

# ITEM NO: 13(a)

**Report To:** Pension Fund Management Panel

**Date:** 5 March 2010

**Reporting Officer:** Peter Morris, Executive Director of Pensions

**Subject:** **THE LOCAL GOVERNMENT PENSION SCHEME (MISCELLANEOUS) REGULATIONS 2009 (SI 2009/3150)**

**Report Summary:** The report highlights some of the changes introduced by the above Regulations.

**Recommendations:** The Panel & Advisory Panel are recommended to note the content of this report.

**Financial Implications:  
(Authorised by the Borough Treasurer)** Extending protections regarding final pay will be at a modest extra cost to employers.

**Legal Implications:  
(Authorised by the Solicitor to the Fund)** The new Regulations will be applied and changes notified to the membership via the *Pension Power* newsletter.

**Risk Management:** Changes to systems, letters etc are being made as appropriate to keep practice in line with the new Regulations.

**ACCESS TO INFORMATION:**

**NON-CONFIDENTIAL**

**This report does not contain information which warrants its consideration in the absence of the Press or members of the public.**

**Background Papers:**

A copy of the Regulations may be viewed at <http://timeline.lge.gov.uk/Amended/SI/siidx.htm>

For further information please contact Ged Dale, Greater Manchester Pension Fund, Tel 0161 301 7227, email [ged.dale@gmpf.org.uk](mailto:ged.dale@gmpf.org.uk)

## 1. INTRODUCTION

- 1.1 The Department of Communities and Local Government has recently amended the LGPS regulations through “THE LOCAL GOVERNMENT PENSION SCHEME (MISCELLANEOUS) REGULATIONS 2009 (SI 2009/3150)”. The key changes are outlined in section 2 below.

## 2. CHANGES INTRODUCED BY THE REGULATIONS

### 2.1 *Regulation 9 – meaning of pensionable pay – effective from 1.4.08*

Any payment by way of compensation for the purposes of achieving equal pay in relation to other employees is not pensionable.

### 2.2 **Regulation 10 – final pay: reductions – effective from 1.4.08**

Regulation 10 rewrites the provisions that mitigate the effects on final pay of reductions in pensionable pay. In summary a member can invoke these rules if, within the ten year period ending on his last day of active membership, he incurred a reduction or restriction in pay that was not linked to the ending of a temporary promotion or flexible retirement.

### 2.3 *Regulations 14 & 25 – additional survivor benefits contributions (ASBCs) - Election to pay extra contributions to increase the pension payable to a surviving nominated cohabiting partner – effective from 31.12.09*

These provisions allow a member with pre 6.4.88 membership to make ASBCs to increase the potential pension payable on his death to his nominated cohabiting partner: A member who wishes to pay ASBCs must make an election in writing to the administering authority before 31.3.11.

### 2.4 **Regulation 18 – civil partner’s pensions – effective from 1.4.08**

Regulation 18 makes a slight amendment to regulation 3(4) of the Transitional Regulations – it omits the phrase ‘civil partner’s’. However, that simple omission provides full pensions for surviving civil partners, based on all the member’s membership. The explanatory memorandum published with the statutory instrument explains:

“The purpose of this amendment is to place civil partners on a level footing with spouses with regard to survivor’s benefit, so that all membership is taken into account, not just membership accrued from 6th April 1988 onward. It is backdated to 1st April 2008 which is the date the 2008 Scheme came into effect, and is the date when, in effect, widowers’ survivor benefits fully matched”.

- 2.5 The Regulations also amend some provisions relating to other Statutory Instruments. In particular provisions that previously existed for the conversion of compensatory added years/annual compensation into pensionable membership/additional main scheme pension are restored. These provisions are likely to be utilised more when employers are in surplus.

## 3. RECOMMENDATION

- 3.1 The Panel and Advisory Panel are recommended to note the content of this report.