

NORTH WINGFIELD PARISH COUNCIL

POLICY

Local Government Pension Scheme 2014 – **Employer Discretions For post 31 March 2014 active members and post 31 March 2014 leavers**

1. Additional Pension Contributions Regulation 16(2) (e) and 16(4)(d) of the LGPS Regulations 2013

Whether, how much, and in what circumstances to contribute to a shared cost Additional Pension Contribution (APC) scheme.

Where an active scheme member wishes to purchase extra annual pension of up to £6,822 by making Additional Pension contributions (APCs), to (voluntarily) contribute towards cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC). Regulations 16(2)(e) and 16 (4) (d) of the LGPS Regulations 2013. Employer may voluntarily agree to meet some or all of the cost of any additional pension purchased by an active scheme member, which can be to a maximum of £6,755 per annum (or as subsequently amended) and is only possible where the employee is making full contributions and not 50/50 contributions.

The above discretion does not relate to cases where a member has a period of authorised unpaid leave of absence and elects within 30 days of return to work to pay SCAPC to cover the amount of pension 'lost' during that period of absence.

The Council will not normally exercise this discretion but may consider its use in exceptional circumstance, having regard to the business case being in the interest of the Council and the pension fund strain charge being affordable by the Council.

2. Additional Pension - Regulation 31 of the LGPS Regulations 2013

Whether to grant additional pension to an active member or within six months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,822 p.a.) (Figures as at 1 April 2018)

An employer can award an additional pension of not more than £6,822 a year (or as subsequently amended) to a member who is currently paying contributions to the scheme (less any amount of additional annual pension the employer has already contributed towards or is contributing towards under a shared cost APC). This is a total figure and will take account of any amount where the employee is purchasing additional pension. Additional pension can also be awarded within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency (regulation 31 of the LGP Regulations 2013)

The Council will not normally exercise this discretion but may consider its use in exceptional circumstance, having regards to the business case being in the interest of the Council and the pension fund strain charge being affordable by the Council

3(a). Flexible Retirement – Regulation 30 (6) and Transitional Provision Regulations 2014 Regulation 11(2)

Whether all or some benefits can be paid if an employee reduces his/her hours or grade (flexible retirement)

3(b). Flexible Retirement (Routine Cases) – Regulation 30 (8) of the LGPS Regulations 2013

Whether to waive, in whole or in part actuarial reduction on benefits on flexible retirement.

An employer can consent to flexible retirement following a reduction in an employee's hours or grade. The discretion can be considered where the employee is aged from 55 years of age. Regulation 30 (6) LGPS Regulations 2013 and if so, as part of the agreement to permit flexible retirement:

-whether, in addition to the benefits to a member has accrued period to 1 April 2008 (which the member must draw), to permit the member to choose to draw

- *All, part or none of the pension benefits they accrued after 31 March 2008 and before 1 April 2014, and/or*
- *All, part or none of the pension benefits they accrued after 31 March 2010 [regulation 11(2) and 11(3) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014], and*

-whether to waive, in whole or in part, any actuarial reduction which would otherwise be applied to the benefits taken on flexible retirement before Normal Pension Age (NPA) 7 [regulation 3(5) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, regulation 18(3) of the LGPS (Benefits, Membership and Contributions) Regulations 2007 and regulations 30(6) and 30(8) of the LGPS Regulations 2013]

The Council will not normally exercise this discretion but may consider its use in exceptional circumstances, having regard to any pension fund strain charge being affordable by the Council. Agreement must be obtained from the Chairman of the Parish Council that use of the discretion is in the Council's interest. Waiving the actuarial reduction will only be allowed in exceptional circumstances if it is in the business interest of the Parish Council to do so.

To be eligible to make a request for Flexible Retirement under the LGPS regulations, you must:

Be actively making contributions to the LGPS

Be aged 55 or over

Have two years or more membership of the local government pension scheme

Be taking at least a 20% reduction in your hours and/or your salary

4a. Switching on the Rule of 85 - Transitional Provision Schedule 2, paragraph 2(2) of the Transitional Provision Regulations 2014

Whether to 'switch on' the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.

The employer can agree to apply the 85 year rule to pre 1/4/2015 accrued benefits (subject to a minimum actuarial reduction to age 60).

The Council will not normally exercise this discretion but may consider its use in exceptional circumstances, having regard to the business case being in the interest of the Council and the pension fund strain charge being affordable by the Council.

4b. Switching on the Rule of 85 - Transitional Provision Schedule 2, paragraph 2(2) of the Transitional Provision Regulations 2014

Whether to 'switch on' the 85 year rule for a deferred member voluntarily drawing benefits on or after age 55 and before age 60.

The Council will not normally exercise this discretion but may consider its use in exceptional circumstances, having regard to the business case being in the interest of the Council and the pension fund strain charge being affordable by the Council.

5a. Compassionate Grounds - Transitional Provision 3(1), Transitional Provision Schedule 2, paragraph 2(1) and 2(2), of the Transitional Provision Regulations 2014 and Regulations B30(5) and B30A(5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007

Whether to waive any actuarial reduction on pre and/or post April 2014 benefits paid early on compassionate grounds.

5b. Compassionate Grounds - Regulation 30(5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007

Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30

The Council will not normally exercise this discretion but may consider its use in exceptional circumstances, having regard to the business case being in the interest of the Council and the pension fund strain charge being affordable by the Council.

6a. Suspended Tier 3 Ill Health – Regulation 30A (3) of the LGPS (Benefits, Membership and Contributions) Regulations 2007

Whether to grant an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60. (i.e. if an employer has discontinued the ill health retirement benefits where an ex-employee is in gainful employment or is capable of being in such employment, the ex-employee may, on reaching age 55, choose to receive the retirement pension immediately)

6b. Compassionate Grounds - Regulation 30A(5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007

Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A for a suspended tier 3 member.

The Council will not normally exercise this discretion but may consider its use in exceptional circumstances, having regard to the business case being in the interest of the Council and the pension fund strain charge being affordable by the Council.

7. Transfers in of Pension Rights (Regulation 100(6));

The employer can agree to extend the 12 month time limit for members to keep their benefits separate (interfund adjustments).

The Council will not agree to extend the 12 month time limit for electing to combine pension rights from previous local government employment.

8. Change to Contribution Policy:

The Council will review the contribution rate for all affected employees on an annual basis to apply from 1st April each year, and whenever there is a material change in the number of expected hours worked per annum or in the level of salary being paid, such that there will be a material change to the member's expected pensionable pay in the scheme year.

ADDITIONAL DISCRETIONS THAT ONLY APPLY TO FORMER EMPLOYEES:

9. Policy for Post 31st March 2008/ pre 1st April 2014 leavers (Regulation 20 of the LGPS (Benefits, Membership and Contributions) Regulations 2007):

The employer can agree to grant applications for the early payment of deferred benefits on or after age 55 and before age 60, to grant applications for the early

payment of a suspended tier 3 ill health pension on or after age 55 and before age 60, to waive any actuarial reduction and to switch on the rule of 85.

The Council will not agree to award early voluntary retirement or to pay deferred benefits earlier than expected, or to waive any actuarial reduction, in any of these circumstances.

10. Policy for pre 1st April 2008 deferred members:

Where a deferred member left the LGPS before 1st April 2008, the employer policy will be subject to any restrictions that applied under the previous regulations. For example, a deferred member who left before 1st April 1998 may only be allowed to draw their benefits at age 60, age 65 or their normal retirement date.

The Council will not agree to award early voluntary retirement or to pay deferred benefits earlier than expected, or to waive any actuarial reduction, in any circumstances.

11. Early Payment of Pension to Deferred Members of the Scheme (Regulation 30a (3) and (5));

An employer may agree to the early payment of deferred benefits to former employees on or after age 55 and before age 60. An employer may also allow early payment of pensions to former employees who were in receipt of a tier 3 ill-health pension which has since been suspended. The employer may waive, under compassionate grounds, the actuarial reduction.

The Council will not exercise these discretions under any circumstances.

Review:

These policies will be subject to periodic review. Any subsequent change to this policy statement will be notified to both affected employees and to the pension fund administrator.

Policy adopted on (date).....Minute number.....

Chair:.....

Signature:.....