At the Committee meeting on 8 October 2014 during a discussion on the Small Business, Enterprise and Employment Bill, in relation to the recovery of public sector exit payments, Mr Brodie asked what provisions currently exist within Scotland. This was in the context of provisions within the Bill to ensure that exit payments are recovered when high earners return to the same part of the public sector within 12 months of their leaving.

The pension arrangements for civil servants are reserved and are set at a UK level. Abatement principles apply for re-employed civil servants in receipt of a civil service pension. The provisions apply irrespective of the level of earnings in the previous civil service employment. As a matter of policy the Scottish Government will not reappoint a previous member of Scottish Government staff within 12 months where the individual has received a payment under the civil service pension/compensation arrangements. Reappointment after 12 months will be subject to the normal pension abatement rules.

Various abatement provisions currently exist within the pension schemes for which Scottish Ministers have control, i.e. Local Government, NHS, Teachers', Police & Firefighters'. Reformed schemes will come into effect for each of these areas from 1 April 2015 (although not all current members will transfer over) and very limited abatement will apply in the NHS2015 scheme with no abatement provisions in the other new schemes. In this context, the Committee may wish to note that ending abatement was a key recommendation (recommendation 10) of the 2010-2011 Independent Public Service Pensions Commission, chaired by Lord Hutton of Furness on behalf of the UK Government. The Commission's recommendations formed the basis for the UK Government's 2013 Public Service Pensions Act, under which the reformed 2015 pension schemes are being made.
There is no central information held on the severance/recovery arrangements for those individual public bodies in Scotland falling under the remit of Public Sector Pay Policy.

Due to the breadth of public bodies and range of relationships with central government, work is ongoing at official level between the Scottish and UK Governments to determine the drafting of the legislation and the need for an LCM. Full details will of course be provided to the Committee as part of the supplementary LCM process if required.

Yours sincerely,

FERGUS EWING