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SCOTTISH STATUTORY INSTRUMENTS

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**2014 No. 164**

**The Local Government Pension  
Scheme (Scotland) Regulations 2014**

**PART 2**

**Administration**

*Payments*

**Employer's contributions**

**65.**—(1) A Scheme employer must contribute to the appropriate fund in each year covered by a rates and adjustment certificate under regulation 60 (actuarial valuations of pension funds) or 62 (special circumstances where revised actuarial valuations and certificates must be obtained) the amount appropriate for that authority as calculated in accordance with the certificate and paragraph (4).

(2) During each of those years a Scheme employer must make payments to the appropriate fund on account of the amount required for the whole year.

(3) Those payments on account must—

- (a) be paid at the end of the intervals determined under regulation 67 (payment by Scheme employers to administering authorities); and
- (b) equal the appropriate proportion of the whole amount due under paragraph (1) for the year in question.

(4) An employer's contribution for any year is the primary percentage for that year of—

- (a) the pensionable pay on which contributions have been paid into the fund by active members in accordance with regulations 9 to 12 and 14 (contributions), except where subparagraph (b) applies, and
- (b) the assumed pensionable pay in respect of members on leave due to sickness or injury on reduced contractual pay or no pay or on child-related leave,

increased or reduced by any secondary rate adjustments specified for that employer for that year in the rates and adjustments certificate.

(5) The primary percentage is the primary rate of the employer's contribution specified in that certificate expressed as a percentage of the pay of its employees who are active members.

(6) A Scheme employer must also pay into the appropriate fund in each year any employer contributions made under regulation 16 (additional pension contributions).

**Employer's further payments**

**66.**—(1) Any extra charge on the appropriate fund resulting from a member becoming entitled to benefits under regulation 34 (early payment of retirement pension on ill-health grounds) or 36

(early payment of retirement pension on ill-health grounds: deferred members) must be paid into the fund by the Scheme employer concerned.

(2) An administering authority may require the Scheme employer concerned to make additional payments to the appropriate fund in respect of any extra charge on the fund resulting from retirements benefits becoming immediately payable to a member under regulation 29(6) (flexible retirement) or (7) (early leavers on grounds of redundancy or business efficiency), including the cost as calculated by an actuary appointed by the administering authority, as a result of a waiver of any reduction under regulation 29(8).

(3) Other than where regulation 62(6) (special circumstances where revised actuarial valuations and certificates must be obtained) applies, a Scheme employer making an award under regulation 15(5) (employer contributions during absences) or regulation 30 (award of additional pension) must pay a sum into the appropriate fund to meet the cost of any additional pension, in accordance with actuarial guidance issued by the Scottish Ministers.

### **Payment by Scheme employers to administering authorities**

**67.—**(1) Every Scheme employer must pay to the appropriate administering authority on or before such dates falling at intervals of not more than 12 months as the appropriate administering authority may determine—

- (a) all amounts received from time to time from employees under regulations 9 to 14 and 16 (contributions);
- (b) any charge payable under regulation 66 (employer's further payments) of which it has been notified by the administering authority during the interval;
- (c) a contribution towards the cost of the administration of the fund; and
- (d) any amount specified in a notice given in accordance with regulation 68 (additional costs arising from Scheme employer's level of performance).

(2) But—

- (a) a Scheme employer must pay the amounts mentioned in paragraph (1)(a) within the prescribed period referred to in section 49(8) of the Pensions Act 1995(1); and
- (b) paragraph (1)(c) does not apply where the cost of the administration of the fund is paid out of the fund under regulation 4(5) of the Local Government Pensions Scheme (Management and Investment of Funds) (Scotland) Regulations 2010 (management of pension fund)(2).

(3) Every payment under paragraph (1)(a) must be accompanied by a statement showing—

- (a) the total pensionable pay received by members during the period covered by the statement whilst regulation 9 (contributions) applied (including the assumed pensionable pay members were treated as receiving during that period);
- (b) the total employee contributions deducted from the pensionable pay referred to in subparagraph (a);
- (c) the total pensionable pay received by members during the period covered by the statement whilst regulation 10 applied (including the assumed pensionable pay members were treated as receiving during that period);
- (d) the total employee contributions deducted from pensionable pay referred to in subparagraph (c);
- (e) the total employer contributions in respect of the pensionable pay referred to in subparagraphs (a) and (c);

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(1) 1995 c.26.

(2) S.S.I. 2010/233.

- (f) the total additional pension contributions paid by members under regulation 16 (additional pension contributions) during the period covered by the statement; and
  - (g) the total additional pension contributions paid by the employer under regulation 16 (additional pension contributions) during the period covered by the statement.
- (4) An administering authority may direct that the information mentioned in paragraph (3) shall be given to the authority in such form and at such intervals as it specifies in the direction.
- (5) If an amount payable under paragraph (1)(c) or (d) cannot be settled by agreement, it must be determined by the Scottish Ministers.

#### **Additional costs arising from Scheme employer's level of performance**

**68.**—(1) This regulation applies where, in the opinion of an administering authority, it has incurred additional costs which should be recovered from a Scheme employer because of that employer's level of performance in carrying out its functions under these Regulations.

- (2) The administering authority may give written notice to the Scheme employer stating—
- (a) the administering authority's reasons for forming the opinion mentioned in paragraph (1);
  - (b) the amount the authority has determined the Scheme employer should pay under regulation 67(1)(d) (payments by Scheme employers to administering authorities) in respect of those costs and the basis on which the specified amount is calculated; and
  - (c) where the administering authority has prepared a pension administration strategy under regulation 57 (pension administration strategy), the provisions of the strategy which are relevant to the decision to give the notice and to the matters in sub-paragraph (a) or (b).

#### **Interest on late payments by Scheme employers**

**69.**—(1) An administering authority may require a Scheme employer or former Scheme employer from which any payment under regulations 65 to 68 (employer's contributions or payments) is overdue to pay interest on that amount.

(2) The date on which any amount due under regulation 65 (employer's contributions), 66 (employer's further payments) or 68 (additional costs arising from Scheme employer's level of performance) is overdue is one month from the date specified by the administering authority for payment.

(3) The date on which any amount due under regulation 67 (payment by Scheme employers to administering authorities) (other than an extra charge payable under regulation 66 and referred to in regulation 67(1)(b)) is overdue is the day after the date when that payment is due.

(4) Interest payable under this regulation must be calculated at one per cent above base rate on a day to day basis from the due date to the date of payment and compounded with three-monthly rests.