

SPN/LG CIRCULAR No.4/2007

The Secretary General
Convention of Scottish Local Authorities

The Chief Executive
Scottish Local Authorities

The Chief Executive
Water Authorities

The Principal Reporter
Scottish Children's Reporter Administration

The Chief Executive
Scottish Environment Protection Agency

The Director General
Strathclyde Passenger Transport Executive

The Clerk
Strathclyde Passenger Transport Authority

Payroll Department
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Your ref:
Our ref: LGT/01/20/00

27th November 2007

Dear Sir/Madam

THE LOCAL GOVERNMENT PENSION SCHEME (SCOTLAND) AMENDMENT REGULATIONS 2007 - SSI 2007/514

I am writing about the above mentioned Amendment Regulations which come into force on 15th December 2007.

These regulations amend the Local Government Pension Scheme (Scotland) Regulations 1998 and the Local Government (Management and Investment of Funds) (Scotland) Regulations 1998.

A copy of these amendment regulations can be accessed via the following link, <http://www.opsi.gov.uk/legislation/scotland/ssi2007/20070514.htm> additional copies can also be purchased from the Stationery Office.

Consultation Process

The consultation process was conducted from 20th June 2007 to 21 September 2007, there were no significant comments received on the proposals. Technical points were taken into account when the Regulations were finalised.



Background

The main purpose of the regulations had been to make an amendment to the Local Government (Management and Investment of Funds) (Scotland) Regulations 1998 (“the Management and Investment of Funds Regulations”), in order to comply with EC Directive 2005/68EC on Re-insurance. However, after further consideration and legal advice it has been concluded that such an amendment is not in fact necessary.

The other amendments consulted upon to the Management and Investment of Funds Regulations and to the Local Government Pension Scheme (Scotland) Regulations 1998, do require to be made.

Effect of the Regulations

The Management and Investment of Funds Regulations have been amended to increase the limits on investment by fund administering authorities under stock-lending arrangements from 25% to 35% of the value of the fund, to reduce current investment restrictions on the Scottish funds.

The Local Government Pension Scheme (Scotland) Regulations 1998 have been amended as follows:

- to introduce a facility for civil partnership members to purchase pre-April 1988 service, at full cost to the members. This is in line with progressions taken across other public sector pension schemes, such as the Scottish Teachers Pension Scheme, as a result of the Civil Partnership Act 2004;
- to make minor amendments to clarify certain tax changes introduced in 2006 under the Finance Act 2004.

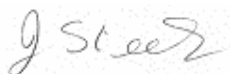
Executive Note

The Stationery Office now publish an Executive Note alongside new Regulations. The Note briefly describes a Statutory Instrument and its purpose, and is prepared for the information of Parliamentary Committees which examine proposed regulations. A Regulatory Impact Assessment was considered unnecessary as there is no significant change to the fund provisions, and no financial implications for the Funds. The Executive Note can be accessed by clicking the following link http://www.opsi.gov.uk/legislation/scotland/sen2007/ssien_20070514_en.pdf

Please draw this circular to the attention of Pension Managers and Superannuation Sections. You may also wish to draw it to the attention of the Directors of Finance and Administration.

Any enquiries regarding this circular and the amending SSI should be made to David Lauder by telephone on 01896 893227 or by e-mail to david.lauder@scotland.gsi.gov.uk .

Yours faithfully



JEAN STEEL
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