

## Local Government Pension Scheme (LGPS) Employer Pension Policy

The Local Government Pension Scheme (referred to as LGPS from here onwards) for England and Wales is a statutory pension scheme.

Under the LGPS Regulations, Employers are required to formulate, publish and keep under review a policy statement in relation to the exercise of a number of discretions under the LGPS. This document therefore constitutes the Policy Statement of Tredegar Town Council (the employer).

### Statutory Policies introduced in 2014:-

**Employer Discretion:**      **Policy No. 1**

Whether, how much, and in what circumstances to contribute to a shared Cost APC (Additional Pension Contribution) scheme.

**Regulations:**              R16(2)(e) & R16(4)(d)

**Statement of policy about exercise of discretionary functions:**

The employer will not ordinarily exercise its discretion in relation to this policy but reserves the right to consider any application carefully, fairly and on its individual merits.

Any application requesting the Council to exercise this discretion should be supported by a robust business case which the employer will consider alongside the needs of the service.

**Employer Discretion:**      **Policy No. 2**

Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).

**Regulations:**              R30(6) & TP11(2)

**Statement of policy about exercise of discretionary functions:**

The employer will not ordinarily exercise its discretion in relation to this policy but reserves the right to consider any application carefully, fairly and on its individual merits.

The employer will consider its use in exceptional circumstances such as on compassionate grounds, where compassion is defined as “inclined to pity or mercy”.

Any application requesting the Council to exercise this discretion should be supported by a robust business case which the employer will consider alongside the needs of the service.

Requests will only be considered if an employee is reducing the hours of their current job by at least 20% or are transferring to another job which is either 20% fewer hours or is at a lower grade.

Employees who have flexibly retired may not subsequently apply for positions that would result in either an increase in hours or being paid at a higher grade.

**Employer Discretion:**      **Policy No. 3**

Whether to waive, in whole or in part, actuarial reduction (amount pension could be reduced by for retiring early) on benefits paid on flexible

retirement.

**Regulations:** R30(8)

**Statement of policy about exercise of discretionary functions:**

The employer will not ordinarily exercise its discretion in relation to this policy but reserves the right to consider any application carefully, fairly and on its individual merits.

The employer will consider its use in exceptional circumstances such as on compassionate grounds, where compassion is defined as “inclined to pity or mercy”.

Any application requesting the Council to exercise this discretion should be supported by a robust business case which the employer will consider alongside the needs of the service.

**Employer Discretion:** **Policy No. 4**

Whether to waive, in whole or in part, actuarial reduction (amount pension could be reduced by for retiring early) on benefits which a member voluntarily draws before normal pension age.

**Regulations:** R30(8)

**Statement of policy about exercise of discretionary functions:**

The employer will not ordinarily exercise its discretion in relation to this policy but reserves the right to consider any application carefully, fairly and on its individual merits.

The employer will consider its use in exceptional circumstances such as on compassionate grounds, where compassion is defined as “inclined to pity or mercy”.

**Employer Discretion:** **Policy No. 5**

Whether to ‘switch on’ the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60.

**Regulations:** TPSchedule 2 paragraph 2(2)

**Statement of policy about exercise of discretionary functions:**

The employer will not ordinarily exercise its discretion in relation to this policy but reserves the right to consider any application carefully, fairly and on its individual merits.

The employer will consider its use in exceptional circumstances such as on compassionate grounds, where compassion is defined as “inclined to pity or mercy”.

Any application requesting the Council to exercise this discretion should be supported by a robust business case which the employer will consider alongside the needs of the service.

The cost of strain on the scheme must be mitigated by the salary saving over a number of years appropriate to the business needs of the service in order for the 85 Year Rule to be switched back on in any particular case.

**Employer Discretion:** **Policy No. 6**

Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits from pre 1<sup>st</sup> April 2014 membership where the employer has ‘switched on’ the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60.

**Regulations:** TPSchedule 2 paragraph 2(3)

**Statement of policy about exercise of discretionary functions:**

The employer will not ordinarily exercise its discretion in relation to this policy but reserves the right to consider any application carefully, fairly and on its individual merits.

The employer will consider its use in exceptional circumstances where compassion is defined as “inclined to pity or mercy”.

Any application requesting the Council to exercise this discretion should be supported by a robust business case which the employer will consider alongside the needs of the service.

The cost of strain on the scheme must be mitigated by the salary saving over a number of years appropriate to the business needs of the service in order for the 85 Year Rule to be switched back on in any particular case.

**Employer Discretion:      Policy No. 7**

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 per annum).

**Regulations:                      R31****Statement of policy about exercise of discretionary functions:**

The employer will not ordinarily exercise its discretion in relation to this policy but reserves the right to consider any application carefully, fairly and on its individual merits.

The employer will consider its use in exceptional circumstances such as on compassionate grounds, where compassion is defined as “inclined to pity or mercy” or to recruit/retain someone with specific qualifications and/or experience.

## Additional Policies:-

**Employer Discretion: Policy No. 8**

Whether, for a member leaving on the grounds of redundancy or efficiency on or before 31<sup>st</sup> March 2014, to augment membership (by up to 10 years).

**Regulations: B12**

**Statement of policy about exercise of discretionary functions:**

The employer will not exercise this discretion as the resolution to do so would have to be made within 6 months of leaving and is spent entirely after 30<sup>th</sup> September 2014 hence it therefore no longer applies after that date.

**Employer Discretion: Policy No. 9**

Whether to grant application for early payment of deferred benefits on or after age 55 and before 60.

**Regulations: B30(2)**

**Statement of policy about exercise of discretionary functions:**

The employer will not ordinarily exercise its discretion in relation to this policy but reserves the right to consider any application carefully, fairly and on its individual merits.

The employer will consider its use in exceptional circumstances such as on compassionate grounds, where compassion is defined as “inclined to pity or mercy”.

**Employer Discretion: Policy No. 10**

Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under Benefits Regulation 30(2).

**Regulations: B30(5)**

**Statement of policy about exercise of discretionary functions:**

The employer will not ordinarily exercise its discretion in relation to this policy but reserves the right to consider any application carefully, fairly and on its individual merits.

The employer will consider its use in exceptional circumstances where compassion is defined as “inclined to pity or mercy”.

Any application would be considered alongside the needs of the service.

**Employer Discretion: Policy No. 11**

Whether to grant application for early payment of a suspended tier 3 ill health pension on after age 55 and before 60.

**Regulations: B30A(3)**

**Statement of policy about exercise of discretionary functions:**

The employer will not ordinarily exercise its discretion in relation to this policy but reserves the right to consider any application carefully, fairly and on its individual merits.

The employer will consider its use in exceptional circumstances such as on compassionate grounds, where compassion is defined as “inclined to pity or mercy”.

**Employer Discretion:** **Policy No. 12**

Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under Benefits regulations 30A(3).

**Regulations:** B30A(5)

**Statement of policy about exercise of discretionary functions:**

The employer will not ordinarily exercise its discretion in relation to this policy but reserves the right to consider any application carefully, fairly and on its individual merits.

The employer will consider its use in exceptional circumstances where compassion is defined as “inclined to pity or mercy”.

Any application would be considered alongside the needs of the service.

**Employer Discretion:** **Policy No. 13**

Whether to grant application from a post-31<sup>st</sup> March 1998/pre-1<sup>st</sup> April 2008 leaver (or from a Councillor) for early payment of benefits on or after age 50/55 and before age 60.

**Regulations:** L31(2)

**Statement of policy about exercise of discretionary functions:**

The employer will not ordinarily exercise its discretion in relation to this policy but reserves the right to consider any application carefully, fairly and on its individual merits.

The employer will consider its use in exceptional circumstances such as on compassionate grounds, where compassion is defined as “inclined to pity or mercy”.

**Employer Discretion:** **Policy No. 14**

Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early for a post 31<sup>st</sup> March 1998/pre 1<sup>st</sup> April 2008 leaver (or a Councillor leaver).

**Regulations:** Benefits L31(5)

**Statement of policy about exercise of discretionary functions:**

The employer will not ordinarily exercise its discretion in relation to this policy but reserves the right to consider any application carefully, fairly and on its individual merits.

The employer will consider its use in exceptional circumstances where compassion is defined as “inclined to pity or mercy”.

Any application would be considered alongside the needs of the service.

**Employer Discretion:** **Policy No. 15**

Whether to consent to pre 1<sup>st</sup> April 2008 employee optants out (and Councillor optants out), who continue in employment/post, receiving payment of benefits at Normal Retirement Date.

**Regulations:** L31(7A)

**Statement of policy about exercise of discretionary functions:**

When a member who previously opted out reaches their normal retirement date but remains in the employer’s employment then he/she would be entitled to payment of their deferred pension. However,

a member who did not opt out but remained in the scheme would not be able to take payment of their benefits until he/she had retired and left the employer's employment.

Any application for the employer to exercise its discretion in relation to any of the above should be submitted in writing to the Town Clerk who will consider the business case for the request. The Town Clerk may submit such requests to members of the Council for formal determination.

## **Discretion 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 is required to formulate and keep under review a policy which applies in respect of exercising their discretion in relation to:*

### **Employer Discretion: Policy No. 16**

Whether to base a redundancy payment on an employee's actual weeks' pay where this exceeds the statutory week's pay limit.

**Regulations:** 5

### **Statement of policy about exercise of discretionary functions:**

Any redundancy payment will be calculated on an employee's actual week's pay and not limited to the statutory weeks' pay limit where pay exceeds that limit.

### **Employer Discretion: Policy No. 17**

Whether to make a termination payment (inclusive of any redundancy payment) of up to a maximum of 104 weeks' pay to employees whose employment is terminated on the grounds of redundancy or efficiency of the service.

**Regulations:** 6

### **Statement of policy about exercise of discretionary functions:**

Scheme members will have the option of receiving a single compensation payment of up to 60 weeks' pay (based on the Redundancy Pay calculator X a factor of 2) or 3 added years (using LGPS augmentation powers under Regulation 52) and Statutory Redundancy (maximum of 30 weeks). In respect of Efficiency Redundancy:- 3 added years (using LGPS augmentation powers under Regulation 52) will be granted.

### **Employer Discretion: Policy No. 18**

Whether to award compensatory added years to a person aged 50 or over with 5 or more years membership (or notional membership) of the LGPS in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment which occurred after 30<sup>th</sup> September 2006 and before 1<sup>st</sup> April 2007 (but only if employment had commenced pre 1<sup>st</sup> October 2006).

**Regulations:** 11(2)

### **Statement of policy about exercise of discretionary functions:**

Not applicable to Tredegar Town Council.

## **Discretion under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended)**

*Under Regulation 26 of the Discretionary Compensation Regulations, each authority is required to formulate and keep under review a policy which applies in respect of exercising their discretion in relation to:*

**Note:** Employers MUST have a policy on the 6 items below, but ONLY IF the employer has awarded compensatory added years under these, or earlier, Regulations.

**Employer Discretion:      **Policy No. 19****

How any surviving spouse or civil partner's annual compensatory added years pension is to be apportioned where the deceased person is survived by more than one spouse or civil partner.

**Regulations:**                      21(4)

**Statement of policy about exercise of discretionary functions:**

Not applicable to Tredegar Town Council.

**Employer Discretion:      **Policy No. 20****

Whether, if the spouse or civil partner of a person who ceased employment before 1<sup>st</sup> April 1988 remarries, enters into a civil partnership or cohabits after 1<sup>st</sup> April 1998, the normal annual compensation suspension rules will be dis-applied i.e. the spouse or civil partner's annual compensatory added years pension will continue to be paid.

**Regulations:**                      21(7)

**Statement of policy about exercise of discretionary functions:**

Not applicable to Tredegar Town Council.

**Employer Discretion:      **Policy No. 21****

Whether, where a spouse or civil partner's annual compensatory added years pension is suspended as a result of remarriage, entering into a new civil partnership or cohabitation, the spouse or civil partner's annual compensatory added years pension should be reinstated after the end of the period of remarriage, new civil partnership or cohabitation.

**Regulations:**                      21(5)

**Statement of policy about exercise of discretionary functions:**

Not applicable to Tredegar Town Council.

**Employer Discretion:      **Policy No. 22****

Whether, where the spouse or civil partner of a person who ceased employment before 1<sup>st</sup> April 1998 with an award of compensatory added years remarries or cohabits or enters into a civil partnership on or after 1<sup>st</sup> April 1998 with another person who is also entitled to a spouse or civil partner's compensatory added years pension, the normal rule requiring one of them to forego payment whilst the period of marriage, civil partnership or co-habitation lasts, should be dis-applied i.e. whether the spouses' or civil partners' compensatory added

years pension should continue to be paid to both of them.

**Regulations:** 21(7)

**Statement of policy about exercise of discretionary functions:**

Not applicable to Tredegar Town Council.

**Employer Discretion:** **Policy No. 23**

How, if compensatory added years were awarded to an employee who was not in the LGPS (because the employee had not joined or had opted out) the employer will decide to whom any children's annual compensatory added years payments are to be paid and, in such a case, how the annual added years will be apportioned amongst the eligible children.

**Regulations:** 25(2)

**Statement of policy about exercise of discretionary functions:**

Not applicable to Tredegar Town Council.

**Employer Discretion:** **Policy No. 24**

How a person's annual compensatory added years pension is to be abated during, and following the cessation of, any period of re-employment by an employer who offers membership of the LGPS to its employees, regardless of whether or not the employee chooses to join the LGPS.

**Regulations:** 17 & 19

**Statement of policy about exercise of discretionary functions:**

Not applicable to Tredegar Town Council.

## **Discretion under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011**

*Under Regulation 14 of the Injury Allowances Regulations, each LGPS employer is required to formulate, publish and keep under review the policy that it will apply in the exercise of its discretionary powers to make any award under the Injury Allowances Regulations in respect of leavers, deaths and reductions in pay that occurred post 15<sup>th</sup> January 2012.*

**Employer Discretion:** **Policy No. 25**

Whether to grant an injury allowance following reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.

**Regulations:** 3(1)

**Employer Discretion:** **Policy No. 26**

Amount of injury allowance following reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.

**Regulations:** 3(4) & 8



<b>Employer Discretion:</b>	<b>Policy No. 27</b> Determine whether person continues to be entitled to an injury allowance awarded under Regulation 3(1).
<b>Regulations:</b>	3(2)
<b>Employer Discretion:</b>	<b>Policy No. 28</b> Whether to grant an injury allowance following cessation of employment as a result of permanent incapacity caused by sustaining an injury or contracting a disease in the course of carrying out duties of the job.
<b>Regulations:</b>	4(1)
<b>Employer Discretion:</b>	<b>Policy No. 29</b> Amount of injury allowance following cessation of employment as a result of permanent incapacity caused by sustaining an injury or contracting a disease in the course of carrying out duties of the job.
<b>Regulations:</b>	4(3) & 8
<b>Employer Discretion:</b>	<b>Policy No. 30</b> Determine whether person continues to be entitled to an injury allowance awarded under Regulation 4(1).
<b>Regulations:</b>	4(2)
<b>Employer Discretion:</b>	<b>Policy No. 31</b> Whether to suspend or discontinue injury allowance awarded under Regulation 4(1) if person secures paid employment for not less than 30 hours per week for a period of not less than 12 months.
<b>Regulations:</b>	4(5)
<b>Employer Discretion:</b>	<b>Policy No. 32</b> Whether to grant an injury allowance following cessation of employment with entitlement to immediate LGPS pension where Regulation 3 payment was being made at date of cessation of employment but Regulation 4 does not apply.
<b>Regulations:</b>	6(1)
<b>Employer Discretion:</b>	<b>Policy No. 33</b> Determine amount of any injury allowance to be paid under Regulation 6(1).
<b>Regulations:</b>	6(1)
<b>Employer Discretion:</b>	<b>Policy No. 34</b> Determine whether and when to cease payment of injury allowance payable under Regulation 6(1).
<b>Regulations:</b>	6(2)

**Employer Discretion:** **Policy No. 35**  
Whether to grant an injury allowance to the spouse, civil partner, nominated co-habiting partner or dependant of an employee who dies as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.

**Regulations:** 7(1)

**Employer Discretion:** **Policy No. 36**  
Determine amount of any injury allowance to be paid under Regulation 7(1).

**Regulations:** 7(2) & 8

**Employer Discretion:** **Policy No. 37**  
Determine whether and when to cease payment of an injury allowance payable under Regulation 7(1).

**Regulations:** 7(3)

**Statement of policy about exercise of discretionary functions:**

For all of the above relating to Injury Allowance, Tredegar Town Council will not, other than in exceptional circumstances, make an award of an injury allowance in respect of an employee who sustains an injury or contracts a disease as a result of anything they were required to do performing the duties of their job and in consequence of which they:

- suffers a reduction remuneration, or
- ceases to be employed as a result of an incapacity which is likely to be permanent and which was caused by the injury or disease, or
- dies leaving a surviving spouse, civil partner or dependant.

Signature of Certifying Officer: \_\_\_\_\_

Date: \_\_\_\_\_

Name of Certifying Officer: \_\_\_\_\_

Position in Organisation: \_\_\_\_\_

Date of next review:

**Key to Prefix:**

**Employer Discretion, being discretions under:-**

- **R** - LGPS Regulations 2013
- **TP** - LGPS (Transitional Provisions & Savings) Regulations 2014
- **A** - LGPS (Administration) Regulations 2008
- **B** - LGPS (Benefits, Membership & Contributions) Regulations 2007 (as amended)
- **T** - LGPS (Transitional Provisions) Regulations 2008
- **L** - LGPS Regulations 1997 (as amended)