

PE21. LOCAL GOVERNMENT PENSION SCHEME - NEW SCHEME DEVELOPMENTS

The Committee considered a report by the Chief Finance Officer providing an update on the recent developments in relation to the ongoing reform of the Local Government Pension Scheme (LGPS) through the Public Service Pensions Act 2013 with effect from 1 April 2015.

The report detailed that a Heads of Agreement on scheme design and governance had now been reached between COSLA, Trades Unions and the Scottish Government.

The statutory arrangements requiring to be set in place were as undernoted:-

- The main scheme regulations were made and described how benefits and contributions would be determined under the CARE arrangements. A number of defects had been identified in the Regulations and a set of amendments was awaited;
- The transitional regulations were made and described how existing members' accrued rights would be treated in the new scheme; and
- Governance regulations would be available in first draft in October 2014 with the final version expected in January 2015 and would specify how the governance requirements of the 2013 Act were to be applied in the LGPS.

The report thereafter highlighted that the necessary work on the main scheme and transitional regulations was unlikely to impede software development or Fund implementation plans. In contrast however the timetable for the production of the governance regulations meant that in order to comply with the April 2015 deadline, Funds would have to undertake their governance reviews in advance of final regulations being available.

The other pertinent developments included:-

- Employer training - training events for fund managers on 18 September and 2 October 2014 aimed mainly at Payroll and HR practitioners. Around 35 employer delegates were signed up for each event. A further resource for employers was provided at [www.lgpsregs.org_for_scheme rules and explanatory guides](http://www.lgpsregs.org_for_scheme_rules_and_explanatory_guides);
- Employee information - the Fund members' information website www.scotlgps2015.org; and
- The new Pensions Administration System would replace the existing in-house system and was Heywood's "Altair" product used by the majority of Scottish and English/Welsh LGPS Funds.

Decision

The Committee noted the latest developments in relation to the implementation of the LGPS (Scotland) 2015.