EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Local Government Superannuation (Scotland) Regulations 1987 ("the principal Regulations")(S.I.1987/1850) as folows:—

(1) to provide that pensions increase costs for former employees of Scottish Homes and the Scottish Special Housing Assocaition are from 1st April 1990 to be paid out of the superannuation fund maintained by Scottish Homes. This brings that body into line with the requirement placed on local authorities on 1st April 1989 by regulation P3A of the principal Regulations (regulation 3);

(2) to restore the recharging of pensions increase costs in the case of persons who retired from local government and whose functions were later transferred to another body (regulation 4);

(3) to amend regulation P6 of the principal Regulations, which regulates the manner in which superannuation funds may be invested, as follows:—

    (a) paragraph (4) is amended to permit up to 20% of the value of a fund to be invested in unit trust schemes managed by any one person, but the existing 5% limit on any individual unit trust scheme is retained. The provisions also make consequential amendments;

    (b) a new paragraph (5A) expressly authorises administering authorities to appoint investment managers to manage and invest superannuation fund moneys on their behalf, provided that the appointment satisfied the conditions set out in paragraph (5B) and the authority complies with the requirements specified in paragraphs (5C)(^) and (6A) (regulation 5);

(4) to amend Schedule 20 to the principal Regulations so as to allow a public transport company which is no longer under local authority ownership to continue to be admitted to the Local Government Superannuation Scheme and thereby also allow pensions increase to be paid out of the superannuation fund in respect of the former employees of such a body (regulation 6).

Regulations 3, 4 and 6 have retrospective effect as authorised by section 12 of the Superannuation Act 1972.