

Appendix A



Local Government Pensions Committee

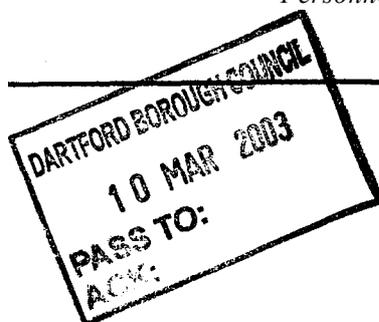
Secretary: **Charles Nolda**

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Please pass on sufficient copies of this Circular to your Treasurer/Director of Finance and to your Personnel and Pensions officer(s) as quickly as possible



No. 131 - MARCH 2003 PENSIONS FOR COUNCILLORS

Purpose of this Circular

1. This Circular has been issued in response to numerous enquiries about pensions for eligible councillors.
2. The LGPC understands that the relevant regulations introducing pensions for eligible councillors in England are not likely to be operative before 1 April 2003 and may in fact not come into force until after that date. The LGPC Secretariat is not in a position to issue detailed information at this point in time but will endeavour to do so at the earliest opportunity.

Background to the Government's Proposals in Respect of Pensions for Eligible Councillors in England

3. Section 99 of the Local Government Act 2000 includes powers for the Secretary of State to:

- make provision for the payment of pensions to such members of a local authority as may be prescribed by regulations; and
- make regulations prescribing the role of the independent remuneration panel in the process of determining which member positions may receive pensionable remuneration.

Employers' Organisation for local government

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Executive Director Charles Nolda

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4. Following representations, the Government has decided not to restrict membership of the LGPS to members of a local authority's executive and chairs of overview and scrutiny committees who have held the chair for at least 6 months. This decision was published in the Government's response to the Transport, Local Government and Regional Affairs Select Committee's Report on How the Local Government Act 2000 is Working (paragraph (y) of Command Paper 5687).

5. The Government now proposes that, subject to Parliamentary approval:

the independent remuneration panel' should make recommendations as to which members of an English authority' (who are under age 70) should be entitled to membership of the LGPS and have their basic or special responsibility allowances made pensionable'; and

a council will only be able to make membership of the LGPS available to those elected members who are recommended for membership of the LGPS by the independent remuneration panel, but the council can decide not to offer membership to some or all of the recommended councillors.

Pensions for Councillors in Wales

6. It is understood that Ministers from the Welsh Assembly have been in touch with the Secretary of State regarding pensions for councillors in Wales. The outcome may be that regulations will eventually be made (say from April 2004) mirroring for the most part the regulations about to be made in England.

Terry Edwards

Assistant Director (Pensions) 3

March 2003.

¹ The Office of the Deputy Prime Minister will be issuing guidance on the payment of allowances and on the establishment and maintenance of independent remuneration panels.

² A County Council, District Council or London Borough Council.

³ Any dependants carers' allowance, travelling and **subsistence allowance**, and / or co-optees' allowance is not to be pensionable.