

TAMESIDE MBC

EMPLOYER DISCRETIONS (LGPS) STATEMENT OF POLICY

This policy statement will comply with the regulations relating to the Local Government Pension Scheme (LGPS) that came into effect from 1 April 2014 and the options for Early Retirement.

It defines the employer's discretions in the regulations and clarifies the Council's approach to different retirement options.

This policy statement applies to all members of staff who are eligible to be members of the Local Government Pension Scheme, as defined in the regulations.

The policy reflects changes following the introduction of the new Career Average Revalued Earnings Pension Scheme (CARE). This policy does not confer contractual rights and the Council retains the right to review and amend it at any time. The terms of this Policy Statement reflect the Regulations at the time of writing. The statement will be updated in the event of future changes.

Discretions from 01.04.2014 in relation to post 31.03.2014 active members (excluding councillor members) and post 31.03.2014 leavers (excluding councillor members), being discretions under:

- the Local Government Pension Scheme Regulations 2013 [prefix R]
- the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [prefix TP]
- the Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]
- the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [prefix B]
- the Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T]
- the Local Government Pension Scheme Regulations 1997 (as amended) [prefix L]

Discretions from 01.04.2014 in relation to post 31.03.2014 active members (excluding councillor members) and post 31.03.2014 leavers (excluding councillor members)			
Discretion	Regulation	Exercised	Employer Policy Decision
Whether, how much, and in what circumstances to contribute to a shared cost APC scheme.	R16(2)(e)* & R16(4)(d)*	Employer	The Council will not exercise this discretion.

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<p>Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)</p>	<p>R30(6)* & TP11(2)</p>	<p>Employer</p>	<p>The Council will consider applications for Flexible Retirement on a case by case basis, giving due regard to the needs of the business and the financial implications to the Council. There will need to be a demonstrable benefit to the Council to take full account of any extra cost.</p> <p>Requests will only be considered if the employee is over the age of 55 and is making a permanent reduction in hours by at least 40%.</p> <p>Approval of applications will provide release of all pension benefits accrued up to the date of retirement.</p>
<p>Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.</p>	<p>R30(8)*</p>	<p>Employer (or Admin. Authority where Employer has become defunct)</p>	<p>The Council will not exercise this discretion.</p>
<p>Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member only has post 31/3/14 membership)</p>	<p>R30(8)*</p>	<p>Employer (or Admin. Authority where Employer has become defunct)</p>	<p>The Council will not exercise this discretion, except where there is a clear financial or operational advantage to the Council in doing so and at the approval of the Executive Director with pension decision responsibility for the Council.</p>
<p>Whether to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 (other than on the grounds of flexible retirement).</p>	<p>TPSch 2, para 1(2) & 1(1)(c) *</p>	<p>Employer (or Admin. Authority where Employer has become defunct)</p>	<p>The Council will not exercise this discretion, except where there is a clear financial or operational advantage to the Council in doing so and at the approval of the Executive Director with pension decision responsibility for the Council.</p>

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<p>Whether to waive any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1/4/14 and post 31/3/14 membership)</p> <ul style="list-style-type: none"> a) on compassionate grounds (pre 1/4/14 membership) and in whole or in part on any grounds (post 31/3/14 membership) if the member was not in the Scheme before 1/10/06, b) on compassionate grounds (pre 1/4/14 membership) and in whole or in part on any grounds (post 31/3/14 membership) if the member was in the Scheme before 1/10/06, will not be 60 by 31/3/16 and will not attain 60 between 1/4/16 and 31/3/20 c) on compassionate grounds (pre 1/4/16 membership) and in whole or in part on any grounds (post 31/3/16 membership) if the member was in the Scheme before 1/10/06 and will be 60 by 31/3/16 d) on compassionate grounds (pre 1/4/20 membership) and in whole or in part on any grounds (post 31/3/20 membership) if the member was in the Scheme before 1/10/06, will not be 60 by 31/3/16 and will attain 60 between 1/4/16 and 31/3/20 	<p>TP3(1), TP Sch 2, para 2(1), B30(5) and B30A(5)*</p>	<p>Employer (or Admin. Authority where Employer has become defunct)</p>	<p>The Council will not exercise this discretion, except where there is a clear financial or operational advantage to the Council in doing so and at the approval of the Executive Director with pension decision responsibility for the Council.</p>
<p>Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 p.a. on 1 April 2014 - this figure is inflation proofed annually).</p>	<p>R31*</p>	<p>Employer</p>	<p>The Council will not exercise this discretion.</p>

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Discretions in relation to scheme members (excluding councillor members) who ceased active membership on or after 01.04.2008 and before 01.04.2014, being discretions under:

- the Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]
- the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [prefix B]
- the Local Government Pension Scheme (Transitional Provisions) regulations 2008 [prefix T]
- the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [prefix TP]
- the Local Government Pension Scheme Regulations 2013 [prefix R]
- the Local Government Pension Scheme Regulations 1997 (as amended) [prefix L]

Discretions in relation to scheme members (excluding councillor members) who ceased active membership on or after 01.04.08. and before 01.04.2014			
Discretion	Regulation	Exercised by	Employer Policy Decision
Whether to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.	TPSch 2, para 1(2) & 1(1)(c)	Employer (or Admin. Authority where Employer has become defunct)	The Council will not exercise this discretion.
Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30 (member).	B30(5), TPSch 2, para 2(1) *	Employer (or Admin. Authority where Employer has become defunct)	The Council will not exercise this discretion.
Whether to “switch on” the 85 year rule for a pensioner member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60.	TPSch 2, para 1(2) & 1(1)(c)	Employer (or Admin. Authority where Employer has become defunct)	The Council will not exercise this discretion.
Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A (pensioner member with deferred benefits).	B30A(5), TPSch 2, para 2(1)*	Employer (or Admin. Authority where Employer has become defunct)	The Council will not exercise this discretion.

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Discretions under the Local Government Pension Scheme Regulations 1997 (as amended) in relation to:

- a) active councillor members, and
- b) councillor members who ceased active membership on or after 01.04.1998, and
- c) any other scheme members who ceased active membership on or after 01.04.1998 and before 01.04.2008.

Discretions under the Local Government Pension Scheme Regulations 1997 (as amended)			
Discretion	Regulation	Exercised by	Employer Policy Decision
Grant application for early payment of deferred benefits on or after age 50 and before age 55. See note below.	31(2)*	Employer	Such applications will only be considered where there is no direct cost to the Council.
Whether to "switch on" the 85 year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60.	TPSch 2, para 1(2) & 1(1)(f) and R60	Employer (or Admin. Authority where Employer has become defunct)	The Council will not exercise this discretion.
Waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early.	31(5)* & TPSch 2, para 2(1)	Employer (or Admin. Authority where Employer has become defunct)	The Council will not exercise this discretion.
Optants out only to get benefits paid from NRD if employer agrees.	31(7A)*	Employer	The Council will not exercise this discretion.

*These are matters about which the regulations require there must be a written policy.

Note: benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge and, where applicable, an unauthorised payments surcharge under the Finance Act 2006. Also, any part of the benefits which had accrued after 5 April 2006 would generate a scheme sanction charge.

Discretions under the Local Government Pension Scheme Regulations 1995 (as amended) in relation to:

- LGPS Regulation 1995 [SI 1995/1019]

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- The Local Government Pension Scheme (Transitional Provisions) Regulations 1997 [SI 1997/1613] [prefix TL]
- The Local Government Pension Scheme Regulations 1997 {SI 1997/1612] (as amended) [prefix L]
- The Local Government Pension Scheme (Administration) Regulations 2008 [SI 2008/239] [prefix A]
- LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2014/525] [TP]
- The Local Government Pension Scheme Regulations 2013 [SI 2013/2356] [prefix R]

Discretions under the Local Government Pension Scheme Regulations 1995 (as amended) for scheme members who ceased active membership before 1 April 1998			
Discretion	Regulation	Exercised by	Employer Policy Decision
<p>Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds.</p> <p>Although the common provisions of the 1997 Transitional provisions regulations do not specify regulation D11(2)(c), there intention was that it should apply to this regulation.</p>	<p>TL4 & L106(1) & D11(2)(c)</p>	<p>Employer</p>	<p>The Council will not exercise this discretion, except where there is a clear financial or operational advantage to the Council in doing so and at the approval of the Executive Director with pension decision responsibility for the Council.</p>