

**CYNGOR SIR POWYS COUNTY COUNCIL.**

**Pensions and Investment Committee  
25<sup>th</sup> February 2010**

**REPORT BY:** Head of Finance & Corporate Performance

**SUBJECT:** Proposed LGPS Amendments - Consultation

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**REPORT FOR:** Decision

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**1 Introduction**

1.1 On 24<sup>th</sup> December 2009 CLG issued, for consultation, the draft Local Government Pension Scheme (Miscellaneous) Regulations 2010. Comments are required to be submitted by 18<sup>th</sup> March 2010.

1.2 It is proposed that these regulations will amend the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (“the Benefits Regulations”), the Local Government Pension Scheme (Transitional Provisions) Regulations 2008 (“the Transitional Regulations”), the Local Government Pension Scheme (Administration) Regulations 2008 (“the Admin Regulations”) and the extant provisions of the Local Government Pension Scheme Regulations 1997 (the 1997 Regulations)..

**2. Proposed Amendments to the Admin Regulations**

2.1 Regulation 7(5) provides that where there is any dispute between the parties to an admissions agreement in relation to the constitution of the agreement or the rights and obligations of the parties under it, that the matter may be referred to the Secretary of State for a determination. It is proposed that this be removed so that any such disputes may be resolved by the parties to the agreement.

Proposed Response – support.

2.2 In relation to regulation 8 it is proposed that a foundation school should not be able to deny their staff access to the LGPS.

Proposed response – support (although it is noted that at present this Authority has no such schools).

2.3 In relation to regulation 16 it is proposed that re-employed deferred members be permitted to aggregate any of their previous periods of membership, not just the one immediately before the re-employment,

provided that they do so within 12 months of the date of re-employment.

Proposed response – support (the intention here is to revert to previous provisions which allowed this to happen, as a reflection of the fact that the LGPS is a single, national scheme).

### 3. **Proposed Amendments to the Transitional Regulations**

- 3.1 It is proposed that regulation 14 be amended to allow for the payment of benefits to a pension credit member (arising from a pension sharing on divorce order) from age 60, with appropriate actuarial adjustments.

Proposed response – support (this brings these members into line with the wider membership and is cost-neutral to the Fund).

### 4. **Proposed Amendments to the Benefits Regulations**

- 4.1 The bulk of the changes proposed are consequential, other than those proposed in relation to ill health.

### 5. **Proposed Amendments to the Ill Health Provisions**

- 5.1 With the exception of the following sub-paragraphs, the bulk of the proposals are to clarify the existing regime to ensure that it meets the original policy intentions. These proposals are supported.

- 5.2 At present, regulation 20 provides that where an award of 3<sup>rd</sup> tier benefits has been made, a member may request an uplift to 2<sup>nd</sup> tier benefits at any time – even after the payment of 3<sup>rd</sup> tier benefits has ceased. This could occur many years after the original award. It is suggested that a better approach would be to re-examine the 3<sup>rd</sup> tier award to see whether a 2<sup>nd</sup> tier award should have been made from the outset. To facilitate this, it is proposed to permit a member awarded a 3<sup>rd</sup> tier benefit to appeal against the award at any time in the three and a half years following the award.

Proposed response – support (but with reservations. This amendment is likely to encourage appeals, thereby increasing the administrative burden and the costs associated with obtaining medical opinions.).

- 5.3 As the present regulations are worded, it is possible for a member to receive more than one 1<sup>st</sup> tier award, with full enhancement to age 65, in respect of consecutive employments. This was not the original policy intention and therefore it is proposed that an amendment be made to prevent this.

Proposed response – support.

- 5.4 A member whose 3<sup>rd</sup> tier benefits cease is then awarded deferred benefits payable from age 65 with no option to elect to draw benefits (subject to actuarial adjustment) from age 60. This means that such members are being treated differently to all other deferred beneficiaries. Therefore in order to remove this inequity, it is proposed that such members be allowed to opt for adjusted benefits from age 60.

Proposed response – support.

## 6. **Recommendations**

- 6.1 Committee is asked to approve the responses set out above in respect of these draft scheme amendments.

<b>Recommendation:</b>	<b>Reason for Recommendation:</b>
To support the draft amendments proposed by CLG in the LGPS (Misc) Regs 2010.	

<b>Person(s) To Action Decision:</b>	Joe Rollin
<b>Date By When Decision To Be Actioned:</b>	

<b>Relevant Policy (ies):</b>	N/A		
<b>Within Policy:</b>	N/A	<b>Within Budget:</b>	N/A

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<b>Relevant Local Member(s):</b>	