

July 2020

BULLETIN

Equality issues in the LGPS and Fund valuations

Resolving the issues raised in the McCloud / Sergeant cases is being co-ordinated on a cross-UK basis, and a consultation has been issued for the LGPS in Scotland. The SPPA have written to funds advising them, for the purposes of the 2020 triennial valuation, to value members' benefits based on certain assumptions. These include that the current statutory underpin which protected members within 10 years of retirement who moved into the new scheme in 2015, would be extended to cover all scheme members and last until March 2022. In addition, the UK government has unpaused Cost Cap assessments.

Civil Partnership changes

Changes to the LGPS regulations from the Civil Partnership (Scotland) Act 2020 (which permits civil partnerships for mixed-sex couples) will be brought in later this year.

Structures Review

The COVID-19 pandemic has delayed arrangements for tendering a piece of work looking at business cases, finance and governance of potential future structures of funds. This is now being taken forward as a high priority with a special SAB meeting to agree research proposals.

Transfers out of LGPS funds

The Pensions Regulator has issued guidance to funds around the potential risks for members who transfer out of the LGPS, especially during the current pandemic. This is available at www.thepensionsregulator.gov.uk/en/covid-19-coronavirus-what-you-need-to-consider/communicating-to-members-during-covid-19. Funds have been urged to contact the FCA if they identify concerning patterns of transfers or requests for transfer valuations.

Cessation Issues

A SAB working group has met a number of times to consider potential changes to how liability payments are handled when an employer exits the scheme. A full report with proposals will be discussed at the next board meeting.

Update to Ministers

The SAB received correspondence from Ben Macpherson MSP, Minister for Public Finance and Migration, about key issues facing the LGPS. It has updated him, and will continue to keep the Minister well informed.

Working under COVID-19

The SAB meet in July used video-conference technology following the cancellation of its March meeting due to COVID-19 restrictions. It has now written to all boards seeking assurance that they have recovery plans in place.

Further details on our website www.lgpsab.scot.