
STATUTORY INSTRUMENTS

2020 No. 179

**PUBLIC SERVICE PENSIONS,
ENGLAND AND WALES**

**The Local Government Pension Scheme
(Amendment) Regulations 2020**

<i>Made</i>	- - - -	<i>25th February 2020</i>
<i>Laid before Parliament</i>		<i>27th February 2020</i>
<i>Coming into force</i>	- -	<i>20th March 2020</i>

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 1, 2(1) and 3 of, and paragraph 3(a) of Schedule 2 and paragraph 9 of Schedule 3 to, the Public Service Pensions Act 2013⁽¹⁾.

In accordance with section 21 of that Act, the Secretary of State has consulted such persons, and the representatives of such persons, as appeared to the Secretary of State to be likely to be affected by these Regulations.

The retrospective provision contained in these Regulations does not appear to the Secretary of State to have significant adverse effects in relation to the pension payable to or in respect of members of the scheme established by the Local Government Pension Scheme Regulations 2013⁽²⁾ or the schemes preserved by the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014⁽³⁾, nor in any other way in relation to members of those schemes. Accordingly, the procedures set out in section 23 of the Public Service Pensions Act 2013 are not applicable in respect of these Regulations.

In accordance with section 3(5) of that Act, these Regulations are made with the consent of the Treasury.

Citation and commencement

1. These Regulations may be cited as the Local Government Pension Scheme (Amendment) Regulations 2020 and come into force on 20th March 2020 but have effect from 14th May 2018.

(1) [2013 c.25](#). See section 28 of the Act which provides for regulations made under section 7 of the Superannuation Act 1972 (c. 11) that make provision for the payment of pensions and other benefits to or in respect of a person in relation to the person's service on or after 1st April 2014 to have effect as a scheme made under section 1 of the Act.

(2) [S.I. 2013/2356](#).

(3) [S.I. 2014/525](#).

Interpretation

2. In these Regulations—

“the 2013 Regulations” means the Local Government Pension Scheme Regulations 2013(4);

and

“exit credit” has the same meaning as in regulation 64(8) of the 2013 Regulations.

Amendment of the 2013 Regulations

3.—(1) Regulation 64 of the 2013 Regulations (special circumstances where revised actuarial valuations and certificates must be obtained) is amended in accordance with paragraphs (2) to (6).

(2) In paragraph (2)(b), for “exit credit payable to the exiting employer in respect of those benefits”, substitute “the excess of assets in the fund relating to that employer over the liabilities specified in paragraph (2)(a)”.

(3) Omit paragraph (2ZA).

(4) Before paragraph (2ZB), insert—

“(2ZAB) An administering authority must determine the amount of an exit credit, which may be zero, taking into account the factors specified in paragraph (2ZC) and must—

(a) notify its intention to make a determination to—

(i) the exiting employer and any other body that has provided a guarantee to the exiting employer under paragraph 8 of Part 3 to Schedule 2 to these Regulations;

(ii) where the exiting employer is a body that has participated in the Scheme as a result of an admission agreement under paragraph (1)(d) of Part 3 of Schedule 2, the Scheme employer in connection with the exercise of whose function it was providing a service or assets ; and

(b) pay the amount determined to that exiting employer within six months of the exit date, or such longer time as the administering authority and the exiting employer may agree.”.

(5) After paragraph (2ZB), insert—

“(2ZC) In exercising its discretion to determine the amount of any exit credit the administering authority must have regard to the following factors—

(a) the extent to which there is an excess of assets in the fund relating to that employer over the liabilities specified in paragraph (2)(a);

(b) the proportion of this excess of assets which has arisen because of the value of the employer’s contributions;

(c) any representations to the administering authority made by the exiting employer and, where that employer participates in the scheme by virtue of an admission agreement, any body listed in paragraphs (8)(a) to (d)(iii) of Part 3 to Schedule 2 to these Regulations; and

(d) any other relevant factors.”.

(6) In paragraph (8), in the definition of “exit credit” for “the amount required to be paid to the exiting employer by the administering authority”, substitute “any amount paid to the exiting employer by the administering authority”.

Transitional provision

4. The amendments to the 2013 Regulations made by regulation 3 do not apply to exit credits that have been paid on or after 14th May 2018 and before 20th March 2020.

We consent to the making of these Regulations.

24th February 2020

David Rutley
Rebecca Harris
Two of the Lords Commissioners of Her
Majesty's Treasury

Signed by authority of the Secretary of State for Housing, Communities and Local Government

25th February 2020

Luke Hall
Parliamentary Under Secretary of State
Ministry of Housing, Communities and Local
Government

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Local Government Pension Scheme Regulations 2013 to create a discretion for administering authorities to determine the amount of exit credit which should be payable to an employer leaving the Local Government Pension Scheme. Section 3(3)(b) of the Public Service Pensions Act 2013 provides that scheme regulations may make retrospective provision.

No impact assessment has been produced for these Regulations because no impact on the private or voluntary sectors is foreseen.