheme.</li> <li>• Most local authorities did not have data for both scheme membership and the workforce as a whole. Of those that have the following is a breakdown between scheme membership and workforce<sup>4</sup>.</li> </ul> <table border="1" data-bbox="336 972 1362 1939"> <thead> <tr> <th>No of L.G. Employees (not W.T.E.)</th> <th>No of L.G. Employees in LGPS</th> <th>Race *</th> </tr> </thead> <tbody> <tr><td>99</td><td>63</td><td>African, African Scottish or African British</td></tr> <tr><td>21</td><td>10</td><td>African Other</td></tr> <tr><td>202</td><td>120</td><td>Any mixed or multiple ethnic groups</td></tr> <tr><td>2</td><td>1</td><td>Arab</td></tr> <tr><td>142</td><td>89</td><td>Asian Other</td></tr> <tr><td>10</td><td>6</td><td>Bangladeshi, Bangladeshi Scottish or Bangladeshi British</td></tr> <tr><td>56</td><td>30</td><td>Black, Black Scottish or Black British</td></tr> <tr><td>91</td><td>72</td><td>Chinese, Chinese Scottish or Chinese British</td></tr> <tr><td>182</td><td>108</td><td>Indian, Indian Scottish or Indian British</td></tr> <tr><td>1,682</td><td>584</td><td>Other</td></tr> <tr><td>609</td><td>362</td><td>Other White ethnic group</td></tr> <tr><td>211</td><td>109</td><td>Pakistani, Pakistani Scottish, Pakistani British</td></tr> <tr><td>1,817</td><td>1,087</td><td>White British</td></tr> <tr><td>117</td><td>79</td><td>White Eastern European (for example, Polish)</td></tr> <tr><td>955</td><td>607</td><td>White English</td></tr> <tr><td>4</td><td>3</td><td>White Gypsy/Traveller</td></tr> <tr><td>671</td><td>471</td><td>White Irish</td></tr> <tr><td>70</td><td>28</td><td>White Northern Irish</td></tr> <tr><td>10,756</td><td>7,540</td><td>White Other</td></tr> <tr><td>73,210</td><td>54,921</td><td>White Scottish</td></tr> <tr><td>75</td><td>45</td><td>White Welsh</td></tr> <tr><td>28,222</td><td>14,660</td><td>Prefer Not To Answer</td></tr> <tr><td>10,624</td><td>6,938</td><td>No ethnicity recorded</td></tr> <tr><td><b>129,828</b></td><td><b>87,933</b></td><td><b>Total</b></td></tr> </tbody> </table>	No of L.G. Employees (not W.T.E.)	No of L.G. Employees in LGPS	Race *	99	63	African, African Scottish or African British	21	10	African Other	202	120	Any mixed or multiple ethnic groups	2	1	Arab	142	89	Asian Other	10	6	Bangladeshi, Bangladeshi Scottish or Bangladeshi British	56	30	Black, Black Scottish or Black British	91	72	Chinese, Chinese Scottish or Chinese British	182	108	Indian, Indian Scottish or Indian British	1,682	584	Other	609	362	Other White ethnic group	211	109	Pakistani, Pakistani Scottish, Pakistani British	1,817	1,087	White British	117	79	White Eastern European (for example, Polish)	955	607	White English	4	3	White Gypsy/Traveller	671	471	White Irish	70	28	White Northern Irish	10,756	7,540	White Other	73,210	54,921	White Scottish	75	45	White Welsh	28,222	14,660	Prefer Not To Answer	10,624	6,938	No ethnicity recorded	<b>129,828</b>	<b>87,933</b>	<b>Total</b>
No of L.G. Employees (not W.T.E.)	No of L.G. Employees in LGPS	Race *																																																																										
99	63	African, African Scottish or African British																																																																										
21	10	African Other																																																																										
202	120	Any mixed or multiple ethnic groups																																																																										
2	1	Arab																																																																										
142	89	Asian Other																																																																										
10	6	Bangladeshi, Bangladeshi Scottish or Bangladeshi British																																																																										
56	30	Black, Black Scottish or Black British																																																																										
91	72	Chinese, Chinese Scottish or Chinese British																																																																										
182	108	Indian, Indian Scottish or Indian British																																																																										
1,682	584	Other																																																																										
609	362	Other White ethnic group																																																																										
211	109	Pakistani, Pakistani Scottish, Pakistani British																																																																										
1,817	1,087	White British																																																																										
117	79	White Eastern European (for example, Polish)																																																																										
955	607	White English																																																																										
4	3	White Gypsy/Traveller																																																																										
671	471	White Irish																																																																										
70	28	White Northern Irish																																																																										
10,756	7,540	White Other																																																																										
73,210	54,921	White Scottish																																																																										
75	45	White Welsh																																																																										
28,222	14,660	Prefer Not To Answer																																																																										
10,624	6,938	No ethnicity recorded																																																																										
<b>129,828</b>	<b>87,933</b>	<b>Total</b>																																																																										

<sup>4</sup> Data on race was gathered from 18/32 councils

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

	<ul style="list-style-type: none"> <li>• Ethnic minority groups have a younger age structure than the rest of the population and the ethnic minority population is growing.<sup>5</sup></li> <li>• Some ethnic minority groups are more likely to work part-time and rates are particularly high for women in some groups.</li> <li>• Research carried out by the Equality and Human Rights Commission in 2008 found that employees from ethnic minority groups have lower earnings than white people at most ages.</li> <li>• Minority ethnic groups have low income in later life from private (occupational or personal) pensions, partly due to shorter employment records in Britain since migration. They may also be more likely to opt out of pension provision, due to higher rates of in-work poverty, low levels of financial capability, and lower levels of familiarity with the English language and pensions terminology<sup>6</sup></li> </ul>																																				
<p>Religion and Belief</p>	<p><u>Evidence</u></p> <ul style="list-style-type: none"> <li>• Equal access to current scheme.</li> <li>• Possible to have personal pension scheme alongside, or instead of, membership of LGPS. This provides an alternative for individuals whose beliefs do not support investment for profit<sup>7</sup>.</li> </ul> <table border="1" data-bbox="336 1352 1401 1868"> <thead> <tr> <th>No of L.G. Employees (Not FTE)</th> <th>No of L.G. Employees in LGPS</th> <th>Religion and Belief *</th> </tr> </thead> <tbody> <tr> <td>723</td> <td>519</td> <td>Another Religion</td> </tr> <tr> <td>71</td> <td>39</td> <td>Buddhist</td> </tr> <tr> <td>10,198</td> <td>6,759</td> <td>Church of Scotland</td> </tr> <tr> <td>19</td> <td>9</td> <td>Hindu</td> </tr> <tr> <td>30</td> <td>19</td> <td>Humanist</td> </tr> <tr> <td>7</td> <td>5</td> <td>Jewish</td> </tr> <tr> <td>79</td> <td>48</td> <td>Muslim</td> </tr> <tr> <td>8,122</td> <td>5,584</td> <td>None</td> </tr> <tr> <td>2,773</td> <td>1,714</td> <td>Other Christian</td> </tr> <tr> <td>21</td> <td>13</td> <td>Pagan</td> </tr> <tr> <td>2,338</td> <td>1,516</td> <td>Roman Catholic</td> </tr> </tbody> </table>	No of L.G. Employees (Not FTE)	No of L.G. Employees in LGPS	Religion and Belief *	723	519	Another Religion	71	39	Buddhist	10,198	6,759	Church of Scotland	19	9	Hindu	30	19	Humanist	7	5	Jewish	79	48	Muslim	8,122	5,584	None	2,773	1,714	Other Christian	21	13	Pagan	2,338	1,516	Roman Catholic
No of L.G. Employees (Not FTE)	No of L.G. Employees in LGPS	Religion and Belief *																																			
723	519	Another Religion																																			
71	39	Buddhist																																			
10,198	6,759	Church of Scotland																																			
19	9	Hindu																																			
30	19	Humanist																																			
7	5	Jewish																																			
79	48	Muslim																																			
8,122	5,584	None																																			
2,773	1,714	Other Christian																																			
21	13	Pagan																																			
2,338	1,516	Roman Catholic																																			

<sup>5</sup> Scottish Census (2011)

<sup>6</sup> EHRC (2008): The under pensioned: disabled people and people from ethnic minorities.

<sup>7</sup> Data on religion/belief was gathered from 10/32 councils. Many councils do not have a robust evidence base on which to report religion and belief, this accounts for the low number of respondents.

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

No of L.G. Employees (Not FTE)	No of L.G. Employees in LGPS	Religion and Belief *
16	9	Sikh
21,853	13,955	Prefer not to answer
26,637	19,486	No information held
<b>72,887</b>	<b>49,675</b>	<b>Total</b>

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

**Step Three - Do you have enough information to help you understand the diverse needs and/or experiences of your target audience?**

**If not, what else do you need to know?**

Age	Do you have enough information to proceed?	YES	
Disability	Do you have enough information to proceed?	YES	
Gender	Do you have enough information to proceed?	YES	
Lesbian, gay, bisexual and transgender	Do you have enough information to proceed?	YES	
Race	Do you have enough information to proceed?	YES	
Religion and Belief	Do you have enough information to proceed?	YES	

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

**Step Four - What does the information you have tell you about how this policy might impact positively or negatively on the different groups within the target audience?**

Age	<ul style="list-style-type: none"> <li>• Equal access to the pension scheme;</li> <li>• retain retirement flexibilities which encourage continued participation in the workplace by older staff.</li> </ul>
Disability	<ul style="list-style-type: none"> <li>• equal access to the pension scheme;</li> <li>• retain ill-health benefits &amp; death in Service gratuity</li> </ul>
Gender	<ul style="list-style-type: none"> <li>• equal access to the pension scheme;</li> <li>• retaining tiered contribution rates on a banded basis increases the rates of the higher earners (disproportionately male) while reducing the contributions of the lower paid workers (disproportionately female) This helps to equalise the contributions to benefits ratio.</li> </ul>
Lesbian, Gay, Bisexual & Transgender	<ul style="list-style-type: none"> <li>• equal access to the pension scheme;</li> <li>• equal rights for civil and same sex partners as for married couples</li> </ul>
Race	<ul style="list-style-type: none"> <li>• equal access to the pension scheme;</li> <li>• The provision of simplified annual benefits statements which will show exactly what the member has accrued each year, contributions based on actual pay of those working part-time, the 50/50 option and the inclusion of additional hours worked up to the standard full-time working week; all of these changes will specifically benefit the lower paid scheme members who work part-time.</li> </ul>
Religion and Belief	<ul style="list-style-type: none"> <li>• equal access to the pension scheme;</li> <li>• no issues identified with religion and belief</li> </ul>

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

### Step Five - Will you be making any changes to your policy?

i) Change - Career average revaluation of earnings (CARE) revalued annually using the Consumer price index (CPI) to revalue the accrued pension.

Purpose – This change replaces the final salary pension scheme and is designed to redress the balance for members who are typically low paid, with short service and low expectation of promotion due to e.g. childcare/other care responsibilities or/race or disability.

This may disadvantage high earners, particularly those who experience career progression later in their careers, which tend to be men.

Is there any Impact?	Yes	No
Age	√	
Disability	√	
Gender	√	
Lesbian, Gay, Bisexual & Transgender		√
Race	√	
Religion and Belief		√

ii) Change - Pensionable pay to include additional hours

Purpose - This change seeks to better reflect the importance of counting each year's pensionable pay in a CARE scheme rather than the requirement for Final Pay (last year) in a Final Salary Scheme. It clarifies that part time members should have all additional hours counted as pensionable.

Is there any Impact?	Yes	No
Age		√
Disability	√	
Gender	√	
Lesbian, Gay, Bisexual & Transgender		√
Race	√	
Religion and Belief		√

iii) Change – Introduction of a 50/50 option

Purpose – This change is designed to provide a short-term alternative to those members who may be considering opting out of the scheme for financial reasons, as well as encouraging non-members, who are mainly low paid women, to save for their retirement. It is not envisaged to be a long-term alternative to full membership.

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

Is there any impact?	Yes	No
Age		√
Disability	√	
Gender	√	
Lesbian, Gay, Bisexual & Transgender		√
Race	√	
Religion and Belief		√

### iv) Change – Normal Pension Age to equal State Pension Age

Purpose – This change is a mandatory requirement in the Public Service Pensions Act 2013. Members will retain the option to retire and access their pension from the age of 55 with an actuarial reduction (employers consent required between the age of 55 and 60), or to work beyond their Normal Pension Age with cost-neutral uplift factors for benefits accrued beyond Normal Pension Age. Due to their typically younger demographic, those from ethnic minorities may have to work for longer before they are entitled to receive their pension.

There may be a disproportionate impact on men as their average life expectancy is 4 years less than women (according to ONS), and therefore they may be in receipt of their pension for a lesser period.

Is there any impact?	Yes	No
Age	√	
Disability		√
Gender	√	
Lesbian, Gay, Bisexual & Transgender		√
Race	√	
Religion and Belief		√

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

**Step Six - Does your policy provide the opportunity to promote equality of opportunity or good relations by altering the policy or working with others?**

Age	Yes	√	No	
Disability	Yes		No	√
Gender	Yes	√	No	
Lesbian, Gay, Bisexual & Transgender	Yes		No	√
Race	Yes	√	No	
Religion and Belief	Yes		No	√

Age	Transitional protection will encourage continued participation in the workplace by older staff.
Disability	No issues
Gender	Contributions based on actual part-time pay, the 50/50 option and the inclusion of additional hours for pension purposes will specifically benefit lower paid and part-time members
Lesbian, Gay, Bisexual & Transgender	Civil and same-sex partners have the same dependent's rights as married couples. The requirement to nominate a cohabitee has been dropped.
Race	Simplified annual benefits statements, contributions based on actual part-time pay, the 50/50 option and the inclusion of additional hours for pension purposes will specifically benefit the typically lower paid ethnic minority members.
Religion and Belief	No issues



# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

**Step Seven - Based on the work you have done - rate the level of relevance of your policy**

*Tick one box for each strand*

	Age	Disability	Gender	LGBT	Religion and belief	Race
Medium	√		√			√
Low						
Unknown No evidence or date has been collected therefore an assessment cannot be made		√*		√*	√	

\* Although no statistical evidence in terms of disability and LGBT exists, it is anticipated that the 50/50 option will be of relevance to those with disabilities, and the nomination of a cohabitee no longer being required will be of relevance to the LGBT group.

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

### Step Eight - Is a further impact assessment required?

Age	Yes		No	√
Disability	Yes		No	√
Gender	Yes		No	√
Lesbian, Gay, Bisexual & Transgender	Yes		No	√
Race	Yes		No	√
Religion and Belief	Yes		No	√

If you have answered yes please explain why

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

**Step Nine - Please explain how you will monitor and evaluate this policy/function or strategy to measure progress?**

**Please explain how monitoring will be undertaken, when it will take place and who is responsible for undertaking it.**

A Scheme Advisory Board will be established to take the place of the current tripartite SLOGPAG, which, as part of its remit, will continue to monitor equality issues as the new scheme is implemented.

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013



### Sign off and Authorisation

Impact Assessment Steps 1-9	Yes	No
1. Defined the aims of your policy	√	
2. Identified what we already know (i.e. what does the existing evidence base tell us?)	√	
3. Identified what more we need to know (i.e. what gaps have we identified in our evidence base?)	√	
4. Analysed the evidence (i.e. what does this all mean in relation to our policies?)	√	
5. Considered any necessary changes & identified action (i.e. will you be taking action to make any changes? If yes, what, when and who? If not, what are your reasons for not taking any action?)	√	
6. Identified opportunities to promote equality	√	
7. Measured differential impact	√	
8. Assessed whether further impact assessment work is needed	√	
9. Outlined arrangements for monitoring & evaluation	√	

# Local Government Pension Scheme (Scotland) 2015

## EQUALITY IMPACT ASSESSMENT

December 2013

Policy Title	Local Government Pension Scheme (LGPS) Scotland 2015
Name of Branch or Division	Policy Branch
Directorate or Agency	Scottish Public Pensions Agency
We have completed the equality impact assessment for this policy. 	Name: Kimberly Linge Position: Local Government Pension Policy Manager Date: 23 December 2013
Directorate authorisation 	Name: Chad Dawtry Position: Director of Policy, Strategy and Development Date: 23 December 2013

**On completion, an Equality Impact Assessment Results document will be published on the Scottish Public Pensions Agency website.**