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Welcome Decision on Discretionary Compensation Regulations

In June proposals were published for the English LGPS that could have a significant impact on pension benefits. The main proposal was to remove employer discretion to award compensatory added years for those who are made redundant or retired on the grounds of efficiency over the age of 50, from the Discretionary Payments Regulations.

The Finance Minister has now published his approach to the proposed Discretionary Payments Regulations in Scotland. Following representations from UNISON the Minister **has decided not to publish similar proposals in Scotland**. Instead he has indicated that he may consider the issue again once the UK review of premature retirement and severance arrangements in the Teachers Pension Scheme has been completed.

We are very pleased that the Minister recognised the strength of our argument that when new changes are proposed we should avoid different provisions for staff working in the same workplace. This is a welcome decision that shows that ministers in Scotland are seriously listening to our concerns.

Consultation

The formal consultation that has been published therefore only covers the employers discretionary powers to award a one-off lump sum of up to 66 weeks pay where employment is terminated early. The change removes the formula that currently determines the level of benefit to be awarded within the maximum of 66 weeks to allow a more flexible lump sum level for each individual case. We will give consideration to this and respond next month.

Ministers have also issued draft regulations on the new pensions arrangements for Councillors and VisitScotland. Both consultations can be viewed in full on the SPPA website www.sppa.gov.uk.

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