

**Scottish Borders Council – Administering Authority Policy Statement**

Under scheme regulations, Scottish Borders Council has decided to exercise its discretions in the following way.

In the text below regulations prefixed by “R” refer to *the Local Government Pension Scheme (Administration) (Scotland) Regulations 2014 (SSI 2014/164)*, prefixed by “TP” refer to *the Local Government Pension Scheme (Transitional Provisions and Savings)(Scotland) Regulations 2014 (SSI 2008/233)*, prefixed by “A” refer to *the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 (SSI 2008/228)*

1. **Regulation R53 (Governance Policy Statement)**

An administering authority must consult, prepare and publish a written Governance Policy statement.

The statement must include setting out—

- any delegation of function by the authority, and if so the terms, structure and operational procedures of the delegation.
- the frequency of any committee or sub-committee meetings.
- Committee representation of Scheme employers or members, and whether those representatives have voting rights.
- Compliance with guidance given by the Scottish Ministers.
- details of the terms, structure and operational procedures relating to the local pension board established under regulation 51(4) (Scheme managers)

The current Governance Policy and Compliance Statement was approved in June 2015 and a copy is available from the Corporate Finance Manager. The statement will continue to be kept under review and any changes published as they arise.

2. **Regulation R56 (Funding Strategy Statement)**

An administering authority must, after consultation, prepare, maintain and publish a written statement setting out its funding strategy.

In preparing, maintaining and reviewing the statement, the administering authority must have regard to:

- CIPFA Pensions Panel Guidance on Preparing and Maintaining a Funding Strategy Statement
- The statement of investment principles previously published by the administering authority

The current Funding Strategy Statement was approved in June 2015 and a copy is available from the Corporate Finance Manager. The statement will continue to be kept under review and any changes published as they arise.

3. **Regulation A64 (abatement of retirement pensions following re-employment with a LGPS employer )**

Abatement is the reduction or suspension of a pension following the re-employment of a pensioner with a LGPS employer. Each administering authority is required to formulate and keep under review its policy in this area and in doing so must have regard to the following.

- the level of potential gain at which it wishes abatement to apply.
- the administration costs which are likely to be involved as a result of abatement in the different circumstances in which it may occur.
- the extent to which a policy not to apply could lead to a serious loss of confidence in the public service.

Since June 2009 Scottish Borders Council has no longer applied abatement of pensions. Important Note: This policy **excludes** “added years” (augmentation of service) in payment, which may still be subject to abatement following re-employment

#### 4. **Regulation R59 (Communication Strategy Statement)**

An administering authority must prepare, maintain and publish a written statement setting out its policy concerning communications with—

- members;
- representatives of members;
- prospective members; and
- Scheme employers.
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In particular the statement must set out its policy on—

- the provision of information and publicity about the Scheme to members, representatives
- of members and Scheme employers;
- the format, frequency and method of distributing such information or publicity; and the promotion of the Scheme to prospective members and their employers.

The statement must be revised and published by the administering authority following any material change in their policy on the points above.

**Scottish Borders Council will publish and maintain a Communication Strategy statement. Details of this statement are available from the HR Shared Services Manager.**

#### 5. **Regulation R Schedule 1 & TP17(9)(a) (treat education or training as continuous in respect of a child)**

On the death of a scheme member, payment of a children’s pension is made where the member’s child has not attained age 17, or has attained age 17 and is in continuous full time education or training, or has attained age 17 and is disabled within the meaning of the Disability Discrimination Act 1995. The provision provides discretion to the administering authority to treat a period of training as continuous even if there has been a break. By doing this the child’s pension will re-commence following the break and be paid during the subsequent period of education or training.

Scottish Borders Council will:-

- continue paying children’s pension up to 31 August where a child ceases education at the end of a school/college/university year unless the child commences work prior to then.
- deem full time training or education to be continuous if a child commences a further period of related training or education after a break, regardless of whether or not the child was employed during that break period.

#### 6. **Regulation R16 (requirement for a medical examination before allowing a member to pay additional pension contributions (APCs) to buy additional pension)**

Active members are entitled to enter into a contract allowing them to pay additional pension contributions (APCs) to buy additional pension. If a member is paying these additional contributions and dies or retires on the grounds of permanent ill health, the contract is treated as having been completed even though only a proportion of the contributions have been paid.

In order to minimise the risk to the Pension Fund, Scottish Borders Council requires any member wishing to buy additional pension to complete a medical declaration form. Where the member fails to declare a known medical condition that is material and results in retiral on ill health grounds, the additional pension application will be declared void.

7. **Regulation R66 & TP Schedule 2 (employer's further payments)**

Where a local government pension and lump sum become payable under regulation 29(6) (flexible retirement), regulation 29(7) (efficiency and redundancy) or regulation 29(5) (choice of early payment of pension) of the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2014 Scottish Borders Council shall, on the advice of the fund actuary, require the appropriate employing authority to make additional payments to Scottish Borders Council Pension Fund to cover the cost of the immediate payment of benefits.

8. **Regulation R69 (interest on amounts due to Pension Fund)**

Scottish Borders Council will require an employing authority to pay interest on amounts due to the Pension Fund (contributions, augmentation payments etc) which are overdue by more than 1 month. The interest will be calculated at 1% above the bank base rate on a day to day basis from the due date to the date of payment and compounded with three-monthly rests.

9. **Regulation R98 (inward transfer of pension rights)**

An active member with relevant pension rights may request the administering authority to accept a transfer value for some or all of those rights from the relevant former scheme.

A request by the member to transfer previous pension rights into the Local Government Pension Scheme must be made in writing within 12 months of becoming an active member or such longer period that an employer may allow. The administering authority (Scottish Borders Council) will only extend the 12 month period in exceptional circumstances as determined by the Head of Human Resources.

**In making this policy, Scottish Borders Council has had regard to the statutory provisions, advice from the Local Government Employers and the Scottish Borders Council Pension Fund's actuary. The other employers participating within the Pension Fund have been consulted where necessary.**

**Consideration has also been given to the extent to which the exercise of these discretions could lead to a serious loss of confidence in the public service.**

**Scottish Borders Council's policies will be kept under review and the Policy Statement revised as and when necessary to reflect any changes in policy.**

**Effective Date of Policy Statement:- 18th June 2015.**