



Haverling

LONDON BOROUGH

PENSIONS COMMITTEE AGENDA

7.30 pm

**Tuesday
30 April 2013**

**Town Hall, Main Road,
Romford**

Members 7: Quorum 3

COUNCILLORS:

**Conservative Group
(4)**

**Residents' Group
(1)**

**Labour Group
(1)**

**Independent
Residents' Group
(1)**

Melvin Wallace
(Chairman)
Becky Bennett (Vice-
Chair)
Eric Munday
Roger Ramsey

Ron Ower

Pat Murray

Jeffrey Tucker

Trade Union Observers

(No Voting Rights) (2)

John Giles, (Unison)
Andy Hampshire, GMB

**Admitted/Scheduled Bodies
Representative**

(Voting Rights) (1)

Marian Clay

**For information about the meeting please contact:
James Goodwin 01708 432432
email: james.goodwin@haverling.gov.uk**

AGENDA ITEMS

1 CHAIRMAN'S ANNOUNCEMENTS

The Chairman will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

(if any) - receive

3 DISCLOSURE OF PECUNIARY INTERESTS

Members are invited to disclose any pecuniary interest in any of the items on the agenda at this point of the meeting.

Members may still disclose any pecuniary interest in any item at any time prior to the consideration of the matter.

4 INVESTMENT IN LOCAL INFRASTRUCTURE ASSETS

Report to Follow.

5 CONSULTATION ON COLLECTIVE PENSIONS INVESTMENT FUND (Pages 1 - 4)

Report attached.

6 AUTOMATIC ENROLMENT (Pages 5 - 12)

Report attached.

7 LGPS 2014 - CONSULTATION ON SCHEME REGULATIONS AMENDMENTS (Pages 13 - 22)

Report attached.

8 EXCLUSION OF THE PUBLIC

To consider whether the public should now be excluded from the remainder of the meeting on the grounds that it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public were present during those items there would be disclosure to them of exempt information within the meaning of paragraph 1 of Schedule 12A to the Local Government Act 1972; and, if it is decided to exclude the public on those grounds, the Committee to resolve accordingly on the motion of the Chairman.

Ian Burns
Acting Assistant Chief Executive

<p>PENSIONS COMMITTEE 30 April 2013</p>	

Subject Heading:	Consultation on Collective Pensions Investment Fund
Report Author and contact details:	Mike Board Financial Services Manager 01708 432217 mike.board@havering.gov.uk
Policy context:	Pensions Investment strategy
Financial summary:	There are no direct implications arising from the consultation

The subject matter of this report deals with the following Council Objectives

- Clean, safe and green borough
- Excellence in education and learning
- Opportunities for all through economic, social and cultural activity
- Value and enhance the life of every individual
- High customer satisfaction and a stable council tax

SUMMARY

To advise the Committee of the proposals for a Collective Pensions Investment Fund across London

RECOMMENDATIONS

The Committee is asked to consider the SLT proposals and indicate that either:

- They would be very interested in participating in a Collective Investment Fund; or
- They would need to learn more about a Collective Investment Fund before expressing a definite interest; or
- In principle, it is unlikely that they would be interested in participation; or
- That they have reservations about how such a Fund could work

Responses will be forwarded to SLT

REPORT DETAIL

The Society of London Treasurers recently considered a report from PricewaterhouseCoopers (PWC) regarding increased co-operation across the London Boroughs on pensions and in particular on pensions Investments.

The PWC Report sets out a proposed structure whereby each of the participating Boroughs would retain autonomy in asset allocation and funding strategy. There would be a central entity, or Oversight Agent, working within new governance arrangements, that establishes a choice of funds within each asset class, selects fund managers and negotiates and monitors fee and service levels. The participating boroughs would set their asset allocation, choosing between wide ranges of Investment Funds offered by the fund.

However, for this model to work is a need for the boroughs to be willing to consider a collective fund and SLT were asked to see what the appetite there was amongst there respective funds before considering further work.

The key advantages of Collective Investment Funds as identified by SLT are as follows:-

- It preserves individual boroughs' decisions on funding strategy and asset allocation;

- It enables the boroughs with lower performance access to better performing fund managers;
- It will provide an investment platform where the boroughs can aggregate investment options making it more attractive for fund managers, hopefully reducing fees;
- It will provide a range of not only asset classes but also different styles of managers to meet requirements of boroughs;
- It would demonstrate that Funds are capable of working together

SLT have identified some possible down sides

- It requires a number of Funds to be prepared to join and ideally some of the better performers;
- There will be the normal cost of changing fund managers, but hopefully less than a number of Boroughs changing individually;

SLT are seeking an expression of interest in the principle of developing this model or if the Committee has any reservations. Responses should be made direct to SLT.

IMPLICATIONS AND RISKS

Financial Implications and risks:

There are no immediate financial implications arising from responding to the questionnaire. No commitment arises from the Council's response to it.

In the event that further developments take place it may be necessary for the Committee to consider further reports on the cost of feasibility studies or development work and the benefits or otherwise of any firm proposals that arise from those developments.

For information, the Pension Fund's total investment management expenses as reported in the 2011/12 accounts amounted to £1.138 million.

Legal Implications and risks:

None arising directly from the consultation.

Human Resources Implications and risks:

None arising directly from the consultation.

Equalities implications and risks:

None arising directly from the consultation.

BACKGROUND PAPERS

<p>PENSIONS COMMITTEE 30 April 2013</p>	

Subject Heading:	Automatic Enrolment legislation changes consultation
CMT Lead	Andrew Blake-Herbert
Report Author and contact details:	Contact: Karen Balam Designation: Transactional Manager Telephone: (01708) 432271 E-mail Address: Karen.balam@havering.gov.uk
Policy context:	Pensions Act 2008 and 2011.
Financial summary:	There are no financial implications in responding to the consultations.

The subject matter of this report deals with the following Council Objectives

- Clean, safe and green borough
- Excellence in education and learning
- Opportunities for all through economic, social and cultural activity
- Value and enhance the life of every individual
- High customer satisfaction and a stable council tax

SUMMARY

The report is to seek the support of the Committee for the proposed responses on the consultation on proposed changes to the pension reform legislation covering automatic enrolment.

RECOMMENDATIONS

- 1 Members support the proposed responses to the consultation.

REPORT DETAIL

1 Background

- 1.1 Following the Government's acceptance of the Lord Hutton report on pensions reform, several initiatives have been instigated under Workplace Pensions Reform. The Pensions Regulator together with the Department of Work and Pensions are overseeing the changes to the Pensions Act 2011, which requires all employers to offer a pension scheme to their employees, to automatically enrol those who meet certain criteria on the employers staging date, monitor other employees to ascertain when they meet the set down criteria, and to re-enrol those who opt out of the scheme every 3 years.
- 1.2 The legislation is now being reviewed with a view to amendment and a consultation document has been issued, with a response date of 7 May 2013.
- 1.3 This Authority would want to make a response to the consultation, and members of the automatic enrolment working team have reviewed the document.
- 1.4 It should also be noted that the scope of the consultation is narrow and does not cover the breadth of changes that could be effective, such as the burdensome communications requirement for large employers. It is the intention of this council to include this observation in the response.
- 1.5 The proposed responses are given in Appendix A.

2 Scope of the Consultation

2.1 Amendment to current legislation

The consultation document included 10 proposed changes to the current legislation, highlighting the issues, the proposals and a set of questions following each proposed change topic.

The proposals were around redefining certain technical terms and time periods but also included the potential for easements for employers providing good pension schemes.

2.2 Proposed response

As the LGPS and Teachers Pension Scheme allow entry to all employees, it is proposed to respond to the relevant question on easement specifically, and merely comment on the remainder.

2.2.1 The response to the questions on introducing any amendments prior to April 2014 was considered with the conclusion reached that change introduced closely after the launch of automatic enrolment is not absorbed as easily as change introduced after a period of time. Therefore the response is not to make amendments prior to April 2014.

IMPLICATIONS AND RISKS

Financial implications and risks:

This area of work is an employer responsibility and cannot be met by the Pension Fund. The proposed changes do not incur any further changes to systems. Council resources could be saved if it is agreed that the Council can self certify that it meets all the obligations of automatic enrolment as a result of contractually enrolling all staff into the appropriate pension scheme.

Legal implications and risks:

The Pensions Act 2011 requires employers to register with the Pension Regulator and automatically enrol eligible employees into a qualifying pension scheme where they are not currently a member. This task then needs to be repeated every 3 years. This imposes significant administrative burdens on the London Borough of Havering and has financial implications. It is not known at this time if any changes to legislation would still require registration to still occur.

Failure to comply with the automatic enrolment regulations will expose the Council to the risk of fines imposed by the Pension Regulator.

Human Resources implications and risks:

There will continue to be ongoing changes and monitoring in processes and procedures to ensure that the Council meets the required legislation around automatic enrolment.

Equalities implications and risks:

Since the Amendment Regulations, October 2012, all non teaching employees have the right to join the LGPS. All non teaching employees with a contract of 3 months or more are already automatically enrolled in the LGPS. All non teaching employees with contracts of less than 3 months (including casuals) may now elect to join the LGPS.

BACKGROUND PAPERS

The Local Government Pension Scheme Regulations (various) and the Guidance notes issued with them.

Department of Work & Pensions Technical Changes to Automatic Enrolment – Public consultation on draft regulations and other propose changes.

APPENDIX A

Consultation questions

Q1 – Does the existing approach to Pay reference periods cause you any difficulties? If it does, can you explain how, if possible with specific examples?

R1 the existing approach does not cause us any difficulties.

Q2 – Will adding the proposed alternative method of determining a pay reference period to align with tax and NICS periods make assessing jobholder status more straightforward?

R2 We do not believe the proposed alternative will make assessing job holder status more straightforward but would welcome it as a more pragmatic approach.

Q3 – Should both the old and the new definitions of a pay reference period remain in force? If so for how long?

R3 No, it would be easier to have only 1 definition going forward.

Q4 – If we allow a period where both the old and new definitions of a pay reference period are in force, would it be useful to bring the new requirements as soon as possible.

R4 We do not support bringing changes in legislation forward from the proposed date of 1 April 2014.

Q5 – Does adopting the revised definition of a payroll reference period for assessing scheme quality remove any possible need for annual reconciliation?

R5 We assume that this is intended for schemes that are making the minimum payments required. As the schemes in place at this authority exceed the requirements, we cannot see that this makes any difference.

Q6 – Are there any potential difficulties with the proposed change you wish to highlight?

R6 Cannot comment. See R5

Q7 – Is there any reason not to bring the revised definition of a payroll reference period for assessing scheme quality into force as soon as possible?

R7 We do not support bringing changes in legislation forward from the proposed date of 1 April 2014.

Q8 – Does extending the deadline for passing over employer contributions make administration easier?

R8 This is not an issue for this Council, and therefore it would not have any positive impact.

Q9 – Are there any risks associated with extending the deadline in this way?

R9 There could be a risk that not all contributions are paid over to the fund unless automation is in place. As this council has automation, this is not an issue.

Q10 – Is there any reason not to bring the change to contribution payment deadlines into force as soon as possible?

R10 We do not support bringing changes in legislation forward from the proposed date of 1 April 2014.

Q11 – Should there be a prescribed period under section 3(4) of the Pensions Act 2008 to turn off the automatic enrolment duty? Please set out the reasons for your view.

R11 It is this council's opinion that the existing approach of 12 months is absolutely right. If it were any shorter, it might give a negative impression to employees. Any longer, and the communications issue would need to be greater.

Q12 – If so, how long should that period be?

R12 See R11.

Q13 – Does the ongoing monitoring requirement limit how useful this would be as an easement?

R13 We do not believe so.

Q14 – Do the proposed changes on the form of opt out notices make it easier to design and use?

R14 Implementing the proposed changes will make no difference to using it, and changing design would not present us with any difficulty.

Q15 – Is there any reason not to bring the clarification on the form of opt out notices into force as soon as possible?

R15 We do not support bringing changes in legislation forward from the proposed date of 1 April 2014.

Q16 – Do you think extending the deadline from one month to six weeks strikes the right balance between the needs of employer and jobholders?

R16 This council believes that the change from 1 month to 6 weeks would make very little difference. So, if the time were to be extended, the DWP should consider at least 8 weeks.

Q17 – An extended joining window could cut across the disclosure requirements that are currently linked to a one month joining window. Would this cause administrative difficulties.

R17 The view is, if it cuts across the disclosure requirements, it would be unwise to change what is currently in place.

Q18 – Does the proposed amendment to the definition of appropriate age have the desired effect?

R18 If the proposed changes are implemented, this council believes they will achieve the desired effect.

Q19 – Does the proposed amendment to maximum service limit for lump sum schemes have the desired effect?

R19 This council cannot comment on this as the schemes in place do not include this facility.

Q20 - Does the proposed amendment to the revaluation requirement for certain lump sum schemes have the desired effect?

R20 This council cannot comment on this as the schemes in place do not include this facility.

Q21 – Is there any reason not to bring the changes to the test scheme requirements into force as soon as possible?

R21 We do not support bringing changes in legislation forward from the proposed date of 1 April 2014.

Q22 – Are there categories or descriptions of worker for whom automatic enrolment is inappropriate? If yes, can you say who they are and why?

R22 This council cannot identify any further types of workers from those identified in the consultation document.

Q23 – Would it be a good idea to allow employers contractually enrolling all workers into an automatic enrolment qualifying scheme to be certified or to self-certify that they are meeting the policy objectives and therefore are exempt from the explicit employer duties?

R23 This council fully supports this proposal, and would welcome it.

Q24 – What would employers need to demonstrate, beyond contractual enrolment of all workers into an automatic enrolment qualifying scheme in order to be certified or allowed to self-certify?

R24 That regulations in respect of the pension schemes in place mirror the legislation requirement for automatic enrolment. It is the view of this council that what is currently in place do meet those requirements.

Q25 – For the purpose of automatic enrolment, is a quality requirement needed for DB schemes at all?

R25 This Council feels that this is irrelevant for the pension schemes in place for the employees of Local Government., and so will not comment further.

Q26 – Is there a simpler way of determining whether a DB scheme is "good enough" to be used for automatic enrolments?

R26 This Council agrees that there should be a method of measuring that a scheme does meet the criteria as a suitable scheme for automatic enrolment but would not recommend a method of doing so.

Additional Comments

This council would also like to comment that it is of the opinion that the scope of the consultation was narrower than it could have been.

Comments around the scale of communication (letters), and the information not given at registration are just a few of the items that could have been included.

<p>PENSIONS COMMITTEE 30 April 2013</p>	

Subject Heading:	LGPS 2014 consultation on scheme regulations
Report Author and contact details:	Contact: Karen Balam Designation: Transactional Manager Telephone: (01708) 432271 E-mail Address: Karen.balam@havering.gov.uk
Policy context:	Local Government Pension Scheme 2014
Financial summary:	There are no costs implicit in responding to the consultation, .

The subject matter of this report deals with the following Council Objectives

Clean, safe and green borough	<input type="checkbox"/>
Excellence in education and learning	<input type="checkbox"/>
Opportunities for all through economic, social and cultural activity	<input type="checkbox"/>
Value and enhance the life of every individual	<input checked="" type="checkbox"/>
High customer satisfaction and a stable council tax	<input type="checkbox"/>

SUMMARY

The report is to advise Committee of the period of statutory consultation on pension reform legislation covering the Local Government Pension Scheme 2014, focusing on the core elements relating to membership, contributions and benefits, and to seek approval to the following recommendations.

RECOMMENDATIONS

- 1 Members note the detail of the consultation which is in 3 parts, with the response date for Part A being 3 May 2013, and Part B and C being 24 May 2013;
- 2 Members approve the responses to Part A regulations set out as Appendix A;
- 3 Members delegate the approval of responses to Parts B and C to the Lead Officer, Andrew Blake-Herbert, and the Pensions Committee Chair, Councillor Wallis at a later date.

REPORT DETAIL

- 1.1 Following the Government's acceptance of the Lord Hutton report on pensions reform, several initiatives have been instigated under Workplace Pensions Reform. A revised Local Government Pension Scheme is being introduced on 1 April 2014, with all active members of the current scheme being transferred automatically into the new scheme.
- 1.2 New sets of regulations are being drafted and the current consultation is amending several definitions, clarifying regulations in places and simplifying them in others.
- 1.3 There are also 2 further sets of regulations under consultation, Part B and Part C which cover Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2013 and Local Government Pension Scheme (Miscellaneous Amendments) Regulations 2013 which are changes to the 2008 scheme. These have the response date of 24 May 2013.
- 1.4 The Councils Pensions Programme Officer has read the consultation document and examined the proposed changes to the 2014 scheme regulations to formulate the response to the consultation.

IMPLICATIONS AND RISKS

Financial implications and risks:

There is no additional financial implication in approving the proposed Havering report to the consultation document. The purpose of Havering's response is to support the proposed changes. Financial implications due to the change of scheme itself have been identified in earlier reports to committee.

There is minimal risk in the event that the final regulations are flawed, leaving the Council vulnerable in its administration of the LGPS. Amendment regulations have historically been regularly produced to clarify ambiguity although concise consultation with adequate response should minimise this risk.

Disseminating information on the new scheme to all scheme members, managers and employers in the Havering Pension fund will be an essential but onerous task, and must be delivered in a timely manner, with cost implications being kept to an absolute minimum. A realistic estimate of costs is not currently available but is considered manageable. Such costs are borne by the pension fund

Legal implications and risks:

The LGPS regulations are a statutory instrument and therefore the administration of the Council scheme will have to comply with them.

Human Resources implications and risks:

There will be an ongoing change in processes and procedures to ensure that the required legislation is delivered and built into working practices. Cascading information on the new scheme to all scheme members, managers and employers in the Havering Pension fund will be essential, and will need to be delivered in a concise and timely manner.

Equalities implications and risks:

Since the Amendment Regulations, October 2012, all non teaching employees have the right to join the Local Government Pension Scheme (LGPS). All non teaching employees with a contract of 3 months or more are already automatically enrolled in the LGPS. All non teaching employees with contracts of less than 3 months (including casuals) may now elect to join the LGPS.

BACKGROUND PAPERS

The Draft Local Government Pension Scheme Regulations 2013 and the Guidance notes issued with them.

Havering is proposing to respond to all items of detail.

APPENDIX A

Part A: Local Government Pension Scheme Regulations 2013

a) Membership, contributions and benefits Preliminary Provisions

Regulations 1 and 2 are unchanged.

Membership

Regulation 3 has been modified since the consultation draft. Paragraphs 3(3) and 3(4) have been altered to satisfy the requirements of the Pensions Regulator, so that individuals with contracts of less than three months become subject to the system of auto-enrolment. There is a new 3(8) detailing periods which do not count as qualifying service.

Regulation 4 has the additional phrase “In an employment” in paragraph (1). This phrase has been added to a number of regulations to signify that each employment / membership is for most purposes treated separately.

Regulation 5 has been modified. In particular paragraph (5) makes it clear that those individuals who cease membership before having been a member for three months should be treated as never having been an active member. Their contributions would be returned.

Regulation 6 includes minor modifications for the sake of clarification.

Regulation 7 is unchanged except for an addition making it clear that an individual could be in the same, as well as different, categories of membership in respect of different employments.

Regulation 8 includes a minor alteration to the definition of “pension credit member”.

Contributions

Regulation 9 includes a new “Band” column in the contribution table, for ease of reference. The types of absence to be disregarded for the purposes of band-setting are now specified.

Regulation 10 includes a number of modifications, the most important of which is that the use of “assumed pensionable pay” need not mean that an individual has to cease paying 50% contributions.

Regulations 11 and 12 have been subjected to minor re-wording for the sake of clarity, and, as requested by respondents to the consultation, now deal with contributions which are made following a members’ decision to do so.

Regulation 13 on reserve forces service leave has a new paragraph (2) to explain the member’s contribution levels.

Regulation 14 is unchanged.

Regulation 15 details a member's obligations to make contributions during absences with the employer's permission. New wording has been added to deal with the first 30 days of absence.

Regulation 16's provisions on additional regular contributions have been clarified. In particular, it is now made clear that the maximum sum, £5,000, to be credited to an individual's pension account is an aggregate amount, not an annual amount.

Regulation 17 on Additional Voluntary Contributions (AVCs) has been augmented to give further necessary detail. In particular, it is set down that it should be specified what proportion of the contributions should be used to provide life assurance payable on death in service.

Regulation 18 has been modified to improve clarity. In paragraph (1) the reference to paragraph 3(5) has been replaced by one to 3(6), dealing with an error highlighted by a number of consultation respondents.

Regulation 19, on the right to return of contributions, has a new reference to ceasing active membership which replaces the original reference to leaving an employment.

Regulation 20 lists exclusions to the definition of pensionable pay. There is now one additional exclusion in paragraph (f), which concerns payments related to the provision of a motor vehicle.

Regulation 21 deals with the concept of assumed pensionable pay (APP). A number of important modifications have been made:

- "child-related leave" is redefined
- as requested, "absence with permission" is included
- it is made clear that certain lump sums are excluded
- it is made clear that assumed pensionable pay is re-valued annually. (but see **Regulation 39(9) below**)

The former Regulation 21 (3) has been removed and the need for an IRMP opinion where there has been a reduction in pay as a result of an ill health condition and that reduction is ignored, is now found at 36 (1) (c) which firmly links the need for IRMP certification with the ill health retirement assessment process.

14

Pension accounts

This section of the Regulations details the new system of pension accounts which will ensure that each member accumulates pension by means of the Career Average Revalued Earnings System.

Regulation 22 sets down the different types of pension account. An additional category is added to the consultation draft, a deferred refund account for individuals who have contributed to the Scheme for between three months and two years. This account does not in itself give a right to Scheme benefits, but it can be retained as a starting point for future accrual in the Scheme or transfer elsewhere.

Regulation 23 has been the subject of modification. It has been made clear that contributions relate to the year in which they are paid to the Fund concerned, rather than to the year in which the salary was earned. There are further modifications relating to taxation and the methodology for dealing with the final part-year of active membership.

Regulation 24 is modified to set down further provision for deferred refund accounts. Options for the future of such accounts are set down in paragraph (12).

Regulation 25 deals with retirement pension accounts. The new draft stipulates that due account should be taken of the effect of additional pension and pension sharing orders.

Regulation 26 has been rearranged for clarity. It is made clear that retirement pension accounts must take due account of pension adjustment.

Regulation 27 continues the facility for members to take flexible retirement. There is additional wording to ensure that due account is taken of additional pension and pension adjustment.

Regulation 28 - this provision requires a retirement pension account to be closed when Tier 3 benefits stop and a deferred pensioner account to be opened showing the amount of accrued pension transferred from the retirement pension account.

Regulation 29 has in two respects been corrected from the original draft. The mis-leading reference to capital value has been dropped and it is no longer stipulated that only active members could be subject to pension sharing orders. Both of these alterations result from consultation responses.

Benefits

Regulation 30 setting the parameters within which retirement benefits can be taken, has been modified slightly for clarity. In particular, it is now stipulated, in paragraph (4), that individuals taking flexible retirement can take all of the benefits they have accrued under the 2014 Scheme.

Regulation 31 has been modified and now sets down the process by which additional pension should be credited to a particular account.

Regulation 32 has been expanded to set down the timescale under which a member must give notice to indicate a wish to take flexible retirement.

Regulation 33, continuing the facility for members to receive a lump sum in lieu of part of their pension, has been suitably modified to improve clarity. It is now made clear, in paragraph (4), that the commutation option is not open to pension credit members or to deferred pensioner members.

Regulation 34 has been expanded very slightly to make it clear that, if trivial commutation takes place, no survivor benefit is available in respect of the member concerned.

Ill-health retirement

Responses to the December 2012 consultation have been taken into account in Regulations 35 - 39:

Regulation 35 has been updated to clarify, but not change, the criteria under which retirement benefits can be released on ill health grounds. In particular, it had been noted that 35 (4) and 35 (5) were broadly the same and so they have been revised to make it clear that 35 (4) deals with the 2nd part of the eligibility criteria and 35 (5) deal with Tier 1 benefits. Regulation 35 (6) has been further clarified and 35 (7) now reads 'before normal retirement age if earlier'.

Regulation 36 this sets out the role of the Independent Registered Medical Practitioner and remains broadly as in the earlier consultation draft but 36 (1) (b) has been revised, and 36 (1) (c) includes the requirement for certification by an IRMP regarding reduced working hours and pay as a result of an ill health condition.

Regulation 36(4) requires employing authorities and the IRMP to have regard to guidance given by the Secretary of State. The guidance explains terms such as 'reduced likelihood' and the guidance will be updated to take into account the changes made as a result of both the LGPS (Miscellaneous) Regulations 2012 and the LGPS 2013 Regulations. Practitioners can advise if there should be other ill health related definitions in Schedule 1.

Regulation 37 changes from the December 2012 draft are:
'Employing' has been included before 'authority' at 37 (4), (5), (6), (7) and (10).

Regulation 37(4) – the provision better explains how an employer determines whether employment is gainful employment if the Tier 3 member has returned to work.

Regulation 37(7) – is revised to better explain what decisions can be taken at the review.

Regulation 37(10) – clarifies the test to be applied for an uplift to Tier 2 benefits.

Regulation 38 the criteria for release of benefits at 38 (3) is now the same test for both a deferred and deferred pensioner member. There is no change to the amount of benefits payable.

Regulation 39 in light of recent discussions and replies from practitioners, this regulation sets out in a clearer way how the enhancements should be calculated. Also, 39 (6), (7) and (8) deal with the restriction on any enhancements in subsequent ill health retirement (this is currently provided for in Benefits Regulation 20 (11A)).

Regulation 39(9) provides for the reduction in pensionable pay to be ignored where the reduction was linked to ill health or infirmity of mind or body and an IRMP certifies to this effect.

Survivor benefits

Regulations 40, 43 and 46 provide the power for administering authorities to pay death grants to individuals affected by the death of an LGPS member.

The Regulations now make due allowance in cases where it was not possible for the administering authority to be aware of the member's death at the time. Regulation 40 has also been altered to make it clear that no account should be taken of certain pay reductions in calculating the death grant.

Regulations 41, 42, 44, 45, 47 and 48 provide the power for administering authorities to pay survivor benefit to partners and / or to qualifying children following the death of an LGPS member. These Regulations have been modified compared to the original draft, in order to make clearer the various methods of calculation in each type of case.

b) Administration

Regulation 49 obliges administering authorities to pay interest on payments due in respect of members. There is one alteration compared to the original draft, making it clear that the interest provisions do not apply to payments arising from Additional Voluntary Contributions.

Regulations 50 - 54 are unchanged from the original draft.

Regulation 55 is unchanged from the original draft, except that paragraph 55(4) becomes new **Regulation 56**.

c) Schedule 1

Definitions are now provided for the list of phrases set down in the original draft.

d) Schedule 2, Part 1

Following representations received from the Department for Education and from two local authorities, the definition of "academy" at paragraph 20 has been modified.

e) Schedule 2, Part 2

This Part is unchanged from the original draft.

f) Schedule 2, Part 3

Paragraphs 1 and 7 are modified to improve clarity.

Paragraph 4 - In the case of an admission body falling within the description in paragraph 1(b), where at the date of the admission agreement the contributions paid to the body by one or more Scheme employers equal in total 50% or less of the total amount it receives from all sources, the Scheme employer paying contributions (or, if more than one pays contributions, all of them) must guarantee the liability of the body to pay all amounts due from it under these Regulations.

Can consultees state if this provision is still required?

Paragraph 6 is refined in light of comments.

Paragraph 13 mirrors current Administration Regulation 6(10) and (11) are re-introduced in light of comments.

g) Schedule 2, Part 4

This Part is unchanged from the original draft.

Response:

Having reviewed all the regulation amendments, It is the opinion of this Council that the proposed regulation changes are actioned and that they satisfy the intention of what the changes were intended to do

Having also considered f) Schedule 2, Part 3, paragraph 4 this Council cannot see that this provision is still required.

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