



EMPLOYERS PENSION DISCRETIONS POLICY

Tatenhill Parish Council has adopted these policies in accordance with the Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014. Adopted 24th November 2015. Reviewed 27th November 2018) [Review Date: October 2021]

	Discretion	Council Policy 24 th November 2015
	Table A: Discretions to be exercised on and after 1 April 2014 in relation to active scheme members (other than local authority councillor members) and members who cease active membership after 31 March 2014 (other than local authority councillor members).	
1	Whether, at full cost to Tatenhill & Rangemore Parish Council , to grant extra annual pension of up to £6,675 (figure at 1 April 2015) to an active scheme member or, within 6 months of leaving, to a member who is dismissed by reason of redundancy or business efficiency or whose employment is terminated by mutual consent on the grounds of business efficiency.	Council will not make use of the discretion to grant extra annual pension of up to £6,675 (figure at 1 April 2015) to an active scheme member or, within 6 months of leaving, to a member who is dismissed by reason of redundancy or business efficiency or whose employment is terminated by mutual consent on the grounds of business efficiency <u>except</u> in exceptional circumstances where the Council considers it is in its financial or operational interests to do so. Each case will be considered on the merits of the financial and / or operational business case put forward.
2	<p>A Scheme member can “buy” an additional annual pension benefit (currently £6500 per year for 2014/2015) to enhance their benefits, to replace lost pension caused by a period of authorised absence or industrial dispute. The member can “buy” the additional pension either over a period of time or by a one off lump sum payment.</p> <p>Where the pension has been lost because of a period of authorised unpaid absence, including child related absence the regulations require the employer to contribute to the cost of the lost pension where the member elects to “buy” back the lost pension within 30 days of returning to work. The employer contributes 2/3rds of the total cost and the employee 1/3 of the total cost. The cost is calculated in accordance with guidance provided by the Government Actuary (GAD).</p> <p>Where the absence has occurred in consequence of a trade dispute the employer is not required to share the cost of the lost pension and there are no time limits as to when the employee can elect to “buy back” the lost pension.</p> <p>Where the employer does not receive an election form from the employee within 30 days of returning to work from an authorised absence on no pay, the Scheme employer</p>	Where a Scheme member makes an election after the 30 day deadline to “buy” back an amount of lost pension, as a result

	<p><u>may</u> extend the period by which they will accept an election beyond the 30 day deadline.</p> <p>The additional pension may be funded in whole or in part by the Scheme employer.</p>	<p>of unpaid authorised absence, and it can be demonstrated that the reason for missing the deadline was because the member was not informed by Tatenhill & Rangemore Parish Council that this deadline existed, the Council as a Scheme employer will accept a late election up to 30 days after the receipt of the first Annual Benefit statement received by the member, following the employees return to work from the period of unpaid authorised absence.</p> <p>Tatenhill & Rangemore Parish Council as a Scheme employer will contribute in part to the cost of “buying” back additional pension for the Scheme member when a late election has been accepted.</p>
3	<p>Whether, where an active scheme member wishes to purchase extra annual pension of up to £6,675 (figure at 1 April 2015¹) by making Additional Pension Contributions (APCs), Tatenhill & Rangemore Parish Council will voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).</p>	<p>Council will not make use of the discretion to voluntarily contribute towards the cost of purchasing extra pension via a Shared Cost Additional Pension Contribution (SCAPC).</p>
4	<p>Whether to permit flexible retirement for staff aged 55 or over who, with the agreement of Tatenhill & Rangemore Parish Council reduce their working hours or grade and, if so, as part of the agreement:</p> <ul style="list-style-type: none"> - whether, in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw if flexible retirement is agreed), 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 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). 	<p><u>Flexible retirement</u></p> <p>Council will not agree to flexible retirement except in circumstances where it considers it is in its financial or operational interests to do so. Each case</p> <ul style="list-style-type: none"> - will be considered on the merits of the financial and / or operational business case put forward, - will set out whether, in addition to any pre 1 April 2008 benefits, the member will be permitted, as part of the flexible retirement agreement, to take <p>a) all, some or none of their 1 April 2008 to 31 March 2014 benefits, and /or</p> <p>b) all, some or none of their post 31 March 2014 benefits, and</p> <ul style="list-style-type: none"> - will require the approval of full Council. <p><u>Waiver of any actuarial reduction on flexible retirement</u></p> <p>Where flexible retirement is agreed, the benefits payable will be subject to any actuarial reduction applicable under the Local Government Pension Scheme Regulations and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014. Council will only waive any such reduction, in whole or in part, where it considers it is in its financial or operational interests to do so. Each case will be considered on the merits of the financial and</p>

		/ or operational business case put forward and will require the approval of full Council including, where the reduction is only to be waived in part, approval for the amount of reduction to be waived.
5	Whether, as the 85 year rule does not (other than on flexible retirement – see 3 above) <u>automatically</u> apply to members who would otherwise be subject to it and who choose to voluntarily draw their benefits on or after age 55 and before age 60, to apply the 85 year rule to such voluntary retirements.	Council will not agree to apply the 85 year rule where members choose to voluntarily draw their benefits on or after age 55 and before age 60 except in circumstances where it considers it is in its financial or operational interests to do so. Each case - will be considered on the merits of the financial and / or operational business case put forward, and - will require the approval of full Council.
6	<p>For: active members voluntarily retiring on or after age 55 and before Normal Pension Age who elect under regulation 30(5) of the LGPS Regulations 2013 to immediately draw benefits, and deferred members and suspended Tier 3 ill health pensioners who elect under regulation 30(5) of the LGPS Regulations 2013 to draw benefits (other than on ill health grounds) on or after age 55 and before Normal Pension Age who: were <u>not</u> members of the LGPS before 1 October 2006 [Group 4 members], whether to: waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits, if any, accrued before 1 April <u>2014</u>, and / or waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March <u>2014</u></p> <p><u>were</u> members of the LGPS before 1 October 2006 and <u>will</u> be 60 or more on 31 March 2016 [Group 1 members], whether to: waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April <u>2016</u>, and / or waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March <u>2016</u></p> <p><u>were</u> members of the LGPS before 1 October 2006 and will <u>not</u> be 60 or more on 31 March 2016 and will <u>not</u> attain age 60 between 1 April 2016 and 31 March 2020 [Group 3 members], whether to: waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April <u>2014</u>, and / or waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March <u>2014</u></p>	<p>Where members choose to voluntarily draw their benefits on or after age 55 and before Normal Pension Age Council will not agree to waive in whole or in part any actuarial reduction that would otherwise be applied to their benefits except in circumstances where it considers it is in its financial or operational interests to do so or there are compelling compassionate reasons for doing so. Each case will be considered on the merits of the financial and / or operational business case put forward, or will be considered on the merits of the compassionate case put forward, and will require the approval of full Council including, where the reduction is only to be waived in part, approval for the amount of reduction</p>

	<p><u>were</u> members of the LGPS before 1 October 2006 and will <u>not</u> be 60 or more on 31 March 2016 but <u>will</u> attain age 60 between 1 April 2016 and 31 March 2020 [Group 2 members], whether to:</p> <p>waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April <u>2020</u>, and / or</p> <p>waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March <u>2020</u></p>	
7	<p>Whether, how much, and in what circumstances to contribute to a shared-cost Additional Voluntary Contribution (SCAVC) arrangement entered into on or after 1 April 2014 and whether, how much, and in what circumstances to continue to contribute to any shared cost Additional Voluntary Contribution (SCAVC) arrangement entered into before 1 April 2014.</p>	<p>Council will not enter into a shared cost AVC arrangement</p>
8	<p>Whether to extend the 12 month time limit within which a scheme member who has a deferred LGPS benefit in England or Wales following the cessation of an employment (or cessation of a concurrent employment) after 31 March 2014 may elect not to have the deferred benefits aggregated with their new LGPS employment (or ongoing concurrent LGPS employment) if the member has not made an election to retain separate benefits within 12 months of commencing membership of the LGPS in the new employment (or within 12 months of ceasing the concurrent membership).</p>	<p>Council will only extend the 12 month time limit within which a scheme member who has a deferred LGPS benefit in England or Wales following the cessation of an employment (or cessation of a concurrent employment) after 31 March 2014 may elect not to have the deferred benefits aggregated with their new LGPS employment (or ongoing concurrent LGPS employment):</p> <p>where it agrees that the available evidence indicates the member had not been informed of the 12 month time limit due to maladministration;</p> <p>where it agrees that the available evidence indicates the member had made an election within 12 months of joining the LGPS but the election was not received by the Pension Fund administering authority (e.g. the election form was lost in the post); or</p> <p>where the member has pre 1 April 2014 membership and Council agrees the available evidence indicates that, due to maladministration, the member had not been informed of the implications of having benefits aggregated and would, in consequence, suffer a detriment to their pension benefits (for example, where member's whole-time equivalent pensionable pay on commencing with Tatenhill & Rangemore Parish Council is, in real terms after allowing for inflation, significantly less than the whole-time equivalent pensionable pay upon which the deferred benefits were calculated).</p>

9	<p>Whether, with the agreement of the Pension Fund administering authority, to permit a Scheme member to elect to transfer other pension rights into the LGPS if he / she has not made such an election within 12 months of joining the LGPS.</p>	<p>The Council will only extend the 12 month time limit within which a scheme member must make an election to transfer other pension rights into the LGPS after joining the LGPS: where the member asked for transfer investigations to be commenced within 12 months of joining the LGPS but a quotation of what the transfer value will purchase in the LGPS has not been provided to the member within 11 months of joining the LGPS. The time limit for such a member to make a formal election to transfer pension rights into the LGPS will be extended to one month beyond the date of the letter issued by the Pension Fund administering authority notifying the Scheme member of the benefits the transfer will buy in the LGPS;</p> <p>where the available evidence indicates the member made an election within 12 months of joining the LGPS, but the election was not received by the Pension Fund administering authority (e.g. the election form was lost in the post);</p> <p>where the available evidence indicates the member had not been informed of the 12 month time limit due to maladministration.</p>
10	<p>How the pension contribution band/rate to which an employee is to be allocated will be determined on joining the Scheme and at each subsequent April, and the circumstances in which the employer will, in addition to the review each April, review the pension contribution band/rate to which an employee has been allocated consequent upon a material change which affects the member's pensionable pay in the course of a Scheme year (1 April to 31 March).</p>	<p>The Council will allocate a member a contribution rate on joining the Pension Scheme and will review each year after the 1st April. It will reallocate a new contribution rate to a member during the year following a material change which affects the member's pensionable pay.</p>
11	<p>Whether or not, when calculating assumed pensionable pay when a member (other than a returning officer) is:</p> <ul style="list-style-type: none"> on reduced contractual pay or no pay on due to sickness or injury, or absent during ordinary maternity, paternity or adoption leave or paid shared parental leave, or during paid additional maternity or adoption leave (other than any part of that leave where the pensionable pay received is greater than the assumed pensionable pay for that part of the leave period), or absent on reserve forces service leave, or retires with a Tier 1 or Tier 2 ill health pension, or dies in service <p>to include in the calculation the amount of any 'regular lump sum payment' received by the member in the 12 months preceding the date the absence began or the ill health retirement or death occurred.</p>	<p>In assessing Assumed Pensionable Pay (APP), Council will not include in the calculation any regular lump sum payments.</p>
	<p>Table B: Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations in relation to scheme members who ceased active membership</p>	<p>The Council does not have any policies in this section as it was not participating in the Scheme before 31st March 2014.</p>

between 1 April 2008 and 31 March 2014 (other than local authority councillor members)	
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