

## **POLICY TITLE**

LOCAL GOVERNMENT PENSION SCHEME DISCRETIONS POLICY

## **REVISION DATE**

November 2018

## **REPLACES POLICY**

New Policy

## **POLICY AIM**

Under Regulation 60 of the LGPS Regulation 2013 and paragraph 2(2) of the LGPS Transitional Regulations 2014, employers are required to make and publish policy statements on how they will exercise five specific discretions.

This policy statement aims to show the decisions made by Skegness Town Council and to demonstrate how Skegness Town Council will publish and keep under review a statement of their policy concerning all mandatory discretions under these regulations.

## **EXECUTIVE SUMMARY**

Skegness Town Council must prepare a written statement of its policy in relation to the exercise of its functions under regulations –

- (1) Shared Cost Additional Pension Contributions – Regulation 16(2)(e) and 16(4)(d)
- (2) Awarding Additional Pension – Regulation 31
- (3) Flexible Retirement – Regulation 30(6)
- (4) Waiving Actuarial Reductions – Regulation 30(8)
- (5) Switching On The 85 Rule – Schedule 2 – 1(1)(c) of the LGPS Transitional Regulations 2014

This policy statement explains each of the above regulations and how Skegness Town Council will exercise the discretions available to it.

Other non-mandatory discretions were approved by Council on 1<sup>st</sup> July 2014 and are summarised in Appendix A.

## **POLICY STATEMENT**

### **1. Shared Cost Additional Pension Contributions – Regulations 16(2)(e) and 16(4)(d)**

This discretion is where an active scheme member wishes to purchase extra annual pension of up to £6,822 (figure at 1 April 2018) by making Additional Pension Contributions (APCs) and the employer will voluntarily contribute towards the cost of

purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).

Policy Decision

*Skegness Town Council has chosen not to adopt this discretion.*

## **2. Awarding Additional Pension – Regulation 31**

This regulation allows employers to grant additional pension up to the maximum allowed by the scheme rules provided that the member is active or is within 6 months of leaving for reasons of redundancy or business efficiency or whose employment was terminated by mutual consent on grounds of business efficiency.

Policy Decision

*Skegness Town Council will only exercise this option in exceptional circumstances where there is a business case that is financially or operationally beneficial to the Council and where funding is available.*

## **3. Flexible Retirement – Regulation 30(6)**

This provision in the Regulation allows the employer to consent for a member who has attained the age of 55 to draw all or part of their retirement benefits (both pension and lump sum) whilst continuing in employment and Fund membership provided that there has been a reduction in hours or a reduction in grade.

Policy Decision

*Skegness Town Council will only exercise this option in exceptional circumstances where there is a business case that is financially or operationally beneficial to the Council and where funding is available.*

## **4. Waving Actuarial Reductions – Regulation 30(8)**

The employer may waive the actuarial reductions applied to a member's benefits, unless 85 year rule protections exist employers can waive:

- All of the reductions in respect of pre 1 April 2014 benefits but only on compassionate grounds,
- All or some of the actuarial reduction in respect of post 1 April 2014 on any grounds.

Where 85 year rule protections exists and the member has full or tapered protection the employer can waive all of the reductions but only on compassionate grounds for the service up to the date the 85 year rule protection ends.

Policy Decision

*Skegness Town Council will only exercise this option in exceptional circumstances where there is a business case that is financially or operationally beneficial to the Council and where funding is available*

## **5. Switching on the 85 Year Rule – Schedule 2-1(1)(c) of the LGPS Transitional Regulations 2014**

The employer can decide to "switch on" the 85 year rule to allow members to receive benefits either unreduced or with a smaller reduction to their 85 year rule date. The

employer will be responsible for meeting any strain costs relating to benefits being paid before age 60. If the employer does not “switch on” the 85 year rule the member’s benefits will be reduced to age 60 or the date they meet the 85 year rule later.

Policy Decision

*Skegness Town Council will only exercise this option in exceptional circumstances where there is a business case that is financially or operationally beneficial to the Council and where funding is available*

## **IMPLEMENTATION**

All decisions will be made following a report to the Council prepared by the Town Clerk or by another designated person.

## **MONITORING**

Skegness Town Council is required to keep this policy statement under review and make such revisions as are appropriate following a change in its policy.

Following any changes in its policy Skegness Town Council must publish the revised policy and send a copy to the administering authority within one month of the date the policy is revised.

## **POLICY CONSULTATION**

The policy will be made available on the Council’s website.

## **POLICY APPROVAL**

Approved at the meeting of Council on 5th December 2018.

## **POLICY REVIEW**

This policy is to be reviewed at least every three years, next due December 2021.