

Dear Robert

Draft Local Government Pension Scheme Regulations 2013

I refer to the consultation opened on 5 December 2014 seeking comments on the draft Local Government Pension Scheme (Amendment) Regulations 2015.

West Yorkshire Pension Fund (WYPF) welcomes the proposed amendments. However on behalf of the WYPF I wish to make the following comments:

- Regulation 11 – it is unclear what the intention is as the covering letter says will disallow a member that has opted to automatically aggregate on re-joining. However, the explanatory note says such members do not have the discretion to keep separate pension accounts. WYPF's view is that a member that has opted out on re-joining should not have the option to keep their pension accounts separate given that they cannot receive payment of their pension until they leave their employment.
- Regulation 21 – WYPF are pleased with the proposed amendment. However, we feel that regulation 83 of the LGPS Regulations 2013 should also be amended to allow elections and completion of forms on behalf of a Scheme member where, by reason of mental disorder or otherwise, they are incapable of managing their affairs.
- Regulation 32 – WYPF's view is that all employers, including admission bodies, should be allowed to pay sums certified by the Fund's actuary on ceasing their participation over such period as the Administering Authority considers reasonable.

WYPF also feel that the following amendments are required:

- Regulation 17(7) would appear to allow a deferred member who elect to receive payment of their pension under regulation 30(5) of the LGPS Regulations 2013 to purchase an additional pension under the Scheme. If this is an intentional amendment from the provisions under the 2008 Scheme I feel that this should also apply to a deferred member who receives receiving payment of their pension under regulation 38 of the LGPS Regulations 2013.
- Regulation 17(7) (a) of the LGPS Regulations 2013 would appear to allow a member to take all their AVCs as a lump sum which contradicts Regulation 33(2) of the LGPS Regulations 2013 and the intention of HM Treasury.
- For a member that transfers under TUPE WYPF's view, taking in to consideration Regulation 16(7) of the LGPS (Administration) Regulations 2007, is that they should not have an option to keep their pension accounts separate. I therefore, feel that an amendment to Regulation 22 of the LGPS Regulations 2013 is required.
- Regulation 9(1) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 requires that for a transfer into the 2014 to be treated as a 'club' transfer the member must not have had a break in active membership of any public service pension scheme of more than 5 years. However, under the 2008 Scheme a member could have a 'club' transfer irrespective of the break in active membership in a public service pension scheme. Therefore, a 2008 Scheme member that has a break in active public service scheme membership of more than 5 years, who was not in a position to make an election to transfer prior to 1 April 2014, appears to have been put in a worse position and we feel that this regulation should be amended.

With regards to the other points that you have asked for comments:

- I understand the issue of the ongoing final salary link for deferred pension has now been resolved and there will be no link where a member elects to keep their previous deferred benefits separate. However, we feel that consideration should be given to reverting back to the provisions in the 2008 Scheme where previous periods of membership for a deferred member are kept separate unless a member elects to link it to their new membership. The reasons for suggesting this are that majority of members will have final salary links for their 2008 Scheme membership and that there could be inconsistencies between Funds on when interfund payments are made.
- WYPF view is that due to Funds offering different ranges of AVC Funds it would be impractical when a member changes employer to remain in their current AVC arrangement. The exception to this is where a member transfers under TUPE, as we feel such members, who made an election to pay AVC's before 1 April 2014, should not lose to the right to take all their AVCs as a lump sum.

I trust you will find these comments useful. If you require any further information please do not hesitate to contact me.

Yours sincerely

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