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SCOTTISH STATUTORY INSTRUMENTS

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**2018 No. 141**

**The Local Government Pension  
Scheme (Scotland) Regulations 2018**

**PART 2**

Administration

*Actuarial valuations*

**Special circumstances where revised actuarial valuations and certificates must be obtained**

**61.**—(1) Subject to paragraph (3), if a person—

- (a) ceases to be a Scheme employer (including ceasing to be an admission body participating in the Scheme); or
- (b) is or was a Scheme employer, but, irrespective of whether that employer employs active members contributing to one or more other funds, no longer has an active member contributing towards a fund which has liabilities in respect of benefits in respect of current and former employees of that employer,

that person becomes “an exiting employer” in relation to the relevant fund for the purposes of this regulation and is liable to pay the exit payment or to receive the exit credit.

(2) When a person becomes an exiting employer, the appropriate administering authority must obtain—

- (a) an actuarial valuation as at the exit date of the liabilities of the fund in respect of benefits in respect of the exiting employer's current and former employees; and
- (b) a revised rates and adjustments certificate showing the exit payment due from the exiting employer, or exit credit payable to the exiting employer, in respect of those benefits.

(3) An administering authority may by written notice (“suspension notice”) to an employer suspend that employer's liability to pay an exit payment starting from the date when that employer would otherwise become an exiting employer.

(4) If an administering authority serves a suspension notice the employer must continue to make such contributions towards the liabilities of the fund in respect of benefits for the employer's current and former employees until a new and satisfactory valuation is carried out and the suspension notice is withdrawn.

(5) Where for any reason it is not possible to obtain all or part of the exit payment due from the exiting employer, or from an insurer, or any person providing an indemnity, bond or guarantee on behalf of the exiting employer, the administering authority must obtain a further revision of any rates and adjustments certificate for the fund showing—

- (a) in the case where a body is an admission body falling within paragraph 1(d) of Part 2 of schedule 2 of these Regulations (Scheme employers: bodies providing services as a result

of transfer of a service), the revised contribution due from the body which is the related employer in relation to that admission body; and

- (b) in any other case, the revised contributions due from each Scheme employer which contributes to the fund,

with a view to providing that assets equivalent to the exit payment due from the exiting employer are provided to the fund over such period of time as the administering authority considers reasonable.

(6) Where in the opinion of an administering authority there are circumstances which make it likely that a Scheme employer (including an admission body) will become an exiting employer, the administering authority may obtain from an actuary a certificate specifying the percentage or amount by which, in the actuary's opinion—

- (a) the contribution at the primary rate should be adjusted; or
- (b) any prior secondary rate adjustment should be increased or reduced,

with a view to providing that assets equivalent to the exit payment that will be due from the Scheme employer are provided to the fund by the likely exit date or, where the Scheme employer is unable to meet that liability by that date, over such period of time thereafter as the administering authority considers reasonable.

(7) When an exiting employer has paid the exit payment into the appropriate fund (or received the exit credit), no further payments are due from that employer in respect of any liabilities relating to the benefits in respect of any current or former employees of that employer as a result of these Regulations.

(8) [<sup>F1</sup>Paragraph (9)] applies where—

- (a) a Scheme employer agrees to pay increased contributions to meet the cost of an award of additional pension under regulation 30 (award of additional pension); or
- (b) it appears likely to an administering authority that the amount of the liabilities arising or likely to arise in respect of members in employment with a Scheme employer exceeds the amount specified, or likely as a result of the assumptions stated, for that authority, in a rates and adjustments certificate by virtue of regulation 60(6) (actuarial valuations of pension funds: assumptions).

(9) The administering authority must obtain a revision of the rates and adjustments certificate concerned, showing the resulting changes as respects that Scheme employer.

(10) For the purposes of this regulation—

“exiting employer” means an employer of any of the descriptions specified in paragraph (1);

“exit payment” means the amount as set out in the rates and adjustments certificate referred to in sub-paragraph (2)(b) required to be paid by the exiting employer over such period of time as the administering authority considers reasonable, to meet the liabilities specified in paragraph (2);

“exit credit” means the amount required to be paid to the exiting employer by the administering authority to meet the excess of assets in the fund relating to that employer over the liabilities specified in paragraph (2)(a);

“exit date” means the date on which the employer becomes an exiting employer; and

“related employer” means any Scheme employer or other such contracting body which is a party to the admission agreement (other than an administering authority in its role as an administering authority).

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*Status: Point in time view as at 28/06/2019. This version of this provision has been superseded.*

*Changes to legislation: There are currently no known outstanding effects for the The Local Government Pension Scheme (Scotland) Regulations 2018, Section 61. (See end of Document for details)*

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**Textual Amendments**

- F1** Words in [reg. 61\(8\)](#) substituted (with effect from 1.6.2018) by [The Local Government Pension Scheme \(Miscellaneous Amendments\) \(Scotland\) Regulations 2019 \(S.S.I. 2019/161\)](#), regs. 1(2), **2(21)**

**Status:**

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**Changes to legislation:**

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