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# Scottish Local Government Pension Scheme Advisory Board - SPPA Update

## 1. Proposed Amendments to the Local Government Pension Scheme (Scotland) Regulations 2018

1.1 The Scottish Public Pensions Agency (SPPA) is planning to consult on amendments to the Local Government Pension Scheme (Scotland) Regulations 2018, hopefully in the next few weeks. We will send Scheme Advisory Board (SAB) members the consultation as soon as it is published.

1.2 Key proposals include:

- [Neonatal Care Leave and Pay \(Consequential Amendments to Subordinate Legislation\) Regulations 2025](#), employed parents will be entitled to paid leave if their child is admitted to neonatal care within 28 days of birth and remains in care for seven or more consecutive days. This entitlement applies to children born on or after 6 April 2025.
- Minor technical amendments have been identified by pension fund administrators, particularly in relation to the McCloud Remedy.
- Alignment of regulatory changes occurring in England & Wales including gender pension gap reporting, participation rates and the removal of the age 75 death grant cut off.

1.3 In accordance with the Finance Act 2022, the Normal Minimum Pension Age will increase from 55 to 57 effective 6 April 2028. Transitional protections will allow certain members to retain the right to access benefits at age 55.

1.4 SPPA will consult on the NMPA changes later in 2025. The proposals being considered include alignment of the protections across the four UK nations.

## 2. Flexible Retirement – Circular

2.1 The Scottish Public Pensions Agency (SPPA) identified an issue concerning flexible retirement requests, which resulted on a 1100% increase of in Stage 2 Internal Dispute Resolution Procedure (IDRP) cases within a single month.

2.2 The surge in cases revealed that some employers were fettering their discretion by basing flexible retirement decisions solely on financial cost. This approach does not align with the requirements of the Local Government Pension Scheme (Scotland) Regulations 2018.

2.3 To assist employers in handling flexible retirement appeals appropriately, the SPPA issued a [guidance circular](#) clarifying the responsibilities of employers when exercising discretionary powers.

**2.4** Flexible retirement is one of the discretionary provisions available to employers under the LGPS(S) Regulations. When an employer applies a blanket policy that refuses flexible retirement purely on cost grounds, this constitutes a fettering of discretion—a legal principle that restricts fair decision-making.

**2.5** The concept of fettering discretion has been referenced in findings of maladministration by the Pensions Ombudsman (TPO). Decision-makers are legally obligated to assess each case individually, considering all relevant factors, and must avoid relying on rigid policy rules. Decisions should be reasonable and not deemed perverse or unjustified.

**2.6** The affected cases have been remitted back to employers for reconsideration, with the expectation that future decisions will reflect proper discretionary practice.

### **3. Normal Minimum Pension Age – Circular**

**3.1** The SPPA has also issued a [circular](#) confirming that the Normal Minimum Pension Age (NMPA) will increase from 55 to 57, effective April 2028, in line with legislative changes.

**3.2** The circular aims to ensure that all employers are actively informing scheme members of this upcoming change. It also advises employers that some members may qualify for a protected pension age, allowing them to access benefits before age 57. SPPA is planning to consult on these protections later in 2025.

### **4. The Pensions Regulator – Pension Dashboard update – for information**

**4.1** The Pensions Regulator (TPR) has confirmed that Public Service Pension Schemes cannot nominate a ‘Pensions Dashboards Primary Contact’. Instead, registration codes are issued to the Scheme Manager listed in [TPR’s Exchange system](#).

**4.2** The Scheme Manager is responsible for passing these codes to their Integrated Service Provider (ISP) to enable connection to the dashboards ecosystem. Further information is available in [TPR’s dashboards guidance](#).

### **SPPA 27 August 2025**

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