STATUTORY INSTRUMENTS

2015 No. 755

PUBLIC SERVICE PENSIONS, ENGLAND AND WALES

The Local Government Pension Scheme (Amendment) Regulations 2015

Made - - - -	*17th March 2015*
Laid before Parliament	*19th March 2015*
Coming into force - -	*11th April 2015*

These Regulations are made in exercise of the powers conferred by sections 1 and 3 of, and Schedule 3 to, the Public Service Pensions Act 2013(**1**).

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

In accordance with section 3(5) of that Act, these Regulations are made with the consent of the Treasury.

The Secretary of State makes the following Regulations:

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Local Government Pension Scheme (Amendment) Regulations 2015.

(2) These Regulations come in to force on 11th April 2015 but have effect as follows—

(a) the amendments made by regulations 3, 11 and 15(b) have effect from the date these Regulations come into force; and

(b) the remainder of the Regulations have effect from 1st April 2014.

(3) These Regulations extend to England and Wales.

Amendment of the Local Government Pension Scheme Regulations 2013

2. The Local Government Pension Scheme Regulations 2013(**2**) are amended in accordance with regulations 3 to 32.

(**1**) 2013 c. 25
(**2**) S.I. 2013/2356

3. For regulation 3(4)(b) (active membership) substitute—

"(b) on the first day of the payment period following an application to become a member, or".

4. In regulation 3(7) (active membership), omit the word "or" at the end of sub-paragraph (g) and after sub-paragraph (h) insert—

"or,

(i) the member dies.".

5. In regulation 10(5) (temporary reduction in contributions) for "sickness or injury" substitute "sickness, injury, or child-related leave".

6. In regulation 15 (employer contributions during absences)—

(a) For paragraph (3)(a)(ii) substitute—

"(ii) details of the amount of any additional pension contributions to be paid by the member under regulation 16 (additional pension contributions) or regulation 17 (additional voluntary contributions) during reserve forces service leave,"; and

(b) In sub-paragraph (3)(b) omit the words "less any pensionable pay being paid to the member during the absence".

7. In regulation 16 (additional pension contributions)—

(a) insert a comma after "(contributions during absence from work)";

(b) in paragraph (11), at the end of sub-paragraphs (d) and (e) add "in the employment to which the APC is attached"; and

(c) at the end of paragraph (16) add "or such longer period as the Scheme employer may allow".

8. In regulation 17 (additional voluntary contributions)—

(a) for paragraph (6) substitute—

"(6) For the purposes of regulation 17 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013(**3**) the retirement date used for the purposes of Part 2 of Schedule 6 to those Regulations is, where no acceptable date has been specified for that purpose by the member, normal pension age or, if the member has already attained normal pension age, age 75."; and

(b) in paragraph (7) after "or regulation 35(1) (early payment of retirement pension on ill-health grounds: active members)" insert "or regulation 38(1) (early payment of retirement pension on ill-health grounds: deferred members)"

9. In regulation 19(2) (exclusion of rights to return of contributions) for "paragraph (1)(e)" substitute "paragraph (1)(b)".

10. In regulation 21 (assumed pensionable pay)—

(a) in paragraph (2)(b) after "child-related leave" insert "other than any part of that leave period where the pensionable pay received is greater than the assumed pensionable pay that the member would otherwise have been treated as receiving for that part of the leave period";

(b) in paragraph (4) for "The annual rate of assumed pensionable pay" substitute "Subject to paragraph (4A), the annual rate of assumed pensionable pay";

(**3**) S.I. 2013/2734.

(c) in paragraph (4)(a)(i) and (4)(b)(i) for "regulations 39(2)(a) (calculation of ill-health pension amounts) and 40(3) (death grants: active members)" substitute "regulations 39(1)(a) (calculation of ill health pension amounts), 40(3) (death grants: active members), 41(4)(b) (survivor benefits: partners of active members), 42(4)(b), 42(5)(b), 42(9)(b) and 42(10)(b) (survivor benefits: children of active members)";

(d) after paragraph (4) insert—

"(4A) If the pensionable pay the member received in the periods specified in paragraph (4)(a)(i) or (4)(b)(i) was reduced as a result of absence due to a trade dispute or absence with permission from the member's Scheme employer, such reduction is to be ignored for the purposes of calculating the member's assumed pensionable pay.".

11. In regulation 22 (pension accounts)—

(a) in paragraph (4) omit "or" after sub-paragraph (e) and at the end add—

"(g) the member's benefits are commuted under regulation 34 (commutation and small pensions); or

(h) the member's benefits are transferred to a different administering authority under regulation 103 (changes of administering authority)."; and

(b) in paragraph (8) after the words "active member" where they first appear, insert "(other than where a member becomes entitled to deferred benefits as a consequence of a notice served under regulation 5(2) (ending active membership))" .

12. In regulation 32 (commencement of pensions) after paragraph (5) insert—

"(5A) A notice may be given under paragraph (3) before the date the member fulfils any qualifying criteria for an election so long as that member fulfils the qualifying criteria on the date specified in the notice.".

13. In regulation 36 (role of the IRMP)—

(a) for paragraph (1)(c) substitute—

"(c) where a member has been working reduced contractual hours and had reduced pay as a consequence of the reduction in contractual hours, whether that member was in part time service wholly or partly as a result of the condition that caused or contributed to the member's ill-health retirement.";

(b) after paragraph (2) insert—

"(2A) For the purposes of paragraph (2) an IRMP is not to be treated as having advised, given an opinion on or otherwise been involved in a particular case merely because another practitioner from the same occupational health provider has advised, given an opinion on or otherwise been involved in that case.".

14. For regulation 39(9)(a) (calculation of ill-health pension amounts) substitute—

"(a) in calculating assumed pensionable pay in accordance with regulation 21(4) (assumed pensionable pay) no account is to be taken of any reduction in the pensionable pay the member received if an IRMP has certified that the member was working reduced contractual hours wholly or partly as a result of the condition that caused or contributed to the member's ill-health retirement; and".

15. In regulation 40 (death grants: active members)—

(a) in paragraph (3) at the end add ", but where in the opinion of an IRMP the member was at the date of death in part time service wholly or partly as a result of the condition that caused or contributed to the member's death, no account is to be taken of any reduction in pensionable pay due to such reduction in service as is attributable to that condition"; and

(b) after paragraph (4) insert—

"(5) In the case of an active member who is also a deferred member, pensioner member or deferred pensioner member of the Scheme, no death grant is payable under regulations 43 (death grants: deferred members) or 46 (death grants: pensioner members) but if the amount that would be payable under any of those regulations would be higher than the amount payable under this regulation, the amount payable under this regulation is that higher amount.".

16. In regulation 41 (survivor benefits: partners of active members) in paragraph (4)(b), at the end, add ", but where in the opinion of an IRMP the member was at the date of death in part time service wholly or partly as a result of the condition that caused or contributed to the member's death, no account is to be taken of any reduction in pensionable pay due to such reduction in service as is attributable to that condition".

17. In regulation 42 (survivor benefits: children of active members) in paragraphs (4)(b), (5)(b), (9)(b) and (10)(b) at the end add ", but where in the opinion of an IRMP the member was at the date of death in part time service wholly or partly as a result of the condition that caused or contributed to the member's death, no account is to be taken of any reduction in pensionable pay due to such reduction in service as is attributable to that condition".

18. In regulation 44(8) (survivor benefits: partners of deferred members and deferred pensioner members) at the end add "with the modification that for the purposes of paragraph (4) the amount of pension the member would have been entitled to draw assumes that there had been no commutation under regulation 33 (election for lump sum instead of pension)".

19. In regulation 45(14) (survivor benefits: children of deferred members) at the end add "with the modification that for the purposes of paragraphs (4), (5), (9) and (10) the amount of pension the member would have been entitled to draw assumes that there had been no commutation under regulation 33 (election for lump sum instead of pension)".

20. In regulation 58 (funding strategy statement) for paragraph (4)(a) substitute—

"(a) the guidance set out in the document published in October 2012 by CIPFA, the Chartered Institute of Public Finance and Accountancy and called "Preparing and Maintaining a Funding Strategy Statement in the Local Government Pension Scheme 2012(**4**); and".

21. In regulation 62(6)(b) (actuarial valuations of pension funds) for the word "common" substitute "primary".

22. In regulation 64 (special circumstances where revised actuarial valuations and certificates must be obtained)—

(a) for paragraph (1) substitute—

"(1) Subject to paragraph (2A), 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 ("a relevant 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 an exit payment.".

(b) after paragraph (2) insert—

(**4**) ISBN No 9781845083359; copies may be obtained from CIPFA at 3 Robert Street, London WC2N 6RL.

"(2A) An administering authority may by written notice ("a suspension notice") to an exiting employer suspend that employer's liability to pay an exit payment for a period of up to 3 years starting from the date when that employer would otherwise become an exiting employer, if the condition in paragraph (2B) is met.

(2B) The condition mentioned in paragraph (2A) is that in the reasonable opinion of the administering authority the employer is likely to have one or more active members contributing to the fund within the period specified in the suspension notice.

(2C) If an administering authority serves a suspension notice on an employer, unless that suspension notice is withdrawn, paragraph (2) does not apply in respect of that employer, but the employer must continue to make such contributions towards the liabilities of the fund in respect of benefits in respect of the employer's current and former employees as the administering authority reasonably requires.".

23. In regulation 69 (payment by Scheme employers to administering authorities)—

(a) in paragraph (1) at the end add—

"(e) all amounts received from time to time from the Ministry of Defence in respect of contributions for a member on reserve forces service leave."; and

(b) in paragraph (4) omit the words ", and at such intervals (not exceeding 12 months)".

24. In regulation 83 (payments for persons incapable of managing their affairs) in the first line omit the words "other than an eligible child".

25. In regulation 89 (annual benefit statements)—

(a) in paragraph (4) for "Services" substitute "Service"; and

(b) omit paragraph (5).

26. In regulation 94(1) (adjustment of account following forfeiture etc) at the end insert "and pay the relevant Scheme employer an amount determined by an actuary as representing the capital value of those benefits".

27. In regulation 103 (changes of administering authority) in paragraph (1) omit the word "and" at the end of sub-paragraph (b) and at the end add—

"; and

(d) in a case where a member has the option of not aggregating a past period of membership with the current period of membership, the member has not exercised the option of retaining separate benefits".

28. In Schedule 1 (interpretation)—

(a) omit the definition of "Housing Ombudsman Service"(**5**);

(b) after the entry for "joint liability amount" insert—

""local authority" means a county council, a county borough council, a district council, a London borough council, the Common Council of the City of London and the Council of the Isles of Scilly.";

(c) in the definition of "revaluation adjustment" after "percentage specified" insert "as the change in prices";

(d) For "SVAVC" substitute "SCAVC".

29. In Part 1 of Schedule 2 (Scheme employers) for paragraphs 24(**6**) and 25(**7**) substitute—

(**5**) The definition of Housing Ombudsman Service was inserted by S.I. 2014/44.
(**6**) Paragraph 24 was inserted by S.I. 2014/1012.
(**7**) Paragraph 25 was inserted by S.I. 2014/863.