



# THE IVERS

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## PARISH COUNCIL

### PENSIONS DISCRETIONS POLICY STATEMENT

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Revision History			
No	Details	Date	Author
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# 1. Introduction

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This policy statement is made in accordance with Paragraph 60 of the Local Government Pension Scheme Regulations 2013 ('the Regulations'). The statement sets out how the Council will apply the discretionary provisions available within those Regulations. The policy is applicable to employees, not to Councillors. This policy will be reviewed annually. If the Council decides to change its policy, it will publish a statement of the amended policy within one month of the date of its decision.

In formulating and reviewing its policy, the Council:

- has regard to the extent to which the exercise of their discretionary powers, unless properly limited, could lead to a serious loss of confidence in the public service; and
- is satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

Any references to 'employees' in this policy will be taken to include former employees who keep a deferred benefit in the fund.

This policy replaces The Council's previous policy agreed at the Policy Finance and General Purposes Committee (PF&GP) on 8 April 2013 in response to the Local Government Pension Scheme (Benefits, Membership and Contributions Regulations 2008)

# 2. Purpose of Policy

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This policy aims to provide fairness and consistency in situations where the Council is considering cases of flexible retirement and increasing pension benefits. It covers an intention to retire on or after 1st April 2014 for employees only.

### 3. Employer Discretions

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- 3.1. Additional Pension Contributions Regulation 16(2) (e) and 16(4)(d) of the Regulations - Whether, how much, and in what circumstances to contribute to a shared cost Additional Pension Contribution (APC) scheme.

**The Council will not fund any additional pension contributions normally payable by employees**

- 3.2(a). Flexible Retirement – Regulation 30 (6) and Transitional Provision Regulations 2014 Regulation 11(2) - Whether all or some benefits can be paid if an employee reduces his/her hours or grade (flexible retirement)

- 3.2(b). Flexible Retirement (Routine Cases) – Regulation 30 (8) of the LGPS Regulations 2013 - Whether to waive, in whole or in part actuarial reduction on benefits on flexible retirement

The Pension Scheme allows flexible retirement from age 55 with the payment of all or part of accrued pension benefits in situations where the employer agrees to the hours of work or the level of responsibility being reduced and to the release of pension benefits. In most cases pension benefits will be reduced if taken before normal retirement age.

Flexible retirement can benefit both the employee through enabling a gradual adjustment to retirement and the Council through the ability to retain valuable experience and knowledge and increases the opportunity for succession planning.

**The Council will consider all written requests for flexible retirement from eligible employees but will not normally exercise this discretion except in exceptional circumstances having regard to a business case indicating there will be no adverse impact on Council services and where there are likely to be costs savings achieved as a result of the proposal. Flexible retirement will normally result in an actuarial reduction of pension benefits. In exceptional circumstances the Council may consider waiving the actuarial reduction where it is in the Council's interest to do so under Regulation 30(8). All requests for flexible retirements will be considered and approved by the PF&GP Committee.**

- 3.3. Awarding Additional Pension Regulation 31

**The Council will not make use of the provision to award additional pension contributions.**

- 3.4 Switching on the Rule of 85 - Transitional Provision Schedule 2, paragraph 2(2) of the Transitional Provision Regulations 2014

Whether to 'switch on' the 85-year rule for a member voluntarily drawing benefits on or after age 55 and before age 60. The employer can agree to apply the 85-year rule to pre 1/4/2015 accrued benefits (subject to a minimum actuarial reduction to age 60).

**The Council will not normally exercise this discretion but may consider its use in exceptional circumstances, having regard to the business case being in the interest of the Council and the pension fund strain charge being affordable by the Council.**

### 3.5 Switching on the Rule of 85 - Transitional Provision Schedule 2, paragraph 2(2) of the Transitional Provision Regulations 2014

Whether to 'switch on' the 85-year rule for a deferred member voluntarily drawing benefits on or after age 55 and before age 60.

**The Council will not normally exercise this discretion but may consider its use in exceptional circumstances, having regard to the business case being in the interest of the Council and the pension fund strain charge being affordable by the Council.**

### 3.6 Early Payment of Pension

Employees can retire from age 55 and receive immediate payment of their pension benefits however the pension benefits payable will be subject to an actuarial reduction to allow for early payment unless Regulation 30(7) is applicable (redundancy or business efficiency termination of employment).

**The Council will not adopt the discretion to waive the actuarial reduction.**

### 3.7 Other Discretions Pursuant to the 2013 Regulations

**The Council will not exercise any other pension discretions pursuant to the Regulations**

## 4. Dealing with requests from Employees

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Requests from employees should be directed in writing to the Clerk and Responsible Financial Officer who will bring information and a detailed business case to be considered by PF&GP Committee.

## 5. Review of Policy

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This Policy will be reviewed annually by the PF&GP Committee.

Minor amendments to this policy, for example to reflect changes to legal requirements, may be made by the HR Committee. Substantial changes should be referred to the PF&GP Committee.

Next review date will be March 2021.