

**LOCAL GOVERNMENT PENSION SCHEME (SCOTLAND)
CIRCULAR SPN/LG No. 4/2016**

- WHO SHOULD READ:** The Secretary General
Convention of Scottish Local Authorities
The Chief Executive
Scottish Local Authorities
The Chief Executive
Water Authorities
The Principal Reporter
Scottish Children's Reporter Administration
The Chief Executive
Scottish Environment Protection Agency
The Director General
Strathclyde Passenger Transport Executive
The Clerk
Strathclyde Passenger Transport Authority
The Chief Executive/Director
VisitScotland
- ACTION:** This circular should be brought to the attention of Pension Managers, Superannuation Sections and LGPS Employer Payroll Departments. You may also wish to draw it to the attention of the Directors of Finance and Administration
- SUBJECT:** TIERED CONTRIBUTION RATE SYSTEM
Local Government Pension Scheme in Scotland

About Circular No.4/2016:-

The purpose of this circular is to notify all interested parties that there have been no changes made to the guidance issued on the tiered contribution rate system for the Local Government Pension Scheme in Scotland.

Under regulation 9(3)(a) of The Local Government Pension Scheme (Scotland) Regulations 2014, the earnings ranges used to determine annual contribution rates are to be increased each year by any increase applied to pensions under the

Pensions (Increase) Act 1971, and are to be treated for the purposes of paragraph 3(a) as if they were pensions beginning on 1st April 2014. As communicated in Circular 3/2016, in the 12 months to September 2015, CPI was negative (-0.1%), and no inflationary increase is to be applied from 1 April 2016 for either pensions in payment or deferred pensions, with both remaining frozen at their current level of payment or deferred value. As a result, no inflationary increase is to be applied from 1 April 2016 to the employee contribution bandings for 2016/17.

Version 9 of the guidance on the operation of the tiered contribution rate system for the Local Government Pension Scheme in Scotland remains the current version.

Administering Authorities are asked to ensure that LGPS employers are made aware of this.

Annette Greenslade
Policy Officer, LGPS
3 March 2016

Contact Information:

Should you have any enquiries about this circular, or require further information, please contact Kimberly Linge, Policy Manager, LGPS or Annette Greenslade, Policy Officer, LGPS.

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