

November 2017

BULLETIN

Governance Review

The Cabinet Secretary for Finance has considered the recommendations of the public sector pension governance review and a range of actions were discussed at the last meeting of the Scheme Advisory Board. The main actions for the SLGPS involved strengthening training and communications. The Joint Secretaries will bring an action plan to the next board meeting.

Structure Review

An options paper on the future structure of pension funds in Scotland has been sent to the Cabinet Secretary for Finance and the SAB is awaiting a response.

Regulations

The SPPA has published draft regulations for consultation. In the main these clarify existing provisions or arise from changes suggested by stakeholders. There are changes which relate to the Taxation of Pensions Act 2014 and are in relation to AVC provision, the Annual Allowance (scheme pays) and to Auto-enrolment. These regulations also introduce further flexibility to assist fund authorities and employers to address funding liabilities when a body ceases to be a scheme employer.

Annual report

Data from the latest actuarial review of funds is being collated. Once that exercise is completed a draft report will be presented to the next Board meeting.

Pension Developments

The UK Government has accepted the recommendations of the Cridland review of the State Pension age which will also increase the Normal Retirement Age in the SLGPS to 68 between 2037 and 2039.

The Financial Conduct Authority has published its final report on measures to address investment management fee transparency and competition. The FCA has also published a policy statement requiring greater transaction cost disclosure for workplace pensions.

The Supreme Court in Walker v Innospec Ltd and others looks at a defined benefit scheme where the survivor's pension payable to a surviving civil partner or same sex spouse is restricted so that it reflects only the member's pensionable service since 5 December 2005. The Board was advised that the SPPA is awaiting Treasury guidance on the implications of this case for public sector pension schemes in Scotland.

Further details on our website www.lgpsab.scot