

CYNGOR SIR POWYS COUNTY COUNCIL.

**Pensions and Investment Committee
25th November 2010**

REPORT BY: Strategic Director, Finance & Infrastructure

SUBJECT: LGPS (Misc) Regs 2010

REPORT FOR: Information

- 1 Committee is asked to note that the DCLG issued the Local Government Pension Scheme (Miscellaneous) Regulations 2010 [SI 2010 No. 2090] which came into force on 30th September 2010.
- 2 These regulations made amendments to the Local Government Pension Scheme Regulations 1997; the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007; the Local Government Pension Scheme (Transitional Provisions) Regulations 2008; and, the Local Government Pension Scheme (Administration) Regulations 2008.
- 3 Whilst many of the amendments are corrective or clarifying in nature, those of more significance are explained in detail below.
- 4 Amendment regulation 3 amends regulation 154 of the 1997 Regulations in respect of 'Pension Credit members' being a member receiving a benefit under the Scheme following a Pension Sharing Order issued as part of a divorce settlement. The normal benefit age for a Pension Credit member is age 65. This amendment now permits Pension Credit members to elect in writing to the Council to receive benefits at or after age 60. Pension Credit benefits paid before age 65 will be subject to actuarial reduction in accordance with guidance issued by the Secretary of State.
- 5 Amendment regulation 9 amends regulation 4(2)(g) of the Benefits Regulations. This amendment tries to ensure that only genuine compensation payments in respect of equal pay settlements are excluded from the definition of pensionable pay. Sums which represent arrears of pay are not excluded from the definition of pensionable pay.
- 6 Amendment regulation 25 inserts new regulation 30A into the Benefits Regulations. New regulation 30A provides that a suspended tier 3 pension will be brought into payment at normal retirement age unless the member elects to receive

payment of benefits at or after 55 and before normal retirement age. An election made before age 60 is ineffective without the consent of the former employing authority. Benefits brought into payment before normal retirement age under regulation 30A will be actuarially reduced as per GAD guidance.

- 7 Amendment regulation 43 amends regulations 16(3) and 16(4) of the Admin Regulations. These amendments allow members to aggregate any other periods of former membership within 12 months of joining the scheme or longer if the employer permits. Existing members have until 1 October 2011 to aggregate any periods of previous membership which they have not aggregated previously.

There is a cost element to this amendment, as it will mean that members with previously unaggregated local government pensions (the number of which is unknown) will be able to bring them in thereby increasing Fund liabilities.

- 8 Amendment regulation 51 inserts new regulation 52A into the Admin Regulations. Part of the regulation allows the Council to pay some or all of the benefits in respect of a person who is incapable of managing their affairs to someone else for the benefit of the member. It will be for the Council to determine its processes for deciding whether or not a beneficiary (other than an eligible child) is incapable of managing his / her affairs by reason of mental disorder or otherwise.

Recommendation:	Reason for Recommendation:
To note contents of the 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 Tony Thomas
Relevant Local Member(s):	