

February 2020

BULLETIN

“Section” 13 Report

As previously reported, GAD has prepared its “Section 13 “ report on the 2017 valuations for the 11 pension funds in Scotland, and this has now been published [here](#). Funds will shortly be asked their views on implementing the recommendation to ensure consistency of reporting.

Structures Review

The SAB has a working group to oversee the preparation of business cases for different options for the structure of the 11 LGPS funds in Scotland, looking at merger, pooling, co-operation and the status quo. A detailed scoping of the work was discussed, and given the scale of the work it was decided to finalise the timescale and detail of the tender process for the next meeting in March.

Cost transparency on-line data portal

Byhiras gave a presentation to the SAB on the online data portal for reporting and comparing investment fees and charges. When launched at the end of March, it will record and validate information from investment managers, and allow comparisons against average returns. As the first example of such a system in the world, it provides a common foundation for developing data collection and analysis in future, to help drive down costs.

Cessation Issues

A SAB working group has been looking at liability payments when an employer exits the scheme. This especially affects third sector employers. A consultation [here](#) on whether to give administering authorities the option of suspending an employer’s liability to pay an exit payment when they leave the scheme is being run by the SPPA, and closes on 9 March 2020.

Firefighters and Judges Employment Tribunal

The Court of Appeal decided that transitional protections provided in the Judicial and Firefighters pension scheme unlawfully discriminated against younger workers. HM Treasury has been leading cross-scheme work on a resolution, but the LGPS issue is just with the statutory underpin in the transitional regulations applying only to those within ten years of retirement. A cross LGPS-scheme approach that will remove this discrimination and clarify a number of other issues identified is currently being finalised.

Non-joining rates

When considering data returns from funds for its annual report, the SAB highlighted an increase in non-joining rates. It was not immediately obvious why these had risen, and further information is being sought to help identify the potential reasons behind this.

Further details on our website www.lgpsab.scot.