

Please see the attached documents:-

1 page covering letter from Charlotte Hine-Haycock

2 page Q&A briefing - which deals with some immediate concerns in relation to the recently issued LGPS (Benefits, Membership and Contributions) Regulations 2007. This is first in a series.

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15.5.07.

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**15 May 2007**

Dear all,

### **The LGPS (Benefits, Membership and Contributions) Regulations 2007**

The enclosed Q&A Briefing has been produced to deal with some immediate concerns already brought to the attention of CLG's Local Government and Fire Pensions Division in relation to the above Regulations. It is intended to be the first in a series assisting the implementation of the new scheme. It will also assist those currently accessing the new forum site. Separate information has been sent out regarding regulation 3 – employee contribution rates – and a further letter will follow dealing with ill-health retirements and the release of deferred benefits on ill-health grounds. It is also worth repeating our intended timetable of changes which are in the pipeline, as shown below.

Draft Transitional Regulations – to give effect to Annex C of the Department's letter of 4 April 2007 – **are to be circulated shortly.**

The new Scheme Administration Regulations – previously consulted on between 22 December 2006 and 23 March 2007 **are to be finalised in May.** These regulations essentially only seek to transpose the existing Scheme provisions. These Regulations will also incorporate changes which are shortly to be made to the 1997 LGFPS Regulations.

CLG is in close and helpful touch with the LGE and Trades Unions in all these matters; any comments will be made available to all stakeholders. Should interested parties wish to have a more detailed input from CLG, please get in touch with us via web links, [www.communities.gov.uk/lgps](http://www.communities.gov.uk/lgps) or direct, in the normal way, to [LGPensions@communities.gsi.gov.uk](mailto:LGPensions@communities.gsi.gov.uk).

**Charlotte Hine-Haycock**  
**LGFPs**

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**Q1. Why are there references to the 1997 LGPS Regulations in the LGPS Benefits Regulations 2007?**

Until the LGPS Administration Regulations are finalised the only current provisions which define a number of terms, for example, LGPS employers, are to be found in the 1997 Regulations. Such cross references in the LGPS Benefits Regulations will be amended in due course to reflect the complementary cross references in the LGPS Administration Regulations.

**Q2. Will all employees of LGPS employers who at 31 March 2008 are not active members (for example, because they have opted out) automatically join the new scheme from 1 April 2008?**

Only those existing employees who are active members as at 31 March 2008 and who continue in the employment of a LGPS employer on 1 April 2008 will automatically join the new scheme on 1 April 2008. Those who have opted out can elect to rejoin the LGPS at any time.

**Q3. Will active members at 31 March 2008 subsequently be able to opt out of membership if they wish?**

Yes, this will be allowed.

**Q4. In selecting the contribution band how does the employer deal with arrears or backdated pay awards?**

The contribution band is linked to the first payment in the year beginning 1 April and will apply for the whole of that year. An individual will only change bands in that year if they change employers and the new starting pay will set the band for the rest of the year.

**Q5. Will members with more than one job with LGPS employers be able to choose not to be a member of the Scheme for one or more of their jobs whilst retaining membership in respect of other jobs?**

Yes, this will be provided for.

**Q6. Will aggregation of membership be automatic for members who start a new job and who have a LGPS deferred benefit?**

The Administration Regulations will continue with the current process whereby a member wishing to aggregate their deferred benefit to their LGPS to service in the new job will have to make a positive decision to do so. CLG has been asked to keep automatic aggregation on change of job under review.

**Q7. What is being done to prevent double counting of membership?**

The Benefit Regulations were intended to set out the terms of the benefit package, with processes and functions being covered by the Administration Regulations. Some issues fall between the two sets of regulations, but steps will be taken to ensure there is no double counting of periods. Current provisions which allow for aggregation of concurrent membership will be replicated in the Administration Regulations.

**Q8. What is happening about pre-2008 membership and how this is dealt with under the 1997 Regulations?**

As the covering letter of 4 April with the Benefits Regulations set out, nothing is being done to alter any of the provisions and protections in the 1997 Regulations. The Transitional Regulations will set out how these extant provisions are closed down and/or saved.

**Q9. What is happening to Rule of 85 protections under the 1997 Regulations?**

As with other provisions covered by those regulations they will be fully protected.

**Q10. Why is total membership not defined?**

It is considered that in these regulations, which only deal with a post 2008 regime, a plain English reading of the regulations suffices, but also see the answers to questions 6, 7 and 8. The regulations will also make clear, in connection with the Administration Regulations, that transferred-in membership will also count

**Q11. What will happen about Pension Sharing on Divorce or Dissolution, and how will the scheme treat pension credit and debit members?**

Subject to some minor amendments it might prove possible not to revoke the relevant provisions within the 1997 Regulations dealing with Pension Credit or Debit members, so that they also apply to events taking place on and after 1 April 2008. The basic principles remain the same. These provisions will still impact on members who have pension rights debited from the Scheme membership.