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SCOTTISH STATUTORY INSTRUMENTS

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**2016 No. 32**

**PUBLIC SERVICE PENSIONS**

**The Local Government Pension Scheme  
(Scotland) Amendment Regulations 2016**

*Made* - - - - 20th January 2016  
*Laid before the Scottish  
Parliament* - - - - 22nd January 2016  
*Coming into force* - - 1st April 2016

The Scottish Ministers make the following Regulations in exercise of the powers conferred by sections 1 and 12 of the Public Service Pensions Act 2013<sup>(1)</sup> and all other powers enabling them to do so.

In accordance with section 21 of that Act, the Scottish Ministers consulted the representatives of such persons as appeared to the Scottish Ministers likely to be affected by these Regulations.

**Citation and commencement**

1.—(1) These Regulations may be cited as the Local Government Pension Scheme (Scotland) Amendment Regulations 2016 and come into force on 1st April 2016.

(2) These Regulations (other than regulations 7 to 10) have effect from 1st April 2015.

**Amendment of the Local Government Pension Scheme (Scotland) Regulations 2014**

2. The Local Government Pension Scheme (Scotland) Regulations 2014<sup>(2)</sup> are amended as follows.

3. In regulation 36(3) (early payment of retirement pension on ill-health grounds: deferred members), for “the deferred member’s former Scheme employer, or administering authority, as the case may be”, substitute “the deferred member’s administering authority”.

4. In regulation 37 (calculation of ill-health pension amounts), after paragraph (6) insert—

“(7) No adjustment is to be made to any sum by virtue of regulation 21(6) for any period after the date of termination of employment under regulation 34 (early payment of retirement pension on ill-health grounds: active members).”

5. In regulation 51 (Scheme managers), omit paragraph (4).

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(1) 2013 c.25; section 3(3)(b) enables scheme regulations to make retrospective provision.

(2) S.S.I. 2014/164, amended by S.S.I. 2015/87 and S.S.I. 2015/448.

6. In regulation 53(1)(d) (administering authorities: governance compliance statement) for “regulation 51(4) (Scheme managers)” substitute “regulation 5 (pension boards) of the Governance Regulations”.
7. Omit regulation 61 (aggregate Scheme costs).
8. Omit regulation 63 (aggregate Scheme costs: revised certificates).
9. In regulation 64(1) (supply of copies of valuations, certificates etc.)—
  - (a) for “, 62” substitute “or 62”; and
  - (b) omit “or 63 (aggregate Scheme costs: revised certificates)”.
10. After regulation 102, insert—

*“Scheme actuary and employer cost cap*

**Scheme actuary**

**103.**—(1) The Scottish Ministers must appoint an actuary as Scheme actuary to carry out valuations of the Scheme and any connected scheme in accordance with Treasury directions made under section 11 of the Public Service Pensions Act 2013 (“the Treasury directions”).

(2) The person appointed as Scheme actuary under paragraph (1) must, in the opinion of the Scottish Ministers, be appropriately qualified to carry out a valuation of the Scheme.

(3) The Scottish Ministers must secure that the Scheme actuary carries out actuarial valuations of the assets and liabilities of the Scheme on the dates specified in regulation 60(1)(a) (actuarial valuations of pension funds) and prepare valuation reports in accordance with the Treasury directions, within such period as enables the requirements in those directions to be met.

(4) An administering authority must provide the Scheme actuary with any data that the Scheme actuary reasonably requires, in accordance with the Treasury directions, in order to carry out a valuation and prepare a report on the valuation.

**Employer cost cap**

**104.**—(1) The employer cost cap for the Scheme is 15.5% of pensionable earnings of members of the Scheme.

(2) Where the cost of the Scheme, calculated following a valuation in accordance with Treasury directions under section 11 of the Public Service Pensions Act 2013, is more than the margins specified in the Public Service Pensions (Employer Cost Cap) Regulations 2014(3) above or below the employer cost cap, the Scottish Ministers must follow the procedure specified in paragraph (3) for reaching agreement with administering authorities, employers and members (or representatives of employers and members) as to the steps required to achieve the target cost specified in those Regulations.

(3) The procedure specified for the purposes of section 12(6)(a) of the Public Service Pensions Act 2013 is consultation for such period as the Scottish Ministers consider appropriate with the Scheme Advisory Board with a view to reaching an agreement endorsed by all members of that Board.

(4) If, following such consultation, agreement is not reached within 3 months of the date on which the consultation period ends, the Scottish Ministers must take steps to adjust

the rate at which benefits accrue under regulation 23(4) or (5) (active member’s pension accounts) so that the target cost for the Scheme is achieved.”.

**11. In Schedule 1 (interpretation)—**

- (a) after the definition of “gainful employment”, insert—
  - ““the Governance Regulations” means the Local Government Pension Scheme (Governance) (Scotland) Regulations 2015(4);”;
- (b) after the definition of “the Scheme”, insert—
  - ““Scheme actuary” means the actuary appointed under regulation 103 (Scheme actuary);
  - “Scheme Advisory Board” means the board established under regulation 2 (Scheme Advisory Board) of the Governance Regulations;”;
- (c) in the definition of “pension board”, for “under regulation 51(4)” substitute “under regulation 5 (pension boards) of the Governance Regulations”;
- (d) in the definition of “revaluation adjustment”, after “percentage specified” insert “as the change in prices”; and
- (e) in the definition of “Transitional and Savings Regulations 2014”, for “Transitional and Savings Regulations 2014” substitute “Transitional Provisions and Savings Regulations 2014”.

St Andrew’s House,  
Edinburgh  
20th January 2016

*JOHN SWINNEY*  
A member of the Scottish Government

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations make amendments to the Local Government Pension Scheme (Scotland) Regulations 2014 so as to cover cost capping of employer contributions and the requirement to have a scheme actuary. The definition of “revaluation adjustment” has also been amended to specify the percentage as being the change in prices.