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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations make a number of amendments to the Local Government Pension Scheme (“the Scheme”) constituted by the Local Government Pension Scheme Regulations, as amended (“the principal Regulations”).

Regulation 3 inserts new paragraphs into regulation 20 of the principal Regulations, to provide for the commutation of annual pension entitlement.

Regulation 4 requires an administering authority which has considered whether to obtain a revised rates and adjustments certificate, and which has thereby determined an increased liability over the 2004 valuation of its pension fund, to spread that liability over the 2005 Funding Strategy Statement Period.

Part 3 makes a number of amendments to the principal Regulations to address changes in the tax regime consequent on the Finance Act 2004.

Part 4 deals with the so-called “85 year rule”. This term refers to the current provisions of the Scheme which allow members to retire and take their pension entitlements without actuarial reduction if the sum of their age and their length of service exceeds 85 years. Members over 60 can do so as of right; members over 50 but under 60 require their employer’s consent.

Part 4 makes a number of technical amendments to the Scheme to effect the removal of the 85 year rule.

Regulation 46 inserts Firebuy Limited into the list of Scheme Employers in Schedule 2 to the principal Regulations. Regulations 47 and 48 and the Schedule make transitional and savings provisions.