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## EXPLANATORY NOTE

*(This note does not form part of these Regulations)*

These Regulations make a number of amendments to the Local Government Superannuation Regulations 1986 (“the principal Regulations”). All the regulations, except regulations 1, 4 and 9, are made retrospective in effect by virtue of section 12 of the Superannuation Act 1972.

Regulation 2, which has effect as from the 6th April 1988, removes a provision in the principal Regulations dealing with the interchange of funds which had prevented, with two exceptions, the payment of transfer values between public sector schemes which participate in public sector transfer arrangements in respect of people who ceased to be employed before 31st March 1972.

Regulation 3 makes two amendments to regulation J13 of the principal Regulations which deals with provisions affecting certain persons who have been members of the Local Government Superannuation Scheme (“the Scheme”) but choose to become subject to another superannuation scheme. The first amendment removes the requirement for the other superannuation scheme to be a contracted-out scheme within the meaning of the Pensions Act 1993. The second amendment is to clarify the connection between regulations J13 and J14.

Regulation 4 deletes regulation J13A of the principal Regulations which is no longer required.

Regulation 5 substitutes a new regulation J14 to deal with transfer of pension rights from the Scheme to a different pension scheme in circumstances where persons are no longer eligible to remain in the Scheme either because the undertaking in which they are employed has been transferred to a body which is not a scheduled or admitted body or because the body by whom they are employed ceases to be eligible to remain a scheduled or admitted body.

The new regulation J14 applies to transfers of one or more persons at the same time. The calculation of the transfer value is a matter to be determined by the actuary to the appropriate Scheme superannuation fund. This replaces the formula in Schedule 16 to the principal Regulations and, in respect of transfers of more than 100 persons, the formula previously found in Schedule 18 to the principal Regulations. Schedule 18 is deleted by virtue of regulation 8 of these regulations.

Regulation 6 inserts two regulations as regulations J14A and J14B. The effect of these is to apply the provisions of J14 in two circumstances where a transfer between superannuation funds occurs. The first case is where an admitted body ceases an admission agreement with one administering authority and enters into an admission agreement with a different administering authority. The second is where an undertaking is transferred by a scheduled body and the body carrying on that undertaking enters into an admission agreement with a different administering authority from the administering authority which maintained the superannuation fund to which the scheduled body contributed in respect of the employees transferred with the undertaking.

Regulation 7 makes a minor, consequential amendment.

Regulations 3, 5, 6, 7 and 8 are effective from 1 April 1986, with saving provisions in regulation 9 for any transfers that have taken place between that date and the coming into force of these regulations and transitional provisions for the period between the 1st April 1986 and the coming into force of these regulations.

Regulation 10, which has effect from 1st April 1990, makes provision for meeting the cost of pension increases for employees and former employees of bodies other than local authorities which are in the Scheme. The pension increases arise from the provisions of the Pensions (Increase) Act 1971.