



Scottish Public
Pensions Agency
Buidheann Peinnseanan
Poblach na h-Alba

Changes to The Local Government Pension Scheme (Scotland) Regulations 2018

**Scottish Government
consultation
2025**

About This Consultation

The purpose of this consultation is to seek your views on changes to The Local Government Pension Scheme (Scotland) Regulations 2018 ("the 2018 regulations").

These Regulations will amend the Local Government Pension Scheme Regulations 2018 regulations and The LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014 ("the 2014 regulations") and will bring the Scottish scheme in line with scheme changes in England & Wales (E&W) and Northern Ireland (NI). We also propose to make minor technical changes to the Local Government Pension Scheme (Remediable Service) (Scotland) Regulations 2023 ("the 2023 regulations").

These amendments cover a number of proposals relating to pension benefits for scheme members, including forfeiture, opt outs, removal of the age 75 limit for death benefit payments, gender pension gap reporting, McCloud and other technical amendments.

It also provides for the transfer of Scottish Fire and Rescue Staff to the Strathclyde Pension Fund, and the addition of Neonatal care leave to the definition of child related leave.

We are seeking views on the draft regulations to effect these changes.

Consultation Process

The Scottish Government welcomes views on the proposals set out in this document to amend the regulations to create a fairer and more accessible Local Government Pension Scheme (Scotland (LGPS(S))) and reflect over-arching legislation.

Duration of Consultation

This consultation will last for 12 weeks from 2 September 2025 to 25 November 2025.

How to respond:

Please use the consultation response form and once completed send to SPPAPolicyConsultationResponses@gov.scot before midnight on the closing date.

Alternatively, responses can be posted to:

The Local Government Pensions Policy Team
SPPA, 7 Tweedside Park, Tweedbank, Galashiels, TD1 3TE

Further information

If you are unable to access an electronic version of the document, please write to the above address and a paper copy will be provided.

Data Protection Statement

The Scottish Public Pensions Agency (SPPA) is an executive Agency of the Scottish Government and forms part of the legal entity of the Scottish Ministers (Framework Document).

This framework of statutory powers and responsibilities, as agreed with the Scottish Ministers, enables SPPA to undertake the role of data controller for the processing of personal data which is provided as part of your response to the consultation. Any response you send us will be seen in full by SPPA staff dealing with the issues which this consultation is about or planning future consultations.

The process allows informed decisions to be made about how SPPA exercises its public function.

Where SPPA undertakes further analysis of consultation responses then this work may be commissioned to be carried out by an accredited third party (e.g. research organisation or a consultancy company).

Any such work will only be undertaken under contract. SPPA use Scottish Government standard terms and conditions for such contracts which set out strict requirements for the processing and safekeeping of personal data.

In order to show that the consultation was carried out properly, the SPPA intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response.

If you do not want your name or address published, please tell us this in writing when you send your response. We will then redact them before publishing. You should also be aware of our responsibilities under Freedom of Information legislation.

If your details are published as part of the consultation response, then these published reports will be retained indefinitely. Any of your data held otherwise by SPPA will be kept for no more than three years.



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Under the data protection legislation, you have the right:

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- to require us to rectify inaccuracies in that data
- to (in certain circumstances) object to or restrict processing
- for (in certain circumstances) your data to be 'erased'
- to (in certain circumstances) data portability
- to lodge a complaint with the Information Commissioner's Office (ICO) the independent regulator for data protection.

For further details about the information the SPPA holds and its use, or if you want to exercise your rights under the GDPR, please refer to our Privacy Policy in the first instance or contact:

Agency Data Protection Officer
Scottish Public Pensions Agency
7 Tweedside Park
Tweedbank
GALASHIELS
TD1 3TE
Tel: 01896 892 469

Website: <https://pensions.gov.scot/>

The contact details for the Information Commissioner's Office are:

Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Tel: 01625 545 745 or 0303 123 1113

Website: <https://ico.org.uk>

Policy aims for the proposed regulation changes

1. Death Grants

- 1.1 In the LGPS(S), beneficiaries of eligible members may be paid a death grant, which is a lump sum payable following the death of a scheme member. In respect of pensioner members, the lump sum is set at 10 times the value of the member's annual pension amount minus the value of any pension and lump sum already paid to the member. This is intended to ensure members, or their beneficiaries, receive a minimum pension benefit equal to 10 years pension regardless of when a member dies.
- 1.2 Under the 2018 regulations, death grants are only payable where the scheme member has not reached age 75. In the LGPS(S), Normal Pension Age (NPA) was formerly age 65, but is now equal to an individual's State Pension Age (SPA). Due to SPA rises some beneficiaries of individuals who retired with a NPA over 65 have unintentionally been excluded from death grant eligibility. For example, the beneficiary of an individual who retired at age 66 (in line with their NPA and SPA) and then died between the age of 75 and 76, may not have been entitled to payment of a death grant.
- 1.3 Scottish Ministers propose to amend the 2018 Regulations to remove the age restriction on eligibility for death grant payments and to amend the 2014 Regulations to disapply the age 75 limit on death grants for individuals to whom the rules of the previous schemes continue to apply and who died on or after 6 April 2011. This is compliant with the provisions of the Finance Act 2004, which originally contained this restriction until it was removed with effect from 6 April 2011 by the Finance Act 2011.

Q1. Do you have any comments on Scottish Ministers' proposals to remove the upper age limit of 75 for death grants from the LGPS Regulations, backdated to 6 April 2011?

2. Gender Pension Gap

- 2.1 The Scottish Government has been undertaking work to assess the gender pension gap in the LGPS(S). This can be described as the difference in the average pension amounts payable to male and female members of the scheme, usually expressed as a percentage. Typically, females accrue a lower pension than males.
- 2.2 Around 69% of LGPS(S) members are women. Beyond differences in pay and part-time working, there are often periods in a woman's career where they are not accruing a pension, which contributes significantly to the gender pension

gap. Across the course of a woman's life, pension contribution gaps such as taking unpaid maternity leave, unpaid absence to look after children or perform other caring responsibilities all contribute to the gap.

- 2.3 Under the scheme provisions, where a member is on an authorised unpaid absence of less than 31 days, they are entitled to contribute in respect of this period. This automatic right means both employee and employer contributions are payable, based on the member's assumed earnings, and there is continuity of pension accrual.
- 2.4 The Scottish Government now proposes to extend the window for buying back any lost pension during authorised unpaid absences from 30 days to one year, or until the member leaves that employment. This would be achieved through amendments to the Additional Pension Contributions (APC) arrangement provisions in regulation 16 of the 2018 regulations.

Q2. Do you agree that all authorised unpaid absences over 30 days should be automatically pensionable?

Q3. Do you agree with the proposal to change the time-limit for buying back unpaid leave pension absences from 30 days to 1 year, or when the employment ends?

Pensions During Additional Maternity and Adoption Leave

- 2.5 Maternity or adoption leave often leads to the most significant gaps in a woman's pensionable service. Currently in the LGPS(S), a woman who takes the full 52 weeks is entitled, under statutory maternity leave, to take 26 weeks of ordinary maternity leave at full pay (which is pensionable), 13 weeks 'additional leave' where some pensionable pay is received (pensionable for that reduced pay) and 13 weeks 'additional leave' where no pensionable pay is received (which is not pensionable).
- 2.6 The Scottish Government is proposing to make the final 26 weeks 'additional' maternity leave, adoption leave and shared parental leave during which reduced or no pay is received, automatically pensionable, with the cost being met by the employer. We propose to do this by amending the definition of "child-related leave" in the regulations to include additional maternity leave, additional adoption leave and shared parental leave during which the member receives reduced or no pay. This will mean the final 26 weeks of maternity leave will be automatically pensionable at the member's normal rate of pay immediately before the additional leave began.

Q4. Do you agree with updating the definition of child-related leave to include all periods of additional maternity, additional adoption and shared parental leave when on reduced or no pay?

Q5. Do you agree that the contribution cost of this should be met by LGPS employers?

- 2.7 Information on the difference between accrued pensions of male and female members of the LGPS(S) is not routinely collected. We are proposing to make gender pension gap reporting mandatory. The intention is to gather data about the gap to gain a greater understanding of the issue, encourage employers to focus on the factors which are contributing to the gap, and enable future policy considerations and developments.
- 2.8 Administering authorities would be required to report on two metrics: the fund-wide gender pension gap and the gender pension saving gap. This would be reported in the tri-annual fund actuarial valuation report and the annual report of that year.
- 2.9 The Scottish Government will work with the Scheme Advisory Board (SAB) to review the gender pension gap findings once the reporting process has been embedded. We will also work with the SAB on guidance for reporting requirements.
- 2.10 The government proposes to define the gender pension gap as 'the percentage difference in the LGPS pension income built up for male and female scheme members over a typical working life'. We also suggest a further definition of the gender pension savings gap as 'the percentage difference in the LGPS pension accrued annually for male and female scheme members. These definitions will be set out in guidance to accompany the employer's annual report.
- 2.11 The current proposal is that only employers with 100 or more LGPS(S) scheme members would be required to provide this report, however we are open to views on whether that is a reasonable position. The expectation would be that actuarial valuation reports would contain the gender pension gap and savings gap for these employers. This will be included in the Rates and Adjustments Certificate, which already lists all employers in a fund. Administering Authorities would also have the option of grouping certain types of employers to gather insights.

Q6. Do you agree that gender pension gap reporting should be mandatory in the LGPS?

Q7. Do you agree with the threshold of 100 LGPS members for defining which employers must report on their gender pension gap?

Q8. Do you agree with the definition of ‘gender pension gap’ and ‘gender pensions savings gap’?

3. Opt-outs/Participation Rates

- 3.1 The Scottish Government also proposes to mandate the collection and reporting of participation and opt out data for the LGPS. We are keen to understand who is participating and who is opting out of the scheme, and why. This proposal will also include the structured collection of demographic and equalities data.
- 3.2 The Participation and Opt-out data will be published in the Annual Report of each Administering Authority, through amending Regulation 55 of 2018 Regulations. Employers will be required to provide Administering Authorities with this data. The Scottish Government will work with the SAB to produce guidance on the type and breakdown of data, but we would expect that to include the total number of current employees in their organisation, the number who have opted out, further broken down, where possible, by profession type, working arrangements (full/part time), salary, gender, age, ethnicity and marital status.
- 3.3 We are also proposing an additional opt out form that each Administering Authority should be using when a member chooses to opt out. In this form members will be asked their reason for opting out, as well as additional information on profession type, working hours and salary, gender, age, ethnicity, marital status and dependants. This form can be completed by employees at their discretion at the time in which they choose to opt-out of the scheme.
- 3.4 This information will aid the Scottish Ministers formulation of future pension policy development.

Q9. Do you agree that the annual report is the best method for reporting on participation and opt out data?

Q10. Do you foresee any issues with AAs' ability to gather data on opt-outs?

Q11. When updating the annual report guidance to reflect opt-out data collection, what information would be most useful to include?

Q12. Do you have any comments on the collection of additional information?

4. Forfeiture

- 4.1 Forfeiture is the act of reducing the value of an individual's pension and usually only applies in exceptional circumstances. A member's LGPS(S) pension may be forfeited where a member is convicted of an offence in connection with their service. An employer can apply to the Scottish Ministers who must certify that the offence was gravely injurious to the interests of the State or is liable to lead to a serious loss of confidence in the public service.
- 4.2 Regulation 86(8) of the 2018 Regulations currently provides for an LGPS employer to make an application to Scottish Ministers for a forfeiture certificate. The current provision requires that the application must be made within three months of the date of conviction. This is a stricter requirement than in other public service pension schemes, where there is no equivalent limit. The time limit has led to cases where forfeiture was not possible as the application was not made within the three months.
- 4.3 The Scottish Government proposes to remove the current three-month time limit for an employer to make a forfeiture application.
- 4.4 To ensure full effect to this proposals, we intend to make equivalent modifications to forfeiture provisions in earlier schemes. This will ensure that the forfeiture rules will apply in the same way to benefits accrued in respect of service before 1 April 2015. We propose to do this by inserting a new regulation into the Local Government Pension Scheme Transitional (Scotland) Regulations 2014, which provides that the forfeiture provisions in the 2018 Regulations apply in respect of any benefits accrued under the earlier schemes.

Q13. Do you agree that the three-month time limit for an LGPS employer to make an application for a forfeiture certificate should be removed?

5. McCloud Remedy

- 5.1 This section proposes further technical McCloud-related changes to the LGPS Regulations. The intention is to address issues with the operation of the underpin that have only been identified now that AA's are working their way through remedy calculations.

Survivor Benefits

- 5.2 We propose to correct a minor anomaly in survivor benefit provisions. Regulation 8(1)(b) of the 2023 Regulations – “Survivor benefits in respect of members who died before 1st October 2023” – applies to members where a survivor pension was paid before 1st October 2023. However, the 2018 Regulations require that entitlement to a survivor pension commences the day following the death of scheme member. The interaction of the two different regulations means there could be a risk to survivor benefits where a scheme member died on 30 September 2023. Whilst we are not aware of any issue, we propose to amend Regulation 8(1)(b) to ensure continuity of entitlement in line with the original policy intention.

Club Transfers

- 5.3 Special arrangements for the public sector exist where individuals can transfer pension benefits between certain schemes who have membership of the Public Sector Transfers Club. These arrangements are set out by the [Cabinet Office in a Memorandum](#), and such transfers are known as club transfers.
- 5.4 Regulation 14(3) of the 2023 Regulations - “Interest on payments under the statutory underpin” - , requires that “an administering authority must take reasonable steps to pay interest in respect of the amount to be paid to the scheme under regulation 10(5) (transfers out)”. This is contrary to the Club Memorandum which states at paragraphs 4.41 and 4.22 that interest should not apply on Club transfers, except where the transfer was completed before 1 October 2023 and the receiving scheme was not a “remedy scheme” (i.e. a scheme subject to the McCloud remedy).
- 5.5 The Scottish Ministers have already legislated to remove this inconsistency, however we are aware that there is still a technical issue with this wording. We propose to substitute new wording in Regulation 14(3) to confirm that interest should not apply on such transfers, except where the transfer was completed before 1 October 2023 and the receiving scheme was not a remedy scheme. This requires an exception to Regulation 14(3).

Interest on Part 4 Tax Losses

- 5.6 We are proposing to amend the 2023 Regulations to cover interest on compensation payments made under section 82(1) of the Public Service

Pensions and Judicial Offices Act 2022, including part 4 tax losses. This would require that interest must be calculated either from the date direct financial loss occurred or the date overpayment was made, up until the date of payment.

Transfers from other Public Service Schemes for Members over 65 Years Old

- 5.7 If a member joins the LGPS after age 65, they do not build up any benefits which are protected by the McCloud remedy. However, if a member transfers in from another public service scheme after age 65, that member may have protected benefits from their prior service before and after age 65 that go beyond the LGPS cut-off of age 65. There is currently no mechanism to give such a member an underpin date, provisional underpin amount or provisional assumed benefits. The Scottish Government is proposing to create a new mechanism to give these members an underpin date, which we propose to be the date on which the transfer payment was made.

Q14. Do you agree with or have any comments on these technical remedy amendments?

6. Other Regulation Changes

De-Minimis Payments for Pre-2015 Leaver

- 6.1 Regulation 33(1)(c) of the 2018 Regulations allows for the commutation of a small pension under the Registered Pension Schemes (Authorised Payments) Regulations 2009. Under current provisions, there is no such option for those who left the scheme prior to 1 April 2015. This adds to administration costs for administering authorities as very small pensions must continue to be paid, rather than commuted to a one-off payment. The Scottish Government proposes to amend the regulations to allow commutation of small pension pots for pre-2015 leavers. The proposal will amend Regulation 33(1)(c) of the 2018 Regulations.

Q15. Do you agree with these changes to allow those who left the scheme prior to 1 April 2015 to commute small pensions?

Lifetime Allowance

- 6.2 The lifetime allowance (LTA) was formerly the overall value of pension benefits (excluding state pension) that could be accrued over an individual's lifetime, before the individual became liable to a tax charge on any amounts accrued

above the allowance threshold. The LTA charge was applied when pension benefits were crystallised and the LTA exceeded. Benefits earned in excess of the LTA were subject to tax at 55% on amounts taken as a lump sum and 25% on amounts taken as pension.

- 6.3 The UK Government abolished LTA charge on 6 April 2023, with the new rate being set as the marginal tax rate of the individual. The LTA was then abolished from 6 April 2024 by the Finance Act 2024. At the same time as the abolition of the LTA, the lump sum allowance (LSA) and lump sum and death benefit allowance (LSDBA) were introduced, which set the limit on the lump sums that individuals can receive before incurring tax charges (not counting standard pension payments). The LSA was set at £268,275, 25% of the standard LTA prior to its abolition, and the LSDBA set at £1,073,100 (the same value as the LTA prior to abolition).
- 6.4 As part of the changes to pensions tax enacted by the Finance Act 2024, a new type of authorised payment was established which is the pension commencement excess lump sum (PCELS). The PCELS allows individuals who have already used up their LSA or LSDBA to take further lump sums from their pensions, which are then taxed at their marginal rate. Under the legislation, it is up to schemes to determine:
- a. whether they will allow PCELSs to be paid from their scheme.
 - b. if so, whether a limit will apply to the amount that can be paid from the scheme as a PCELS.
- 6.5 The Scottish Government proposes to change the 2018 Regulations to reflect the removal of the LTA and LTA charge, provide clarity on the definition of Benefit Crystallisation Events (BCEs) and define the approach to pension commencement excess lump sums (PCELS).
- 6.6 Regulation 48 of the 2018 Regulations and the equivalents to it (to the extent that they have been preserved) in the 1998 and 2008 Regulations will be revoked, and the accompanying actuarial guidance issued under Regulation 48 will be withdrawn.
- 6.7 Updated actuarial guidance on the approach to PCELSs will be issued by SPPA following advice from the Government Actuary's Department. This will replace previously issued guidance on PCELSs.
- 6.8 PCELSs will be paid from the scheme, subject to the following conditions:

a. the maximum lump sum members will be allowed to take will be 25% of the capital value of the benefits they are crystallising, subject to contracting out limits.

b. the lump sum will first be taken out of their LSA and LSDBA.

c. once their LSA and LSDBA has been used, the remainder of that lump sum will be paid as a PCELS.

d. that PCELS lump sum will be taxed at the member's marginal rate.

6.9 The proposal above reflects a desire to maintain the same proportion of benefits that members can take at each BCE before exceeding tax relief. Prior to the abolition of the LTA, members in the LGPS could take 100% of benefits that exceeded the LTA as a lifetime allowance excess lump sum (LTAELS), subject to contracting out limits (defined in [actuarial guidance](#) issued under Regulation 48 of the 2018 Regulations). An LTAELS was the equivalent lump sum to the PCELS prior to the LTA's abolition. Whilst it is acknowledged that the proposed PCELS approach is more restrictive than the LTAELS approach, the tax treatment of the two lump sums is different. Prior to these pensions tax changes, LTAELSs were taxed at 55% of their value, whilst PCELSs are taxed at a member's marginal rate of income tax (a current maximum of 40%).

6.10 The Finance Act 2024 contains a transitional provision which allows scheme administrators to pay PCELSs in line with the scheme's prior rules on LTAELSs. In June 2024, the SPPA gave guidance to administering authorities (AAs) on behalf of the Scottish Government which confirmed that AAs must offer members who are retiring the opportunity to take the benefits that would have been in excess of the LTA as a PCELS, subject to the general rules that apply to PCELSs. This interim guidance would be superseded by these new rules.

6.11 Subject to this consultation, the intention is that a confirmed approach on PCELSs will be reflected in an updated version of the actuarial guidance issued under regulation 32(3) of the LGPS Regulations 2018, and the equivalents to it (to the extent that they have been preserved). That guidance will include advice on the treatment of active cases where the transitional PCELS guidance is in place.

Q16. Do you agree with the changes proposed to the Lifetime allowance regulations?

Five Year Refunds

6.12 Regulation 18(5) of the 2018 Regulations provides that, unless a member has already requested payment, an administering authority must pay the refund of

any contributions to a member either on the expiry of a period of five years beginning with the date the member's active membership ceased, or, if the member would turn 75 before then, the day before their 75th birthday.

6.13 The Scottish Government proposes to amend the 2018 regulations to:

- Provide administering authorities the power to pay the refund of contributions at any point after the expiry of the period of five years beginning with the date the person's active membership ceased. This is intended to ensure administering authorities pay the refund either on request or on the day before the member's 75th birthday.
- Regulation 19(1) of the LGPS Regulations 2018 will be amended to provide that no refund of contributions is payable from the date that a person attains the age of 75. This is to avoid payments being made that would conflict with an interpretation of the Finance Act 2004 that those payments cannot be made to individuals aged over 75.
- This will require administering authorities to take reasonable steps to obtain the information necessary to pay the refund on the day before the member attains the age of 75.

Q17. Do you agree with the proposed amendments to the Regulations?

Child's Pension under the 1998 Regulations.

6.14 It is the Scottish Government's view that payments made to a child who is no longer eligible for benefits are likely to be considered unauthorised under Section 164 of the Finance Act 2004. As such, we are proposing to modify the 2014 Transitional Regulations) to clarify that a child's pension is only to be paid for the duration that a beneficiary is an eligible child.

Bereaved Paternity Leave

6.15 The Scottish Government proposes to amend the definition of "paternity leave", to reflect the Paternity Leave (Bereavement) Act 2024. This Act gives bereaved fathers and partners a right to Paternity Leave from the first day of employment following the death of the mother or primary adopter of their child during the period of birth or adoption. The definition will be amended so that "Paternity leave" means leave under section 80A or 80B of the Employment Rights Act 1996.

Retained EU Law

6.16 In line with corresponding UK schemes, the Scottish Government proposes to remove the following references to the European Union (EU):

Local Government Pension Scheme Regulations 2018

- Regulation 3(6)(b) and (c) [Active membership]
- Regulation 18(1)(d) [Active membership]
- Regulation 20(2)(o)(iv) [Meaning of pensionable pay]
- Regulation 95(2)(b)
- Regulation 99(3)(b)
- Schedule 1 – definition of IRMP
- Schedule 1 – definition of European pensions institution

Local Government Pension Scheme (Transitional Provisions, Savings and Amendments) Regulations 2014 (SI 2014/525)

- Regulation 4(5)(d)
- Regulation 9(3A)(d)

Local Government Pension Scheme (Management and Investment of Funds) Regulations (Scotland) 2010

- Regulation 6(2)(c)

7 Additional Amendments

Definition of Local Government Service

- 7.1 Regulation 29(6) and 49(2) refer to ‘local government service’. Schedule 1 of the 2018 regulations inadvertently did not re-enact this definition.
- 7.2 The Scottish Government proposes to reinstate the definition of ‘local government service’ as an employment by virtue of which the person employed is or has been a member of the Scheme.”
- 7.3 Regulation 29(14) of the 2018 Regulations is to be revoked, as it incorrectly implies members can opt out and receive deferred benefits whilst in the same employment.

Q18. Do you agree with adding the definition of ‘local government service’ to Schedule 1?

Employments relating to the provision of education

7.4 This amendment applies where certain posts relating to education now fall into the scope of the Scottish Teachers’ Superannuation Scheme (STSS) and members remained enrolled in LGPS. The Scottish Government is proposing to include transitional arrangements to allow members to remain in their current scheme (i.e. LGPS) until they leave that post. This will avoid members being automatically moved in or out of the STSS.

8. Scottish Fire and Rescue Service (SFRS) Staff Consolidation into the Strathclyde Pension Fund

8.1 Prior to the Police and Fire Reform (Scotland) Act 2012, non-firefighting staff of fire and rescue authorities across Scotland were members of their respective regional

funds. SFRS was formed as a single service, and has applied to the Scottish Ministers to request that Glasgow City Council (the “Receiving Authority”), as administering authority for the Strathclyde Pension Fund (the “Receiving Fund”), should be substituted as the appropriate administering authority for all of its employees and former employees (other than those former employees whose employment contracts transferred to Sodexo as a result of the transfer of the service or assets referenced in recital (6) above). This means the assets and liabilities in respect of scheme members who are currently in the funds (the “Ceding Funds”) maintained by each of Fife Council, City of Edinburgh Council, Dumfries and Galloway Council, Dundee City Council, Falkirk Council, Highland Council, and Aberdeen City Council (the “Exporting Authorities”) will move to Strathclyde Pension Fund.

8.2 This technical amendment will amend the table in Schedule 4 of the 2018 Regulations to replace the ceding funds with the Receiving Authority. The transfer of staff has already occurred, and members were consulted by their employer prior to this change. This amendment is to update the Regulations.

This means:

- i. The responsibility for administering the assets and liabilities pertaining to current and former employees of SFRS currently within the Ceding Funds (other than those former employees whose employment contracts transferred to Sodexo as a body that is providing a service in connection with the exercise of a function of SFRS) becomes the responsibility of the Receiving Fund; and
- ii. the value of all the assets and liabilities notionally attributed to SFRS Funds (other than those former employees whose employment contracts transferred to Sodexo as a body that is providing a service in connection with the exercise of a function of SFRS) within the Ceding Funds will transfer to and be consolidated into the Receiving Fund

Q.19 Do you agree with the change to part 2 of schedule 4 transferring all SFRS staff to Glasgow City Council?

9. Neonatal Care Leave

9.1 Neonatal Care Leave and Pay is a new statutory entitlement for employed parents, where their child receives neonatal care starting within 28 days of birth

and goes on to spend seven or more continuous days in care. The entitlement applies to children born on or after 6th April 2025.

- 9.2 To align with the Neonatal Care (Leave and Pay) Act 2023, which came in to force on 1 April 2024 the Scottish Government proposes the addition of “Neonatal Care” to the definition of child-related leave.

Q20. Do you agree to the addition of Neo-natal care to the definition of child related leave?

10. Concurrent Membership Aggregation

- 10.1 The 2018 Regulations allow for the aggregation of concurrent periods of membership in certain circumstances, where one period of membership ceases and another continues.
- 10.2 Prior to 1 April 2015, the Regulations required that the ceased period of membership be adjusted before aggregation with the continuing period. This adjustment accounted for differences in pay between the two employments, as the final pensionable pay used for the ceased period would be that of the continuing employment.
- 10.3 It was the intention of Scottish Ministers that, from 1 April 2015, this adjustment would continue to apply to pre-April 2015 membership when aggregated with a concurrent period of membership. Regulation 10(8) of the 2014 Regulations was intended to give effect to this policy.
- 10.4 However, it has since been identified that Regulation 10(8) does not achieve the intended outcome where the member did not become an active member for the continuing period of membership by virtue of Regulation 5(1) of the 2014 Regulations. Generally, this will be where that period of membership began after 31 March 2015.
- 10.5 SPPA has confirmed to administering authorities that Regulation 10(8) does not reflect the original policy intent. The intent was that pre-April 2015 membership should be adjusted when aggregated with a concurrent period of membership, regardless of whether the continuing period began before, on, or after 1 April 2015.
- 10.6 Scottish Ministers now propose to amend Regulation 10(8) to deliver the original policy intent. This amendment will have retrospective effect from 1 April 2015.
- 10.7 Following engagement with administering authorities, we understand that the policy intent has been applied in practice since 1 April 2015. Therefore, the

amendment should merely formalise what authorities have in practice been doing.

Q21. Do you agree with the proposed amendment to Regulation 10(8)?