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Date: 26<sup>th</sup> June 2013

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Please ask for  
Clive Wright

Dear Sir,

## **Taxpayer-funded pensions for councillors and other elected local office holders - Consultation**

This letter sets out a response from Shropshire Council as Administering Authority to the consultation issued on 10 April 2013. In preparing this response the Council has consulted with its councillor members and relevant scheme employers. This response is submitted on behalf of the Shropshire County Pension Fund Committee who agreed its contents at their meeting of 18<sup>th</sup> June 2013.

In response to the questions raised in the consultation document:

**Question 1:** Taking account of the issues raised in this consultation document and any other considerations, what option do you prefer and why?

Option 1: No access to the new Local Government Pension Scheme from April 2014 through being directly elected to local office. Thus, councillors; elected mayors; the Mayor of London and members of the London Assembly would be excluded from active Scheme membership – this is the government's preferred position;

Option 2: Two-tier membership - continued access for 'front bench' councillors only. This option could include just elected mayors (including the Mayor of London) and elected leaders or could encompass all those with a special responsibility allowance (including members of the London Assembly) – the government would welcome views on which councillors and elected local office holders should be eligible if this option were to be pursued;

Option 3: No change. Access to the taxpayer-funded Local Government Pension Scheme remains for all councillors and elected local office holders on the same basis as at present.

### **Response:**

The preferred option is option 3: No change. The current basis allows Councils the choice of whether or not to offer the scheme to its councillors already. The number of Councillors eligible to join the scheme is minute against the number of employees eligible for the scheme. As the proposed employee scheme is a CARE scheme, the same as currently on offer to the Councillors, all could have access to the same scheme which makes administration easier.

**Question 2:** Do you have any alternative proposals on councillors and other elected office holders access to the Scheme?

**Response:**

If the status quo was kept there would be no need for any alternative provision. As stated above Councils already have the option to not allow Councillors to join the scheme should they wish to do so on financial grounds.

**Question 3:** If councillors continue to have access, do you agree with the proposed change in contribution rate? If not, what contribution rate would you recommend?

**Response:**

If Councillors continue to have access to the LGPS from 1 April 2014 it is supported that the proposed tiered contribution rates be introduced similar to those paid by employees but with the floor limit of 6% contribution rate.

In summary Shropshire Council as Administering Authority supports Councils continuing to have the option to choose whether they wish to offer its councillors access to the LGPS should they wish to join.

As the 2014 scheme is to be a CARE scheme, if Councillors and employees were to be given access to the same scheme Administration would be simplified.

I hope you find the above comments useful.

Yours sincerely

James Walton  
Scheme Administrator  
Head of Finance, Governance and Assurance