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LGPS (NI) Consultation
Department for Communities
Local Government & Housing
Regulation Division
Level 4, Causeway Exchange
1-7 Bedford Street
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BT2 7EG

26 November 2021

Dear Sirs,

Consultation on the draft Local Government Pension Scheme (Amendment) Regulations (Northern Ireland) 2022

I am responding to the above consultation on behalf of NILGOSC, the administrator of the Local Government Pension Scheme in Northern Ireland.

Our comments on the proposed amendments are set out in the table below.

Draft Reg	Regulation to be Changed/inserted	Comment
Changes to the Local Government Pension Scheme Regulations (NI) 2014		
3	Reg 2	NILGOSC welcomes the power for the Department to issue statutory guidance insofar as it would relate to the administration of the Scheme.

Draft Reg	Regulation to be Changed/inserted	Comment
		<p>However, it would present significant practical problems for NILGOSC if the Department had the power to issue guidance relating to NILGOSC's investment policy for the Fund. For international investing, NILGOSC must be able to demonstrate a degree of separation over the control of investment and the control of the Minister.</p> <p>We would request that it is clarified that the advice will only relate to the administration of the Scheme and not to the investment of the Fund or any part of it.</p>
4	Reg 16A	<p>This is a welcome change and addresses difficulties expressed by employers with regard in particular to the change from paid to unpaid additional maternity leave and related family leave matters.</p>
5	Reg 19	<p>The removal of the 50% limit on AVC contributions is welcome and aligns with the position under the Regulations in England and Wales and in Scotland.</p>
6	Reg 20	<p>NILGOSC welcomes the discretion to pay refunds to members when their date of leaving the Scheme was more than five years ago.</p>
8 and 9	Reg 40 and 51	<p>We are pleased with the proposal that the payment of death grants can be made after a member reaches age 75, which reflects changes in tax legislation.</p>

Draft Reg	Regulation to be Changed/inserted	Comment
10	Reg 70	This is a welcome change which addresses concerns relating to issuing exit certificates in time pressured situations.
12	Reg 102	<p>Regulation 102 permits an employer to apply to a Minister for a forfeiture certificate where a member is convicted of a relevant offence - that is an offence committed in connection with the employment in which the person convicted was a member of the Scheme. If obtained, the employer can direct that any of the member's pension rights under the Regulations are forfeited.</p> <p>We welcome the amendment to the forfeiture regulation, which removes the connection between the reason for leaving employment and the offence committed. As stated in the consultation document employment-related offences are often not uncovered until after the perpetrator has left their employment for other reasons, rather than being dismissed because of the offence.</p> <p>We note that there is a similar connection to the current wording in regulation 104 (Recovery or retention where a former member has a misconduct obligation) and it may be helpful to employers if this was similarly amended i.e. the person does not have to be dismissed because of the misconduct.</p>
13	Schedule 1	It is unclear why you wish to add "and any pension payable under the former Regulations to a survivor" to the definition of "survivor pension. Would this not be dealt with in the Transitional Regulations?

Draft Reg	Regulation to be Changed/inserted	Comment
Changes to the Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (NI) 2014		
18	TR 17	<p>We have two comments to make in relation to the changes to Regulation 17 of the 2014 Transitional Regulations</p> <p>1. Relating to survivor benefits for widowers of female members who left the Scheme on or after 6 April 1988 but before 1 August 2000.</p> <p>We note that for members leaving the scheme before 1988 there were no widower benefits payable, as this did not form part of the Scheme except in very particular circumstances. Indeed the 1992 Regulations did not have a general provision for survivor benefits for widowers.</p> <p>When the 2000 Regulations were introduced, a general provision for widowers' benefits was introduced by way of not limiting surviving spouse benefits to widows (with some restriction for post-leaving marriages) – see Part F. These provisions had retrospective effect to 6 April 1988.</p> <p>However, at F11, benefits for all widowers (not just relating to post retirement marriages) were limited where the member (at that time a woman) left the scheme on or after 6 April 1988 and before the commencement of the 2000 Regulations on 1 August 2000.</p> <p>As presently drafted the revised Reg 17 of the Transitional Regulations will have the effect of improving the position – related to female members who left in that period - of widowers from post-leaving marriages where the deceased</p>

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		<p>member, but not the position of the widowers who were married to the member whilst she was an active member of the Scheme. This is the reverse of the position for other groups.</p> <p>Depending upon the policy of the Department in this regard, equalisation between survivors can be achieved either by limiting the pensions survivors of post-leaving marriages of female members who left the Scheme in that period to 5 April 1988, to match the restriction on pre-leaving marriages. Alternatively, it could be achieved by altering the restriction imposed by Regulation F11 to make it so that only membership from 1978 will be counted (rather than 1988). This would be likely to affect a considerable number of pensions calculated from 2005 onwards.</p> <p>If the former is desired, we would suggest that the draft regulation is amended to reflect the limitation for this group under the 2000 Regulations. We suggest the following wording for your consideration in this regard, if this is the desired policy:</p> <p>“(7) Any calculation of any survivor pension payable under the former regulations in respect of a surviving civil partner or spouse of a member who enters into a civil partnership or marriage after leaving active membership and dies –</p> <p>(a) Except where regulation F11 of the 2000 Regulations applies, is only to take account of membership accrued by that member after 5th April 1978,…”</p>

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		<p style="text-align: center;">2. In relation to the treatment of inward transfers on or after 6 April 1988</p> <p>In relation to the new TR17(7)(b) we would ask that consideration is given to making this have effect only from the introduction of the amending regulations, rather than being retrospective to 2005. This change is welcomed as a clarification. It would in practice be very difficult to identify any pensions already in payment to survivors where the originating member had such a transfer in. It is suggested therefore that this clarification with regard to how transfers in are to be treated applies only going forward.</p>

Yours sincerely



Zena Kee

Head of Pensions Policy