

ITEM No ...6.....

REPORT TO: PENSION SUB-COMMITTEE OF THE POLICY & RESOURCES COMMITTEE & PENSION BOARD– 5TH MARCH 2018

REPORT ON: ADMINISTERING AUTHORITY DISCRETION – REQUEST TO AMEND THE TRANSFER IN POLICY

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 82-2018

1 PURPOSE OF REPORT

This report reviews the current policy of Tayside Pension Fund in respect of the policy which states that only pension rights accrued with a scheme participating in the Public Sector Transfer Club may be transferred into the LGPS Fund. The report also comments on the policies of the other Scottish LGPS.

2 RECOMMENDATIONS

That the Sub-Committee approve that in circumstances where scheme members have been subject to TUPE/Fair Deal and who subsequently are returned to their employer following that period, they be allowed to transfer in the pension rights accrued whilst in the pension arrangement provided during the period they were subject to TUPE/Fair Deal.

It is recommend that the policy be amended in order to be to be more compatible with modern working practices and in line with other Scottish LGPS Funds.

3 FINANCIAL IMPLICATIONS

The value of this additional pension service would not be deemed to be material in value to a fund of over £3.8 billion.

4 BACKGROUND

The Local Government Pension Scheme (Administration) Scotland Regulations 2008 64(1) which came into effect 1st April 2009, stated that Administering Authorities must publish a policy on the types of Local Government after consulting fund employers.

Dundee City Council (as administering authority for the fund) recommended to apply this discretion (Appendix A of the minutes of the Policy and Resources Committee meeting of the 11th May 2009, Report No 170-2009 Local Government Pension Scheme - Authority Discretions refers).

5 OTHER SCOTTISH LGPS POLICIES

Of the funds who have also limited their inward transfers to those schemes participating in the Public Sector Transfer Club, the majority of these now allow those affected by TUPE/Fair Deal to transfer in those non Public Sector Transfer Club pension rights.

6 FINDINGS – ADMINISTRATIVE PROCESS AND IMPACT

For those employees whose employment is transferred outwith the Local Government Sector via TUPE/Fair Deal, not all employers' desire admission to an LGPS fund or are granted admitted body status.

As a result, the affected employees have their LGPS benefits deferred (with the option of transferring out) and they in turn become members of the new employer's pension provision.

At the point the employees are returned to LGPS employment they are brought back into active scheme membership but at present they are not entitled to investigate the transfer in of those non Public Sector Transfer Club pension scheme rights.

This can result in pension benefits accrued during short periods being orphaned and not contributing to their final LGPS benefits.

7 RELEVANT PENSION REGULATION

The Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 at Regulation 78 (9) Where a request under paragraph (1) is duly made the fund authority may accept the transfer value and credit it to its pension fund.

The Local Government Pension Scheme (Scotland) Regulations 2014 at Regulation 98 (7), where a request under paragraph (1) is duly made, the administering authority may accept the transfer value and credit it to its pension fund

8 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues

10 CONSULTATION

The Chief Executive and Head of Democratic and Legal Services have been consulted in the preparation of this report.

11 BACKGROUND PAPERS

None

GREGORY COLGAN

EXECUTIVE DIRECTOR OF CORPORATE SERVICES

19 FEBRUARY 2018