

PUBLIC SERVICE PENSIONS ACT 2013

EXPLANATORY NOTES

COMMENTARY ON SECTIONS AND SCHEDULES

Governance

Section 4: Scheme manager

27. *Subsection (1)* provides that scheme regulations must provide for a person to be responsible for managing or administering a public service pension scheme set up under the powers in the Act and any other statutory pension scheme connected with it.
28. That person is referred to in the Act as the “scheme manager” – see *subsection (2)*.
29. *Subsection (3)* provides that the scheme manager may, in particular, be the responsible authority (who, under section 2(1), is also responsible for making the scheme regulations which create the scheme). However, the regulations may provide for some other person, or a number of persons, to be responsible for managing or administering the scheme or a part of the scheme.
30. *Subsection (4)* provides that regulations for injury or compensation schemes do not have to provide for a scheme manager. Such schemes are outside of the new governance arrangements which the Act requires of public service pension schemes.
31. *Subsection (5)* allows scheme regulations to provide for more than one scheme manager in that scheme and for any other statutory scheme connected with it, and for each scheme manager to be responsible for different parts of those schemes. This allows for scheme managers in locally administered schemes to be responsible for only the part of the scheme that relates to their local, fire or police authority.
32. As an example of the different arrangements that may be made regarding scheme managers, in the centrally administered Armed Forces Pension Scheme the scheme manager is expected to continue to be the Secretary of State for Defence, who is also the responsible authority for that scheme (see Schedule 2). The scheme manager will be responsible for the new armed forces pension scheme and the existing armed forces pension schemes listed in Schedule 5 to the Act, because those schemes will be “connected” with the new scheme. The Local Government Pension Scheme in England and Wales, on the other hand, is locally-administered. The Secretary of State for Communities and Local Government will be the responsible authority for that scheme and will make its scheme regulations. The scheme managers for the 89 local authority funds will be the local administering authority in respect of those funds. The local authority, as scheme manager, will be responsible for administering the new scheme in respect of their local government workers and any other persons admitted to their part of the scheme by virtue of scheme regulations (see section 25), and any connected scheme.
33. *Subsection (6)* explains that another statutory pension scheme is connected with a public service pension scheme set up under section 1 if and to the extent that it provides for persons of the same description, unless the scheme regulations state that the schemes are not to be regarded as connected (see *subsection (7)*). For example, a public service

*These notes refer to the Public Service Pensions Act 2013
(c.25) which received Royal Assent on 25 April 2013*

pension scheme set up for the armed forces under the Act would be connected with any existing schemes for the armed forces. The effect is that the regulations must set out the person who is to be responsible for running a new pension scheme in respect of persons set out in section 1(2) and any connected predecessor schemes for those persons. This will allow the scheme manager to have administrative responsibility for all relevant existing pension schemes relating to the same service.

34. *Subsection (7)* allows for situations where an existing statutory scheme and its successor scheme are not to be managed together for some or all purposes. For example, the new civil service pension scheme is likely to make provision for persons of the same description provided for under existing public body pension schemes. However, it may be appropriate for some of those existing schemes to continue to be managed separately from the new civil service pension scheme.
35. The scheme manager has certain specific responsibilities under the Act (for example, see sections 14 and 15). Scheme managers, whether or not they are also the responsible authority, will be able to delegate aspects of their management and administration responsibilities if the scheme regulations allow (see paragraph 13 of Schedule 3).