

# Thame Town Council

## Pension Discretions Policy

### 1. Introduction

- 1.1 The Local Government Pension Scheme Regulations require each local authority to publish a policy statement detailing how it will exercise the discretionary items in relation to the Local Government Pension Scheme (LGPS). Thame Town Council is a local authority for the purposes of these regulations
- 1.2 The purpose of the statement is to manage the severance arrangements for employees where voluntary redundancy or early retirement is in the best interest of efficiency of service, whilst giving regard to workability, affordability, and reasonableness.
- 1.3 This Policy explains how the Council will exercise the discretions available to it under Parts 3 and 4 of the regulations and reflects changes caused by the May 2018 amending Regulations.
- 1.4 Following the updated May 2018 Regulations, any leaver from the LGPS scheme from 1998 to 2014 with a deferred pension, can now ask for immediate payment of it from age 55. They do not need the employer to agree, but the employer gets the opportunity on the members request to switch on the 85-year rule when it is applied or waive some or all of the percentage if applicable.
- 1.5 The Council has the discretionary power to consider any request received on a case-by-case basis.

### 2. Discretions

<b>Regulation 16(2)(e) &amp; R16(4)(d)</b>	<b>Policy Decision</b>
<b>Shared Cost Additional Pension Scheme</b> An employer can choose to pay for or contribute towards a member's Additional Pension Contract via a Shared Cost Additional Pension Contract (SCAPC).	<i>The Council does not contribute towards a member's Additional Pension Contract via a Shared Cost Additional Pension Contract (SCAPC).</i>
<b>Regulation 30(6) &amp; TP11(2)</b>	<b>Policy Decision</b>
<b>Flexible Retirement</b> Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up while continuing employment. This is provided the employer agrees to the member either reducing their hours or moving to a position on a lower grade.  In such cases, pension benefits may be reduced in accordance with the actuarial tables unless the employer waives reduction, or a member has protected rights	<i>The Council will only agree to requests for flexible retirement in exceptional circumstances. Each request will be considered on a case-by-case basis and cost estimates must be obtained before any decision is made.</i>

Regulation 30(8)	Policy Decision
<p><b>Waiving of Actuarial Reduction</b> Employers have the power to waive the actuarial reduction (in whole or part) applied to members benefits paid on the grounds of flexible retirement.</p> <p>Employers may also waive the actuarial reduction (in whole or part) applied to members benefits:</p> <ul style="list-style-type: none"> <li>• if leavers after 31 March 2014 aged at least 55 request payment of their benefits before normal pension age</li> <li>• For deferred members who left between 1 April 1998 and 31 March 2014 and on request are aged at least 55</li> </ul>	<p><i>The Council will obtain cost estimates before any decision is made concerning the waiving of an actuarial reduction. (Waiving reduction on flexible retirement, early voluntary request for pension payment either from leaving employment or for a request for early payment of deferred pension). Each request will be considered on a case-by-case basis, considering the business case and associated costs and when appropriate, leavers with pre 2014 membership, the compassionate grounds, which may apply.</i></p>
Regulation 30	Policy Decision
<p><b>Choice of Early Payment of Pension</b> <b>B30 (2)</b> Employers can also allow the early payment of deferred benefits to former members of the LGPS between the ages of 55 and 59.</p> <p><b>B30 (5) &amp; B30A (5)</b> in such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds, or a member had protected rights.</p>	<p><i>The Council will obtain cost estimates before any decision is made to grant early payment of pension and the decision will be on a case-by-case basis.</i></p>
Regulation 31	Policy Decision
<p><b>Power of Employing Authority to Grant Additional Pension</b> An employer can choose 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 per annum. <b>(This figure is inflation proofed annually).</b></p>	<p><i>The Council will obtain cost estimates before any decision is made to grant additional pension to an active member and the decision will be made on a case-by-case basis.</i></p>
Regulation TPSch 2, para 1(2) & 1(1)(c) & 1(1)(f) & R60	Policy Decision
<p><b>Power of Employing Authority to ‘Switch on’ the 85 Year Rule</b> An employer can choose whether to “switch on” the 85-year rule for members who voluntary retire on or after age 55 and before age 60 or request early payment of their deferred benefits between age 55 and 60 and left employment after 1 April 1998.</p>	<p><i>Each request will be considered on a case-by-case basis considering any changes to retirement regulations.</i></p>

<b>Regulation TP3(1), TPSch 2, para 2(1), B30(5) &amp; B30A(5)</b>	<b>Policy Decision</b>
<p>An employer can also choose 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 April 2014 and post 31 March 2014 membership):</p> <ul style="list-style-type: none"> <li>A) On compassionate grounds (pre 1 April 2014) and in whole or in part on any grounds (post 31 March 2014) if the member was not in the scheme before 1 October 2006, on compassionate grounds, the actuarial reduction applied to benefits for a member voluntary drawing benefits on or after age 55 and before age 60 who left employment before 1 April 2014</li> <li>B) On compassionate grounds (pre 1 April 2014) and in whole or in part on any grounds (post March 2014) if the member was in the Scheme before 1 October 2006, will not be 60 by 31 March 2016 and will not attain 60 between 1 April 2016 and 31 March 2020 inclusive</li> <li>C) On compassionate grounds (pre 1 April 2016) and in whole or in part on any grounds (post 31 March 2016) if the member was in the scheme before 1 October 2006 and will be 60 by 31 March 2016</li> <li>D) On compassionate grounds (pre 1 April 2020) and in whole or in part on any ground (post 31 March 2020) if the member was in the scheme before 1 October 2006, will not be 60 by 31 March 2016 and will attain 60 between April 2016 and 31 March 2020 inclusive</li> </ul>	<i>Each request will be considered on a case-by-case basis considering any changes to retirement regulations</i>
<b>Regulation 31 (2)</b>	<b>Policy Decision</b>
Grant Application for early payment of deferred benefits on or after age 50 and before age 55	<i>Each request will be considered on a case-by-case basis considering any changes to retirement regulations</i>
<b>Regulation 31(5) &amp; TPSch 2, para 2(1)</b>	<b>Policy Decision</b>
Waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early before age of 65	<i>Each request will be considered on a case-by-case basis considering any changes to retirement regulations</i>
<b>Regulation TP3(5A)(vi), TL4, L106(1) &amp; D11(2)(c)</b>	<b>Policy Decision</b>
Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds. Although the common provisions of the 1997 Transitional provisions regulations do not specify regulations do not specify regulation D11(2)(c), there intention was that it should apply to this regulation	<i>Each request will be considered on a case-by-case basis considering any changes to retirement regulations</i>
<b>Regulation 3-7</b>	<b>Policy Decision</b>
Will the Employer make an injury award to compensate for loss of a) pay, or b) job, or c) death due to injury or disease sustained at work?	<i>Each request will be considered on a case-by-case basis considering any changes to retirement regulations</i>

<b>Early Termination of Employment</b>	
<p>Will the employer pay enhanced redundancy payments and /or compensation for loss of employment on redundancy ?</p>	<ol style="list-style-type: none"> <li>1) The Council will / will not base redundancy pay on actual pay when greater than the 'statutory week's pay' for a redundancy payment.</li> <li>2) The Council will / will not award termination compensation lump sum of xxx week's pay (specify the assessment, entitlement etc) following redundancy etc to anyone or specify occasion when consideration is possible.</li> </ol>