

CYNGOR SIR POWYS COUNTY COUNCIL.

**Pensions and Investment Committee
7th February 2013**

REPORT BY: Strategic Director of Finance & Infrastructure
SUBJECT: Local Government Pension Scheme (Miscellaneous)
Regulations 2012

REPORT FOR: Information

- 1 The Local Government Pension Scheme (Miscellaneous) Regulations 2012 [SI 2012/1989] came into force on 1st October 2012. Many of the changes introduced are necessary to ensure the LGPS fits with the requirements of automatic enrolment as outlined in the Pensions Act 2008 (as amended).
- 2 The SI includes amendments which, amongst other things:
 - Allows employees with a contract of employment that is for less than 3 months the option to join the LGPS
 - Fundamentally changes the way employees of admission bodies join the LGPS
 - Provides that employees cannot complete a form to opt-out of membership of the LGPS before their employment commences
 - Changes the final pay calculation for those members who cease active membership on or after 1st October 2012 to include pensionable pay from membership of the LGPS with a previous employer
 - Clarifies the position regarding flexible retirement where members have to take all of their benefits built up before 1st April 2008 on taking flexible retirement but can take all, some or none of their post 1st April 2008 benefits
 - Extends power to administering authorities to award early payment of pensions where the employing authority ceases to exist
 - Amends an anomaly in the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 so that pensioner members with a suspended tier 3 ill health pension benefit can now opt to take payment of benefits from age 60 at an unreduced rate should that member meet the rule of 85

- Allows pensioner members with a suspended tier 3 ill health pension benefit who can prove that they are suffering from a medical condition which renders them permanently incapable of any gainful employment to apply for early payment of their preserved benefits
- Amends the definition of an eligible child to cross reference to the Equality Act 2010
- Provides for children's pensions to take into account any additional contributions made by the deceased member and also ignores any reduction in the deceased's membership that resulted from a reduction in hours due to the member's ill health (as determined by an Independent Registered Medical Practitioner)
- Reintroduces the option to elect to pay additional contributions to allow pre 6th April 1988 membership to count for a nominated cohabiting partner's pension. Elections have to be made before 1st April 2013 or no later than 12 months from the date the scheme member first signs a nominated cohabiting partner's nomination form in respect of that partner (whichever is later)
- Requires a separate admission agreement to be in place where a transferee admission body is performing the functions of a scheme employer in more than one contract (for contracts entered into from 1st October 2012)
- Extends the provision of an indemnity or bond to Community Admission Bodies
- Provides administering authorities with the power to obtain a closing actuarial valuation and a revised rates and adjustments certificate where an employing authority ceases to be a scheme employer or there is reason to believe they will cease to be a scheme employer in the future
- Allows a police and crime commissioner, and a chief constable to become a scheme employer from 22nd November 2012
- Where an employing authority is required to contribute to more than one LGPS fund or merges or amalgamates with another employing authority in a different fund or moves its main place of business to a different geographical area, the Secretary of State can, on or after 1st October 2012 and upon application from the employing authority, decide whether to issue a direction substituting one fund for another
- Allows LGPS funds to pay the annual allowance tax charge following a request to do so from a member, with a consequential reduction in the member's benefits. This amendment has been backdated to 6th April 2011

- Requires administering authorities to issue an annual benefit statement to each of its active, deferred and pension credit members by no later than 6 months after the end of the tax year to which the statement relates (ie deadline now 5th October rather than the following 31st March).
- 3 In addition there is a further amendment which updates the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006. This now requires a local authority's policy statement (relating to the exercise of their discretion to base redundancy pay on actual pay and/or to award a compensation payment of up to a maximum of 104 weeks pay) to include employees of both technical institutes and federated schools.
 - 4 Committee is asked to note the contents of this report and that matters are in hand to implement these amendments, as required.

Recommendation:		Reason for Recommendation:	
To note the contents of the report.		As per report	
Person(s) To Action Decision:			
Date By When Decision To Be Actioned:			
Relevant Policy (ies):	N/A		
Within Policy:	N/A	Within Budget:	N/A
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Relevant Portfolio Member(s):	Councillor Dai Davies		
Relevant Local Member(s):			