

# SCOTTISH PARLIAMENTARY PENSIONS ACT 2009

---

## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### *Schedule 3 transitional Provisions and Savings*

#### *Paragraph 4: Scheme member contributions*

492. *Paragraph 4* sets out the transitional arrangements for existing participating members who wish to continue paying lower rate contributions from new rules day. Under rule 5(1)(d) this provision comes into effect on Royal Assent ensuring that participating members have sufficient time to comply with the notification procedure required under this provision well in advance of new rules day. An existing participating member is defined in subparagraph 4(1) as a person who is a scheme participant under the 1999 pensions order and who would become an MSP member or office-holder member (or both) on new rules day.
493. The Act allows participating members to make contributions towards their pensions at one of two rates: either the higher rate of 11% of salary or the lower rate of 6% of salary (see rules 28 and 109). Rule 28 presumes that the participating member will make contributions at the higher rate. Existing participating members are currently under the 1999 scheme rules making contributions to the Pension Fund at 6% (equivalent to the new lower rate). Subparagraph 4(2) provides that an existing participating member may continue to make contributions at the lower rate when the new rules come into force only if the member notifies the SPCB. In terms of subparagraph 4(3), notification must be in writing (see rule 108(1)) and must be received by the SPCB at least 14 days before new rules day.
494. Notification under paragraph 4 is made to the SPCB as the current managers and administrators of the Pension Fund. Once Fund trustees are appointed (under Schedule 1, Part B of the Act), the SPCB is obliged by subparagraph (4) to inform the Fund trustees of every valid notice that it has received from existing participating members.
495. After new rules day the provisions of rule 29 in relation to altering scheme member contributions apply to all participating members, including those covered by this provision can only thereafter change the contribution rate within three months of a subsequent election or appointment (see paragraphs 114-117).