

BARBY & ONLEY PARISH COUNCIL: PENSION DISCRETIONS POLICY – LGPS Discretions.



This policy statement was approved by Barby & Onley Parish Council at its meeting on13th May 2019. RE-ADOPTED 14 DEC 2020 Signed: Cllr D Cotton.

As an employer, Barby & Onley Parish Council can exercise certain discretions by virtue of regulation 60 of the Local Government Pension Scheme (LGPS) Regulations 2013 and paragraph 2(2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.

From 1st April 2019 in relation to post 31.03.19 active members and post 31.03.19 leavers, the Parish Council will exercise these discretionary powers as set out below, and inform you if it alters them in future: This statement has been distributed to all employees and to the pension fund administrators.

REGULATION	DISCRETION	POLICY
Award of Additional Pension (Regulation 31)	An employer can award an additional pension of not more than £6675* 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 LGPS Regulations 2013).	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.
Flexible Retirement (Regulation 30(6)) and TP11(2)	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 the member has accrued prior to 1 April 2008 (which the member must draw), to permit the member to choose to draw <ul style="list-style-type: none"> • 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 2014 [regulations 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 	The Council will consider granting this discretion if hours are reduced by 20% or salary goes down by 2 grades. Request must be made in writing to the Parish Council who will consider the business case. To be eligible to make a request for Flexible Retirement under the LGPS regulations, you must: <ul style="list-style-type: none"> • Be actively making contributions to the LGPS. • Be aged 55 or over. • Have two years or more membership in the local government pension scheme.

	18(3) of the LGPS (Benefits, Membership and Contributions) Regulations 2007 and regulations 30(6) and 30(8) of the LGPS Regulations 2013]	<ul style="list-style-type: none"> • Be taking at least a 20% reduction in your hours and/or your salary.
Voluntary Funding of Additional Pension Via Shared Cost Additional Pension Contributions (Regulations 16(2e) 16(4d))	Where an active Scheme member wishes to purchase extra annual pension of up to £6755* by making Additional Pension contributions (APCs), to (voluntarily) contribute towards the 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 £6755* 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 a 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 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.
Switching on the 85 Year Rule for Members Voluntarily Drawing Benefits On or after Age 55 and before Age 60 (subject to a minimum actuarial reduction to 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.
Waiving of Actuarial Reductions (Regulation 30(8))	The employer can agree to waive any actuarial reduction on the pre-2014 benefits on compassionate grounds and/or wave (on any grounds) all, some or none of the reduction in post-2014 benefits. The discretion can be considered where the employee is 55 to 60 years of age.	The Council will not normally exercise this discretion but may consider its use on compassionate grounds only.
Transfers in of non LGPS pension Rights (Regulation 100(6))	The employer can agree to extend the 12 month time limit for transfer requests.	The Council will only extend the 12 month deadline where a member can prove it was missed through circumstances beyond their control.
Joining LGPS membership Aggregation of Previous Periods of Membership (interfund adjustments) R22(8)(b) R22(7)(b)	The employer can agree to extend the 12 month time limit for members to elect that post 31 March 2014 deferred benefits should not be aggregated with <ul style="list-style-type: none"> • A new employment • An ongoing concurrent employment. 	The Council will only extend the 12 month deadline where a member can prove it was missed through circumstances beyond their control.

Change in Employee contribution rate: R9(1) and R9(3)		The Council will review the contribution rate for all affected employees on an annual basis to apply from 1st of 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.
Regular Lump Sum Payments R21(5)	In determining Assumed Pensionable Pay, whether a lump sum payment made in the previous 12 months is a “regular lump sum”.	Generally when determining Assumed Pensionable pay any lump sum payments made in the last 12 months will not be included as a “regular sum”. However, each case will be looked at on its merits.

Any subsequent change to this policy statement will be notified to both affected employees and to the pension fund administrators. * The figure of £6675 will be increased each April under the Pension (Increase) Act 1971 as if it were a pension with a PI date of 1st April.

LGPS (Benefits, Membership and Contributions) Regulations 2007 do not apply as Barby & Onley Parish Council do not have any members of LGPS who ceased active membership on or after 01.04.08 or before 01.01.14.

Discretions under the Local Government Pension Scheme Regulations 1997 (as amended) do not apply as the Parish Council do not have

- a) Active councillor members and/or
- b) Councillor members who ceased active membership on or after 01.04.98 and/or
- c) Any other scheme members who ceased active membership on or after 01.04.98 and before 01.04.08

Discretions under the Local Government (Discretionary Payments)(Injury Allowances) Regulations 2011 do not apply to Barby & Onley Parish Council as the Council has Employer Liability Insurance in place and therefore will not grant discretions in relation to injury allowance.

Discretions under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended)

Under Regulation 7 of the Discretionary Compensation Regulations, each authority (other than an Admitted Body) is required to formulate and keep under review a policy which applies in respect of exercising their discretion in relation to:

Redundancy pay on actual weeks pay 5	To base redundancy payments on an actual weeks pay where this exceeds the statutory weeks pay limit.	It is always the policy of Barby & Onley Parish Council to base payments on actual weeks pay.
Lump sum compensation 6	To award lump sum compensation of up to 104 weeks pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment.	Barby & Onley Parish Council is unlikely to grant this discretion but will judge all cases on merit.

