STATUTORY INSTRUMENTS

1997 No. 1612

The Local Government Pension Scheme Regulations 1997

PART IV

ADMINISTRATION

CHAPTER I

PENSION FUNDS AND EMPLOYERS' PAYMENTS

Pension funds

The pension funds

73. The bodies responsible for maintaining pension funds for the Scheme immediately before the commencement date must continue to maintain them unless the fund is vested in a different body by or under any enactment.

Appropriate funds

74.—(1) The appropriate fund for a member or a person who is entitled to any benefit in respect of a person who has been a member is—

(a) in the case of an active member, the fund specified for a member of his description in accordance with Schedule 5;

(b) in the case of—

(i) a deferred or a pensioner member who was an active member on the commencement date or has been an active member since that date, or

(ii) a member in respect of whom another person has rights under the 1995 regulations and these Regulations,

the fund so specified for a member of his description when he ceased to be an active member; and

(c) in the case of any other deferred or a pensioner member, the fund specified for him by virtue of regulation 19 of the Transitional Regulations.

(2) Where these Regulations refer to payments being made without referring to the fund to which or from which they are to be made, the reference is to payments being made to or from the fund which is the appropriate fund for the member in question.

(3) Paragraph (2) does not apply where the payments are made under Chapter IV of Part III (AVCs and SCAVCs).

Admission agreement funds

75.—(1) An administering authority who have made an admission agreement may establish a further pension fund (an "admission agreement fund") in addition to the fund maintained under regulation 73 ("the main fund").

(2) Immediately after an authority establish an admission agreement fund they must give the Secretary of State notice in writing that they have done so.

(3) The notice must specify the admission bodies whose employees are eligible for benefits from the admission agreement fund ("the transferred bodies").

(4) Where an admission agreement fund is established, assets of such value as an actuary appointed by the appropriate administering authority determines to be appropriate must be transferred from the main fund to the admission agreement fund.

(5) When valuations under regulation 77 of both the main fund and the admission agreement fund are first obtained after the admission agreement fund is established, the administering authority must obtain a transfer statement from an actuary appointed by them.

(6) The transfer statement must specify whether in the actuary's opinion there is a need for further assets to be transferred from the main fund to the admission agreement fund, and, if so, the value of those assets.

(7) Where the transfer statement specifies that assets of a specified value need to be transferred, the administering authority must arrange for assets of that value to be transferred as soon as is reasonably practicable.

(8) Where an admission agreement fund is established, the liabilities of the main fund as respects membership in employment with the transferred bodies become liabilities of the admission agreement fund.

Accounts and audit

76. After any audit of any pension fund of theirs an administering authority shall immediately send copies—

(a) of the revenue account and balance sheet of the fund, and

(b) of any report by the auditor,

to each body whose employees are active members.

Actuarial valuations and certificates

77.—(1) Each administering authority must obtain—

(a) an actuarial valuation of the assets and liabilities of each of their pension funds as at 31st March in 1998 and in every third year afterwards,

(b) a report by an actuary, and

(c) a rates and adjustments certificate.

(2) Each of those documents must be obtained before the first anniversary of the date ("the valuation date") as at which the valuation is made or such later date as the Secretary of State may agree.

(3) A rates and adjustments certificate is a certificate specifying—

(a) the common rate of employer's contribution, and

(b) any individual adjustments,

for each year of the period of three years beginning with 1st April in the year following that in which the valuation date falls.

(4) The common rate of employer's contribution is the amount which in the actuary's opinion should be paid to the fund by all bodies whose employees contribute to it so as to secure its solvency, expressed as a percentage of the pay of their employees who are active members.

(5) The actuary must have regard—

(a) to the existing and prospective liabilities of the fund arising from circumstances common to all those bodies, and

(b) to the desirability of maintaining as nearly constant a rate as possible.

(6) An individual adjustment is any percentage or amount by which in the actuary's opinion contributions at the common rate should in the case of a particular body be increased or reduced by reason of any circumstances peculiar to that body.

(7) A rates and adjustments certificate must contain a statement as to the assumptions on which the certificate is given as respects—

(a) the number of members who will become entitled to payment of pensions under provisions of the Scheme, and

(b) the amount of the liabilities arising in respect of such members,

during the period covered by the certificate.

(8) A report under paragraph (1)(b) must contain a statement as to the demographic assumptions used in making the valuation, showing how they relate to the events which have actually occurred in relation to members of the Scheme since the last valuation.

(9) The authority must provide the actuary preparing a valuation or a rates and adjustment certificate with the consolidated revenue account of the fund and such other information as he requests.

(10) The authority must send copies of any valuation, report or certificate under this regulation or revision under regulation 78—

(a) to the Secretary of State,

(b) to each body with employees who contribute to the fund in question, and

(c) to any other body which is or may become liable to make payments to that fund.

(11) They must also send the Secretary of State—

(a) a copy of the consolidated revenue account with which the actuary was provided under paragraph (9), and

(b) a summary of the assets of the fund at the valuation date (unless such a summary is contained in the report).

Special circumstances where revised actuarial valuations and certificates must be obtained

78.—(1) When obtaining a transfer statement under regulation 75(5) an administering authority must also obtain from the actuary a rates and adjustments certificate for the admission agreement fund for each remaining year of the period covered by the most recent such certificate for their main fund.

(2) Where an admission agreement ceases to have effect, the administering authority who made it must obtain—

(a) an actuarial valuation as at the date it ceases of the liabilities of each admission body, and

(b) a revision of any rates and adjustments certificate for any fund which is affected, showing the revised contributions due from each admission body.

(3) This paragraph applies where—

(a) an administering authority agree with an employing authority under regulation 52(6)(a) that the employing authority will pay increased contributions under regulation 79, or

(b) it appears to an administering authority that the amount of the liabilities arising or likely to arise in respect of members in employment with an employing authority exceeds the amount specified in, or likely as a result of, the assumptions stated for that authority in a rates and adjustments certificate by virtue of regulation 77(7).

(4) Where paragraph (3) applies, the administering authority must obtain a revision of the rates and adjustments certificate affected, showing the resulting changes as respects that employing authority.

Employers' liability to make payments

Employer's contributions

79.—(1) An employing authority must contribute to the appropriate fund in each year covered by a rates and adjustments certificate under regulation 77 or 78 the amount appropriate for that authority as calculated in accordance with the certificate and paragraph (4).

(2) During each of those years an employing authority 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 81(1), 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 common percentage for that year of the pay on which contributions have during that year been paid to the fund under Part II by employees who are active members (other than contributions under regulation 18(3)), increased or reduced by any individual adjustment specified for that employer for that year in the rates and adjustments certificate.

(5) The common percentage is the common rate of employer's contribution specified in that certificate, expressed as a percentage.

Employer's further payments

80.—(1) Where an authority pass a resolution under regulation 52 they must pay the appropriate sum to the appropriate fund before the expiry of the relevant period (as defined in paragraph (7) of that regulation) unless before the end of that period they have agreed as mentioned in paragraph (6)(a) of that regulation.

(2) Where an authority pass a resolution under regulation 143 in a case where paragraph (4)(a) of that regulation does not apply, they must pay the appropriate sum to the appropriate fund before the expiry of the period of one month beginning with the date the resolution is passed.

(3) The appropriate sum for a member is such sum as is shown as appropriate in guidance issued by the Government Actuary.

(4) Any extra charge on the appropriate fund resulting from—

(a) a resolution under regulation 15, 52, 53 or 143 of these Regulations, or

(b) a member's becoming entitled to an ill-health pension calculated under regulation 28 by reference to an enhanced membership period, must be repaid to the fund by the employing authority concerned (but, in the case of resolutions under regulations 52 and 143, only so far as not paid under paragraph (1) or, as the case may be, paragraph (2)).

Payments by employing authorities to appropriate administering authorities

81.—(1) Every employing authority 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 (but in the case of the amounts mentioned in sub-paragraph (a) not later than the time required under section 49(8) of the Pensions Act 1995(**1**))—

(a) all amounts from time to time deducted from the pay of their employees under these Regulations;

(b) any amount received by them under regulation 18, (by deduction or otherwise) during the interval;

(c) any extra charge payable under regulation 80 of which they have been notified by the administering authority during the interval; and

(d) a contribution towards the cost of the administration of the fund.

(2) Paragraph (1)(d) does not apply where the cost is paid out of the fund under regulation L4(3) of the 1995 regulations.

(3) If the annual amount payable under paragraph (1)(d) cannot be settled by agreement, it must be determined by the Secretary of State.

(4) Every payment under paragraph (1)(a) is to be accompanied by a statement showing—

(a) the name and pay of each of the employing authority's employees who is an active member;

(b) which employees are paying voluntary contributions;

(c) the amounts which represent deductions from the pay of each of the employees and the periods covered by the deductions, distinguishing amounts representing deductions for voluntary contributions.

(5) An administering authority may direct the information mentioned in paragraph (4) to be given to them instead in such form and at such intervals (not exceeding 12 months) as they specify in the direction.

(6) Paragraphs (1) and (4) do not apply to an employing authority which is an administering authority.

(7) Voluntary contributions are contributions other than those under Part II.

Interest

Interest

82.—(1) An administering authority may require an authority from which payment of any amount due under regulation 79, 80, 81, 91, 125 or 126 is overdue by more than one month to pay interest on that amount.

(2) Interest under paragraph (1) or under regulation 94(1) 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.

(**1**) 1995 c. 26.

(3) Interest under regulation 87(1) or 89(5) must be calculated at nine per cent. per annum compounded with yearly rests on 31st March.