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PENSIONS DISCRETIONS POLICY UNDER LGPS REGULATIONS 2013

1. AIM OF THE POLICY

Under the LGPS Regulations 2013 effective from 1 April 2014, all employers participating in the LGPS are required to prepare and publish a written statement on how it will exercise the various discretions provided by LGPS 2014, LGPS 2008, LGPS 1997, Compensation and Injury Allowances Regulations

This document includes discretionary policies for LGPS Regulations 2013 as required by Regulation 60, (LGPS Administration) Regulations 2008 as required by Regulation 66 and 1997 LGPS Regulations as required by Regulation 106 (for pre-1 April 2008 leavers and/or councillor members as applicable).

In formulating and reviewing its policy, the Council:

- has regard to the extent to which the exercise of their discretionary powers, unless properly limited, could lead to a serious loss of confidence in the public service; and
- is satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

2. PURPOSE OF POLICY

The policy aims to provide fairness and consistency in situations where the Council is considering cases of flexible retirement and increasing pension benefits. It covers an intention to retire on or after 1st April 2014 for employees only.

3. EMPLOYERS DISCRETIONS

Discretion	Regulation	Employer Policy
Whether, how much, and in what circumstances to contribute to a shared cost APC scheme.	R16(2)(e) & R16(4)(d)	The council will not consider contributing to a shared cost APC scheme unless there are compelling business reasons which warrant such consideration.
Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement). <i>The Pension Scheme allows flexible retirement from age 55 with the payment of all or part of accrued pension benefits in situations where the employer agrees to the hours of work or the level of responsibility being reduced and to</i>	R30(6) & Transitional Provisions Regulation 11(2)	All written requests for flexible retirement from eligible employees will be considered but the council will not normally exercise this discretion except in exceptional circumstances having regard to a business case indicating there will be no adverse impact on Council services and where there are likely to be costs savings achieved as a result of the proposal. Flexible retirement will normally

<i>the release of pension benefits. In most cases pension benefits will be reduced if taken before normal retirement age.</i>		result in an actuarial reduction of pension benefits.
Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.	R30(8)	The council will not consider waiving actuarial reductions on a flexible retirement unless there are compelling business reasons which warrant such consideration.
Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.	Transitional Provision Sch 2, Para 2(2)	The council will not consider "switching on" the 85-year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 unless there are compelling business reasons which warrant such consideration.
Early payment of pension <i>Employees can retire from age 55 and receive immediate payment of their pension benefits however the pension benefits payable will be subject to an actuarial reduction to allow for early payment unless redundancy or business efficiency termination of employment is enacted. □</i>	R 30(7)	The council will not adopt the discretion to waive the actuarial reduction.
Determine rate of employee' s contributions	R9(1) 7 R9(3)	The council will allocate employees to a contribution band following an assessment on 1 st April of their expected actual pensionable pay for the following 12 months.
Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS	R100(68)	The council will not extend the time limit for acceptance of a transfer value beyond 12 months from an employee joining the LGPS.
Which employees to nominate for membership	R3(1)(c) & R4(2) (b)	Open admission agreement: the council will nominate any new members of staff who are employed on a permanent contract.

References to 'employees' in this policy will be taken to include former employees who keep a deferred benefit in the fund.

Minor amendments to this policy, for example to reflect changes to legal requirements, may be made by the Clerk to the Council in conjunction with the Chair of the Council. Substantial changes should be referred to the Policy and Resources Committee.