

# SCOTTISH PARLIAMENTARY PENSIONS ACT 2009

---

## EXPLANATORY NOTES

### LEGISLATIVE CHANGES

#### *The Committee*

14. On 17 October 2007 the Committee published a consultation document and invited comment from MSPs, former MSPs and interested outside bodies on issues to be considered when developing proposals for a replacement for the 1999 pensions order and the Grants Order. The consultation paper was also published on the Scottish Parliament website. The closing date for responses was 17 January 2008.
15. The consultation sought views on a number of areas.
16. These covered **mandatory changes** required to maintain compliance with other legislative changes (pension sharing on divorce, age 75 taxation rules and minimum pension age taxation rules).
17. **Discretionary changes** mainly linked to changes in the taxation regime following the Finance Act 2004 in areas such as:-
  - Contribution limits
  - Maximum pension available
  - Amount of tax-free lump sum on retirement
  - Amount of death in service gratuity
  - Children's pension provision
  - Additional voluntary contributions and added years
  - Trivial commutation of pension benefits
  - Ill-health provisions.
18. Other **discretionary** areas of possible change included age and other equality issues around early retirement, refund of contributions, loss of surviving spouse pension on re-marriage or cohabitation and unmarried partners.
19. Further **possible changes** covered by the consultation document included scheme administration, the rate at which pension accrued, changes to the FM/PO scheme and the Grants Order.