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STATUTORY INSTRUMENTS

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**1998 No. 366**

**The Local Government Pension  
Scheme (Scotland) Regulations 1998**

**PART IV**

**ADMINISTRATION**

**CHAPTER I**

**PENSION FUNDS AND EMPLOYERS' PAYMENTS**

*Pension funds*

**The pension funds**

**72.** The bodies responsible for maintaining pension funds for the Scheme immediately before the commencement date must continue to maintain them unless the fund is vested in a different body by or under any enactment.

**Appropriate funds**

**73.—(1)** The appropriate fund for a member or a person who is entitled to any benefit in respect of a person who has been a member is—

- (a) in the case of an active member, the fund specified for a member of his description in accordance with Schedule 5;
- (b) in the case of—
  - (i) a deferred or a pensioner member who was an active member on the commencement date or has been an active member since that date, or
  - (ii) a member in respect of whom another person has rights under the 1987 Regulations and these Regulations,the fund so specified for a member of his description when he ceased to be an active member; and
- (c) in the case of any other deferred or a pensioner member, the fund specified for him by virtue of regulation 19 of the Transitional Regulations.

(2) Where these Regulations refer to payments being made without referring to the fund to which or from which they are to be made, the reference is to payments being made to or from the fund which is the appropriate fund for the member in question.

(3) Paragraph (2) does not apply where the payments are made under Chapter IV of Part III (AVCs and SCAVCs).

### **Admission agreement funds**

74.—(1) An administering authority who have made an admission agreement may establish a further pension fund (an “admission agreement fund”) in addition to the fund maintained under regulation 73 (“the main fund”).

(2) Immediately after an authority establishes an admission agreement fund they must give the Secretary of State notice in writing that they have done so.

(3) The notice must specify the admission bodies whose employees are eligible for benefits from the admission agreement fund (“the transferred bodies”).

(4) Where an admission agreement fund is established, assets of such value as an actuary appointed by the appropriate administering authority determines to be appropriate must be transferred from the main fund to the admission agreement fund.

(5) When valuations under regulation 76 of both the main fund and the admission fund are first obtained after the admission agreement fund is established, the administering authority must obtain a transfer statement from the actuary appointed by them.

(6) The transfer statement must specify whether in the actuary’s opinion there is a need for further assets to be transferred from the main fund to the admission agreement fund, and, if so, the value of those assets.

(7) Where the transfer statement specifies that assets of a specified value need to be transferred, the administering authority must arrange for assets of that value to be transferred as soon as is reasonably practicable.

(8) Where an admission agreement fund is established, the liabilities of the main fund as respects membership in employment with the transferred bodies become liabilities of the admission agreement fund.

### **Accounts and audit**

75. After any audit of any pension fund of theirs an administering authority shall immediately send copies—

- (a) of the revenue account and balance sheet of the fund; and
- (b) of any report by the auditor,

to each body whose employees are active members.

### **Actuarial valuations and certificates**

76.—(1) Each administering authority must obtain—

- (a) an actuarial valuation of the assets and liabilities of each of their pension funds as at 31st March in 1999 and in every third year afterwards;
- (b) a report by an actuary; and
- (c) a rates and adjustments certificate.

(2) Each of these documents must be obtained before the first anniversary of the date (“the valuation date”) as at which the valuation is made or such later date as the Secretary of State may agree.

(3) A rates and adjustments certificate is a certificate specifying—

- (a) the common rate of employer’s contribution; and
- (b) any individual adjustments,

for each year of the period of three years beginning with 1st April in the year following that in which the valuation date falls.

(4) The common rate of employer's contribution is the amount which in the actuary's opinion should be paid to the fund by all bodies whose employees contribute to it so as to secure its solvency, expressed as a percentage of the pay of their employees who are active members.

(5) The actuary must have regard—

(a) to the existing and prospective liabilities of the fund arising from circumstances common to all those bodies; and

(b) to the desirability of maintaining as nearly constant a rate as possible.

(6) An individual adjustment is any percentage or amount by which in the actuary's opinion contributions at the common rate should in the case of a particular body be increased or reduced by reason of any circumstances peculiar to that body.

(7) A rates and adjustments certificate must contain a statement as to the assumptions on which the certificate is given as respects—

(a) the number of members who will become entitled to payment of pensions under provision of the Scheme; and

(b) the amount of the liabilities arising in respect of such members,

during the period covered by the certificate.

(8) A report under paragraph (1)(b) must contain a statement as to the demographic assumptions used in making the valuation, showing how they relate to the events which have actually occurred in relation to members of the Scheme since the last valuation.

(9) The authority must provide the actuary preparing a valuation or a rates and adjustment certificate with the consolidated revenue account of the fund and such other information as he requests.

(10) The authority must send copies of any valuation, report or certificate under this regulation or revision under regulation 77 to—

(a) the Secretary of State;

(b) each body with employees who contribute to the fund in question; and

(c) any other body which is or may become liable to make payments to that fund.

(11) They must also send the Secretary of State—

(a) a copy of the consolidated revenue account with which the actuary was provided under paragraph (9); and

(b) a summary of the assets of the fund at the valuation date (unless such a summary is contained in the report).

### **Special circumstances where revised actuarial valuations and certificates must be obtained**

77.—(1) When obtaining a transfer statement under regulation 74(5) an administering authority must also obtain from the actuary a rates and adjustments certificate for the admission agreement fund for each remaining year of the period covered by the most recent such certificate for their main fund.

(2) Where an admission agreement ceases to have effect, the administering authority who made it must obtain—

(a) an actuarial valuation as at the date it ceases of the liabilities of the admission body which is ceasing to be a transferred body; and

- (b) a revision of any rates and adjustments certificate for any fund which is affected, showing the revised contributions due from that admission body and any other admission body in respect of which revised contributions are due.
- (3) This paragraph applies where—
  - (a) an administering authority agree with an employing authority under regulation 51(6)(a) that the employing authority will pay increased contributions under regulation 78; or
  - (b) it appears to an administering authority that the amount of the liabilities arising or likely to arise in respect of members in employment with an employing authority exceeds the amount specified in or likely as a result of the assumptions stated for that authority in a rates and adjustments certificate by virtue of regulation 76(7).
- (4) Where paragraph (3) applies, the administering authority must obtain a revision of the rates and adjustments certificate affected, showing the resulting changes as respects that employing authority.