



ABERDEEN
CITY COUNCIL

**CERTIFICATE OF
PROTECTION OF
PENSION BENEFITS**

GUIDANCE

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What is a Certificate of Protection of Pension Benefits?

This is a certificate issued to a member of the Local Government Pension Scheme who has suffered a reduction in their rate of pay such that it is likely the rate of their retirement pension will be adversely affected in circumstances beyond their control. A '**Certificate of Protection of Pension Benefits**' is available under regulation 93 of the Local Government Pension Scheme (Scotland) Regulations 2014.

What is the purpose of the Certificate?

The purpose of the certificate is to ensure that a member who has paid pension contributions, possibly for the major part of their career, on the pre-reduction rate of pay, receives commensurate benefits based on that pre-reduction rate of pay.

When will the Certificate take effect?

The certificate will specify the date when the change occurred, e.g. effective date of reduced rate of pay or restricted increase.

How long does the Certificate provide protection?

Such a certificate is effective if a member leaves or retires within 10 years of the effective date of reduction in rate of pay. Beyond this time the certificate provides no protection and lapses.

Examples of where a certificate WOULD apply

An employer can issue/or an employee can request a **Certificate of Protection** where the member has suffered a reduction in their rate of pay. An example of this type of situation would be where the job evaluation process resulted in a lower grade for the post.

Another example would be in cases of restructuring where an employee is job matched, through the Council's job matching process, to a lower graded post with a lower rate of pay.

When should the Certificate be issued?

In an instance where pay transitioning applies, the certificate should be issued to the member (with a copy being sent to the Pensions Section), within 12 months of the date from which the member's rate of pay was reduced.

Examples where a certificate WOULD NOT apply

Where an employee moves to a new job of their own accord which is of a lower grade and rate of pay and different from the post they previously held or where an employee is redeployed to a suitable alternative post which is of a lower grade and rate of pay than their previous post, following displacement from their substantive post.

Certificates of Pension Protection – process

The employee contacts their manager to request a Certificate of Pension Protection form.

The manager contacts the HR Service Centre by calling the AskHR helpline on 01224-523939 or by e-mailing AskHR@aberdeencity.gov.uk to obtain a form and explanatory notes.

The HR Service Centre issues the form and explanatory notes to the manager. The form and explanatory notes are obtainable from

<http://www.nespf.org.uk/login.aspx?Type=AREA>

The HR Service Centre enters the user name and password. The employer's tab is then chosen, followed by selecting 'forms' from the list and then selecting the 'Certificate of Protection' document.

The manager completes the **member details** section and then **either the pay reduction information** section – date of reduction field, or the **pay restriction information** section – date of restriction in pay field and details of restriction field.

The manager forwards the form to the HR Service Centre for the attention of the Payroll Section who completes the remaining parts under **pay reduction** or **pay restriction information**.

The Payroll Section passes the form to the HR Manager who will assess the application and where appropriate authorise the certificate for issuing. If it is not being approved the HR Manager will write to the employee accordingly, giving the right of appeal.

The appeal process is as follows:-

The employee lodges their appeal in writing to the Head of HR and Customer Service stating the grounds.

The Head of HR and Customer Service will nominate an appropriate officer at Service Manager level or above to hear the appeal. The officer hearing the appeal will write to the employee to invite them to the appeal hearing as soon as practicable.

The employee will have the right of accompaniment at the appeal hearing by a trade union representative or fellow employee. The chair of the hearing can be accompanied by an HR Adviser.

The appeal will take place and a decision made regarding the case, with the employee informed verbally and then in writing.

The decision will be final with there being no further right of appeal.

Where the case is approved immediately or following appeal, the HR Manager then passes the completed form to the North East Scotland Pension Fund (NESPF), with a copy passed to the HR Service Centre for the employee's personal file and a copy given to the employee.

Further information

Further information or clarity on the above can be obtained by contacting the NESPF helpline on 01224-264264 or e-mail pensions@nespf.org.uk