

These notes relate to the Scottish Parliamentary Pensions Act 2009 (asp 1)

EXPLANATORY NOTES

SCOTTISH PARLIAMENTARY PENSIONS ACT 2009

INTRODUCTION

GLOSSARY OF TERMS AND STATUTES USED IN THE NOTES

SUMMARY AND BACKGROUND TO THE ACT

LEGISLATIVE CHANGES

The Committee

The Committee report

COMMENTARY ON SECTIONS

Section 1 Scottish Parliamentary Pension Scheme

Section 2: Grants payable on leaving office

Section 3: Modification of pension schemes etc.

Section 4: Interpretation

Section 5: Commencement

Schedule 1

PART A THE PENSION FUND

Rule 2: The Pension Fund

Rule 3: Payments to and from Fund

PART B FUND TRUSTEES

Rule 4: Fund trustees

Rule 5: Functions

Rule 6: Number of trustees

Rule 7: Eligibility

Rule 8: Appointment of Fund trustees

Rule 9: Remuneration, allowances and expenses

Rule 10: Resignation

Rule 11: Removal

Rule 12: Change of status

Rule 13: Member-nominated trustees

Rule 14: Procedure

Rule 15: Quorum

Rule 16: Staff and advisers

Rule 17: Fund management

Rule 18: Indemnity insurance

Rule 19: Delegation

Rule 20: Validity of acts

PART C PARTICIPATING MEMBERS

Rule 21: MSP members

Rule 22: Office-holder members

Rule 23: MSP opt-out

Rule 24: Office-holder opt-out

Rule 25: MSP opt-in

Rule 26: Office-holder opt-in

PART D CONTRIBUTIONS

Rule 27: Scheme member contributions

Rule 28: Amount of scheme member contribution

Rule 29: Procedure for changing scheme member contribution rate

Rule 30: Relief from liability to make scheme member contributions

Rule 31: Contributions when salary not drawn

Rule 32: Contributions from the SPCB

PART E RECKONABLE SERVICE

Rule 33: Reckonable service as an MSP

Rule 34: Reckonable service as an office-holder

Rule 35: Total reckonable service

Rule 36: Measuring reckonable service

Transitional provisions re: reckonable service

PART F PENSIONS

Rule 37: Scheme pension

Rule 38: Amount of MSP pension

Rule 39: Amount of office-holder pension

Rule 40: Duration of scheme pension

Rule 41: Suspension of scheme pension

PART G RETIREMENT LUMP SUMS

Rule 42: Right to commute pension into a lump sum

Rule 43: Payment of retirement lump sum and corresponding reduction in pension

Rule 44: Special rule for commutation by individual approaching age of 75

Rule 45: Commuting trivial amounts

PART H EARLY RETIREMENT

Rule 46: Early retirement

Transitional provisions applying to early retirement

PART I ILL-HEALTH

Rule 47: Serious ill-health pension

Rule 48: Ordinary ill-health pension

Rule 49: Deferred pensioner's ill-health pension

Rule 50: Amount of serious ill-health pension

Rule 51: Amount of ordinary ill-health pension

Rule 52: Amount of deferred pensioner's ill-health pension

Rule 53: Review of ill-health pension entitlements

Rule 54: Medical examinations

Rule 55: Ill-health lump sums: life expectancy of less than one year

PART J SURVIVING PARTNERS AND CHILDREN

Rule 56: Meaning of scheme pension entitlement

Chapter 2 Partners' pensions

Rule 57: Partner

Rule 58: Partner's pension

Rule 59: Enhancement of initial partner's pension

Rule 60: Duration of partner's pension

Rule 61: Partner's trivial lump sum

Chapter 3 Children's pensions

Rule 62: Children's pensions

Rule 63: Eligible children

Rule 64: Payment of children's pension

Transitional provisions – partner's and children's pensions

PART K LUMP SUM DEATH BENEFITS

Rule 65: Death in service lump sum

Rule 66: Nominations for death in service lump sum

Rule 67: Deferred pensioner lump sum

PART L 5 YEAR GUARANTEE

Rule 68: Initial pension period

Rule 69: Guaranteed pensions for surviving partner

Rule 70: Guaranteed lump sum where scheme pensioner dies aged under 75 with no surviving partner

Rule 71: Guaranteed pension where scheme pensioner dies aged 75 or over with no surviving partner

Transitional provisions – 5 year guarantee

PART M SHORT SERVICE REFUNDS

Rule 72: Payment of short service refunds

Rule 73: Extinction of scheme benefits

Deductions of tax from refunds

Transitional provisions – short service refunds

PART N TRANSFERS

Chapter 1 Transfers Out

Rule 74: Statement of entitlement

Rule 75: Transfers to other pension schemes

Rule 76: Enhancement of transferable sum

Rule 77: Reduction of transferable sum

Rule 78: Transfer payment

Rule 79: Time limits

Rule 80: Extinction of scheme benefits

Chapter 2 Transfers-in

Rule 81: Transfer-in

Rule 82: Effect of transfer-in

Rule 83: Limitation on transfers-in

PART O ADDED YEARS

Rule 84: Added years

Rule 85: Buying added years by instalments

Rule 86: Interruption of service

Rule 87: Resumption of service as MSP member

Rule 88: Buying added years by lump sum

Rule 89: Limitations on buying added years

Rule 90: Multiple applications

PART P PENSION SHARING

Overriding legislation

Summary of Part P

Provision of information, charging and apportionment of capital value

Implementation of pension sharing order – internal and external transfers

Rule 91: Rights of pension credit member

Rule 92: Specific rules applying to a pension debit member

Rule 93: Death before implementation of pension credit

PART Q DUAL MANDATE MSPS

Rule 94: Dual mandate MSPs

Rule 95: Pension reduction for dual mandate MSPs

PART R TAXES

Rule 96: Finance Act 2004 terms

Rule 97: Payment of lifetime allowance charge by scheme administrator

Rule 98: Payment of lifetime allowance charge from Pension Fund

Rule 99: Deductions for tax arising on lump sum payments

Rule 100: Reduction of benefits which would otherwise attract unauthorised charge

Rule 101: Prohibition of payments which would give rise to liability for certain taxes

PART S ACCOUNTS, AUDIT AND ACTUARIAL REPORTS

Rule 102: Accounts and audit

Rule 103: Actuarial reports

Actuaries

Actuarial valuations

PART T MISCELLANEOUS

Rule 104: Dispute resolution procedure

Rule 105: Guaranteed minimum pension

Rule 106: Restriction on assignability etc.

Rule 107: Payments due in respect of deceased individuals

Rule 108: Formal communications

PART U KEY TERMS

Schedule 2 grants Payable on Leaving Office

Paragraph 1: MSP resettlement grant

Paragraph 2: MSP ill-health retirement grant

Paragraph 3: Amount of MSP grants

Paragraph 4: Office-holder resettlement grant

Treatment of grants for tax purposes

Schedule 3 transitional Provisions and Savings

Paragraph 1: Introductory

Paragraph 2: Pension Fund

Paragraph 3: Scheme membership

Paragraph 4: Scheme member contributions

Paragraph 5: Contributions from the SPCB

Paragraph 6: Reckonable service as an MSP

Paragraph 7: Reckonable service as an office-holder

Paragraph 8: Total reckonable service

Paragraph 9: Special provision for participants reaching age of 75 before the new rules day

Paragraph 10: Payment of pensions due on new rules day etc.

Paragraph 11: Entitlement of partners and children after new rules day

These notes relate to the Scottish Parliamentary Pensions Act 2009 (asp 1)

Paragraph 12: Early retirement

Paragraph 13: Partner's and children's pensions

Paragraph 14: 5 year guarantee

Paragraph 15: Deferred pensioner lump sums

Paragraph 16: Short service refunds

Paragraph 17: Transfers

Paragraph 18: Added years

Paragraph 19: AVC scheme

Paragraph 20: Guaranteed minimum pension

Paragraph 21: Presiding Officer and First Minister pension scheme

Paragraph 22: General saving

Paragraph 23: Disapplication of scheme modifications

PARLIAMENTARY HISTORY