



PENSION DISCRETIONS POLICY

POLICY: Pension Discretions Policy

Author: Craig Stevens
Division: Payroll & Job Evaluation
Date: 29 September 2020
Review Date: September 2022

Contents

1.0 Purpose.....	2
2.0 Scope	2
3.0 Policy.....	3
3.1 Principles	14
3.2 Risk.....	14
3.3 Assertions.....	14
3.4 Responsibilities.....	14
4.0 Related Policies, Standards and Guidelines	14
5.0 Review	14
6.0 Document Attributes.....	15

1.0 Purpose

Broxtowe Borough Council is a participating employer in the Local Government Pensions Scheme (LGPS) and is required to formulate, publish and keep under review a Statement of Policy on certain discretions which they have the power to exercise in relation to the LGPS.

2.0 Scope

This policy will apply and affect all current and former Broxtowe Borough Council employees who have an active or deferred pension benefit with the LGPS as a result of employment with the Council.

The Policy section of this document contains 7 tables. Each table identifies the key discretions and provides Broxtowe Borough Council's responses to those discretions. For ease, where available the timeframe for when the discretions apply is provided in bold, no dates are given where the discretions do not apply to a specific timeframe:

- | | |
|----------------|---|
| Table 1 | Identifies the key discretions and provides Broxtowe's responses for all current or ceased pension memberships after 1 April 2014 . |
| Table 2 | Identifies the key discretions and provides Broxtowe's responses for all ceased pensionable memberships between 1 April 2008 and 31 March 2014 . |
| Table 3 | Identifies the key discretions and provides Broxtowe's responses for all ceased pensionable memberships between 1 April 1998 and 31 March 2008 . |
| Table 4 | Identifies the key discretions and provides Broxtowe's responses for all ceased pensionable memberships before 1 April 1998 . |
| Table 5 | Identifies key discretions exercised under the Local Government Regulations 2006 in relation to Early Termination of Employment and Discretionary Compensation. |
| Table 6 | Identifies key discretions exercised under the Local Government Regulations 2000 in relation to Early Termination of Employment and Discretionary Compensation. |
| Table 7 | Identifies key discretions to be exercised under the Local Government Regulations 2011 in relation to Discretionary Payments and Injury Allowances. |

3.0 Policy

Table 1 (applies to all current or ceased pension memberships after 1 April 2014)

Employer Discretion	Policy Statement
<p>Whether to grant extra annual pension? [Regulation 31 of the LGPS Regulations 2013]</p>	<p>BROXTOWE BOROUGH COUNCIL will allow extra annual pension (commonly known as APC's) to be made by the employee up to the current annual amount stated in the Pensions (Increase) Act 1971.</p>
<p>Whether to share the cost of purchasing additional pension (SCAPC)? [Regulations 16(2)(e) and 16(4)(d) of the LGPS Regulations 2013]</p>	<p>BROXTOWE BOROUGH COUNCIL will share the cost of APC's for employees returning from maternity leave. In all other circumstances it's assumed all costs will be met by the employee. Any exceptions would need to be approved by the General Management Team (GMT) or committee. In order for GMT to consider approval the submission of a business case where the costs to the Council are recovered within a 3-year period is required. GMT will only approve cases where the costs fall within the Chief Executive's delegated powers as defined by the constitution.</p>
<p>Whether to permit flexible retirement? [Regulation 30(6) of the LGPS Regulations 2013]</p>	<p>Flexible retirement will be permitted where appropriate. In order for GMT to consider approval the submission of a business case where the costs to the Council are recovered within a 3-year period is required. GMT will only approve cases where the costs fall within the Chief Executive's delegated powers as defined by the constitution. Please refer to the Flexible Retirement Policy for more information.</p>
<p>Whether to 'switch on' the 85 rule (always excludes flexible retirement) upon the voluntary early payment of deferred benefits? [Paragraph 1(1)(c) of schedule 2 to the LGPS Regulations 2014]</p>	<p>BROXTOWE BOROUGH COUNCIL may elect to do so in exceptional circumstances in which case approval would be required by GMT or committee. In order for GMT to consider approval the submission of a business case where the costs to the Council are recovered within a 3-year period is required. GMT will only approve cases where the costs fall within the Chief Executive's delegated powers as defined by the constitution.</p>

Employer Discretion	Policy Statement
<p>Whether to waive the voluntary early payment of benefits, any actuarial reduction on compassionate grounds or otherwise (excluding flexible retirement)? [Regulation 30(5) of the LGPS Regulations 2013]</p>	<p>BROXTOWE BOROUGH COUNCIL may elect to waive any actuarial reduction on voluntary early payments in exceptional circumstances. Approval in these cases would be required by GMT or committee. In order for GMT to consider approval the submission of a business case where the costs to the Council are recovered within a 3 year period is required. GMT will only approve cases where the costs fall within the Chief Executive's delegated powers as defined by the constitution.</p>
<p>Whether to, how much and in what circumstances to contribute to a shared-cost Additional Voluntary Contribution (SCAVC) arrangement? [Regulations 15(2A) and 17 of the LGPS Regulations 2014]</p>	<p>BROXTOWE BOROUGH COUNCIL operates a salary sacrifice SCAVC scheme in which the employer will contribute the amount given up in salary sacrifice by the employee less £1.00.</p>
<p>Whether to extend the time limit for a member to elect to purchase additional pension by way of shared cost additional pension contribution (SCAPC) upon return form a period of absence? [Regulation 16(16) of the LGPS Regulations 2013]</p>	<p>BROXTOWE BOROUGH COUNCIL will allow up to 90 days for any returning employee to make their decision regarding SCAPC's.</p>
<p>Whether to extend the 12-month time frame for a member to elect to transfer pension rights from another registered pension scheme into the scheme? [Regulation 100(6) of the LGPS Regulations 2013]</p>	<p>BROXTOWE BOROUGH COUNCIL will not extend beyond the 12-month time frame. All new employees are informed that transfers must be made within 12 months of starting for Broxtowe borough Council.</p>
<p>Whether to extend the 12-month time frame for a member to elect not to aggregate Post 31 March 2014 (or combination of Pre April 2014 & Post April 2014) deferred benefits? [Regulations 22(7) and (8) of the LGPS Regulation 2013]</p>	<p>BROXTOWE BOROUGH COUNCIL will not extend beyond the 12 month time frame.</p>
<p>Whether to extend the 12-month time frame for a member to elect to aggregate Pre 1 April 2014 deferred benefits? [Regulation 10(6) of the LGPS Regulations 2014 as amended by regulation 27 of the LGPS Regulations 2018]</p>	<p>BROXTOWE BOROUGH COUNCIL will not extend beyond the 12-month time frame.</p>

Employer Discretion	Policy Statement
How an employee's contribution band will be initially determined and thereafter reviewed? [Regulations 9 and 10 of the LGPS Regulations 2013]	BROXTOWE BOROUGH COUNCIL will review and amend contribution bands annually.

Table 2 (applies to all ceased pensionable memberships between 1 April 2008 and 31 March 2014)

Employer Discretion	Policy Statement
<p>Whether to ‘switch on’ the 85 year rule upon the voluntary early payment of deferred benefits? [Paragraph 1(1)(c) and 1(2) of schedule 2 of the LGPS Regulations 2014]</p>	<p>BROXTOWE BOROUGH COUNCIL may switch on the 85 rule for voluntary early payments of deferred benefits in exceptional circumstances. Approval will be required by GMT or committee. In order for GMT to consider approval the submission of a business case where the costs to the Council are recovered within a 3 year period is required. GMT will only approve cases where the costs fall within the Chief Executive’s delegated powers as defined by the constitution.</p>
<p>Whether to ‘switch on’ the 85 year rule upon the voluntary early payment of a suspended tier 3 ill health pension? [Paragraph 1(1)(c) and 1(2) of schedule 2 of the LGPS Regulations 2014]</p>	<p>BROXTOWE BOROUGH COUNCIL will take a decision based on the circumstances of each case. Approval will be required by GMT or committee. In order for GMT to consider approval the submission of a business case where the costs to the Council are recovered within a 3 year period is required. GMT will only approve cases where the costs fall within the Chief Executive’s delegated powers as defined by the constitution.</p>
<p>Whether to waive the voluntary early payment of deferred benefits, any actuarial reduction on compassionate grounds? [Regulation 30A(5) of the LGPS Regulations 2007 and paragraph 2(1) of schedule 2 of the LGPS Regulations 2014]</p>	<p>BROXTOWE BOROUGH COUNCIL will take a decision based on the circumstances of each case. Approval will be required by GMT or committee. In order for GMT to consider approval the submission of a business case where the costs to the Council are recovered within a 3 year period is required. GMT will only approve cases where the costs fall within the Chief Executive’s delegated powers as defined by the constitution.</p>

Employer Discretion	Policy Statement
<p>Whether to waive the voluntary early payment of a suspended tier 3 ill health pension, any actuarial reduction on compassionate leave? [Regulation 30(5) of the LGPS Regulations 2007 and paragraph 2(1) of schedule 2 of the LGPS Regulations 2014]</p>	<p>BROXTOWE BOROUGH COUNCIL may elect to waive any actuarial reduction on voluntary early payments in exceptional circumstances in which case approval would be required by GMT or committee. In order for GMT to consider approval the submission of a business case where the costs to the Council are recovered within a 3 year period is required. GMT will only approve cases where the costs fall within the Chief Executive's delegated powers as defined by the constitution.</p>

Table 3 (applies to all ceased pensionable memberships between 1 April 1998 and 31 March 2008)

Employer Discretion	Policy Statement
<p>Whether to 'switch on' the 85 year rule upon the voluntary early payment of deferred benefits? [Paragraph 1(1)(f) and 1(2) of schedule 2 of the LGPS Regulations 2014]</p>	<p>BROXTOWE BOROUGH COUNCIL does not switch on the 85 rule for voluntary early payments of deferred benefits.</p>
<p>Whether to grant early payment of benefits on or after age 50 and prior to age 55? [Regulation 31(2) of the LGPS Regulations 1997]</p>	<p>BROXTOWE BOROUGH COUNCIL will not grant early payment of benefits before the age of 55.</p>
<p>Whether to waive the payment of deferred benefits, any actuarial reduction on compassionate grounds? [Regulation 31(5) of the LGPS Regulations 1997 and paragraph 2(1) of schedule 2 of the LGPS Regulations 2014]</p>	<p>BROXTOWE BOROUGH COUNCIL may elect to waive any actuarial reduction on compassionate grounds in exceptional circumstances in which case approval would be required by GMT or committee. In order for GMT to consider approval the submission of a business case where the costs to the Council are recovered within a 3 year period is required. GMT will only approve cases where the costs fall within the Chief Executive's delegated powers as defined by the constitution.</p>

Table 4 (applies to all ceased pensionable memberships before 1 April 1998)

Employer Discretion	Policy Statement
Whether to grant early payment of benefits on compassionate grounds? [Regulation D11(2)(c) of the LGPS Regulations 1995]	BROXTOWE BOROUGH COUNCIL may elect to grant early payment of benefits on compassionate grounds in exceptional circumstances in which case approval would be required by GMT or committee. In order for GMT to consider approval the submission of a business case where the costs to the Council are recovered within a 3 year period is required. GMT will only approve cases where the costs fall within the Chief Executive's delegated powers as defined by the constitution.

Table 5 (Local Government Regulations 2006 in relation to Early Termination of Employment and Discretionary Compensation)

Employer Discretion	Policy Statement
<p>Whether to base redundancy payments on an actual week's pay where this exceeds the statutory week's pay limit? [Regulation 5 of the Local Government (Early Termination of Employment)(Discretionary Compensation)(England and Wales) Regulations 2006]</p>	<p>BROXTOWE BOROUGH COUNCIL will pay the statutory week's pay limit for redundancy. BROXTOWE BOROUGH COUNCIL may choose to pay above the statutory week's pay limit. In these situations a report will be provided to committee and a timeframe agreed. Please refer to the Council's Redundancy and Reorganisation Policy for more details. Any approval will be made in line with the statutory limit for exit packages in the public sector.</p>
<p>Whether to award lump sum compensation of up to 104 week's pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment? [Regulation 6 of the Local Government (Early Termination of Employment)(Discretionary Compensation)(England and Wales) Regulations 2006]</p>	<p>BROXTOWE BOROUGH COUNCIL does not award lump sum compensation to leavers.</p>

Table 6 (Local Government Regulations 2000 in relation to Early Termination of Employment and Discretionary Compensation)

Employer Discretion	Policy Statement
<p>Whether and to what extent to reduce or suspend a person's annual compensatory added year's payment during any period of re-deployment in local government? [Regulations 17 and 19 – Parts VI and VII of the Local Government (Early Termination of Employment) (Discretionary Compensation)(England and Wales) Regulations 2000]</p>	<p>BROXTOWE BOROUGH COUNCIL will not reduce or suspend added year's payments as part of re-deployment.</p>
<p>How to apportion any surviving spouses or civil partner's annual compensatory added years' payment? [Regulation 21(4) of the Local Government (Early Termination of Employment)(Discretionary Compensation)(England and Wales) Regulations 2000]</p>	<p>BROXTOWE BOROUGH COUNCIL elects to apportion any deferred annual compensatory added years' payments to the eligible surviving spouse/civil partner.</p>
<p>Whether the Spouse's or Civil Partner's annual compensatory added years' payments should continue to be paid following remarriage, commencement of a new civil partnership or cohabitation? [Regulation 21(5) of the Local Government (Early Termination of Employment)(Discretionary Compensation)(England and Wales) Regulations 2000]</p>	<p>Should the spouse or civil partner of a person who ceased employment before 1 April 1998 remarry or enter into a civil partnership or cohabits after 1 April 1998, the normal annual compensation suspension rules will apply. Therefore the spouse's or civil partner's annual compensatory added years will cease.</p>
<p>Whether the Spouse's or Civil Partner's annual compensatory added years' payments should be reinstated following the cessation of a remarriage, a new civil partnership or cohabitation? [Regulation 21(5) of the Local Government (Early Termination of Employment)(Discretionary Compensation)(England and Wales) Regulations 2000]</p>	<p>Following the cessation of a remarriage, new civil partnership or cohabitation the spouse/civil partner will not be reinstated.</p>

Employer Discretion	Policy Statement
<p>Whether to suspend the payment of annual compensatory added years where the spouse or civil partner remarries or cohabits or enters into a civil partnership on or after 1 April 1998 with another person who is also entitled to a spouse's or civil partner's annual compensatory added years' payment? [Regulation 21(7) of the Local Government (Early Termination of Employment)(Discretionary Compensation)(England and Wales) Regulations 2000]</p>	<p>Should the spouse or civil partner of a person who ceased employment before 1 April 1998 remarry or enter into a civil partnership or cohabits after 1 April 1998, the normal annual compensation suspension rules will apply. Therefore the spouse's or civil partner's annual compensatory added years will cease.</p>
<p>How to decide to whom any children's annual compensatory added years' payments are to be paid (and apportioned) where children's pensions are not payable under the LGPS? [Regulation 25(2) of the Local Government (Early Termination of Employment)(Discretionary Compensation)(England and Wales) Regulations 2000]</p>	<p>Any children's annual compensatory added years' payments will be split equally between all eligible children, of whom the Council have been notified.</p>

Table 7 (Local Government Regulations 2011 in relation to Discretionary Payments and Injury Allowances)

Employer Discretion	Policy Statement
<p>Whether to pay an injury award and in what circumstances? [Regulations 3 to 7 of the Local Government (Discretionary Payments)(Injury Allowances) Regulations 2011]</p>	<p>BROXTOWE BOROUGH COUNCIL does not have an injury allowance scheme at this time.</p>
<p>How to determine the amount of an injury award and for how long it will be paid? [Regulations 3 to 7 of the Local Government (Discretionary Payments)(Injury Allowances) Regulations 2011]</p>	<p>BROXTOWE BOROUGH COUNCIL does not have an injury allowance scheme at this time.</p>

3.1 Principles

Employers participating in the LGPS in England or Wales must formulate, publish and keep under review a statement of policy on all mandatory discretions (or where the discretion is non-mandatory, are recommended to) which they have the power to exercise in relation to members of the CARE Scheme and earlier schemes.

3.2 Risk

In accordance with the legal requirement under Regulation 60(5) of the LGPS 2013 the policy statements have been drafted in order for the employer to balance financial, business and employee needs.

3.3 Assertions

Employers participating in the LGPS in England or Wales are also required to formulate, publish and keep under review a statement of policy on all other mandatory discretions (or where the discretion is non-mandatory, are recommended to) they may exercise in relation to members of the LGPS.

3.4 Responsibilities

This policy is the responsibility of the Payroll & Job Evaluation Manager. Any necessary updates and reviews which need to be undertaken will fall under the Payroll & Job Evaluation Manager's remit.

4.0 Related Policies, Standards and Guidelines

This policy should be read in conjunction with the:

- Redundancy and Reorganisation Policy
- Flexible Retirement Policy

5.0 Review

This document will be reviewed biennial or wherever there may be a change of influencing circumstances.

6.0 Document Attributes

Document Information

Title	Pension Discretions Policy
Identifier	Pension Discretions Policy
File Location	Y:Drive > 1.1 Human Resources > Payroll Section > Pensions > Discretions Policy
Description	Broxtowe Borough Council's pension discretion decisions.
Keywords	'Pension' 'Discretion' 'LGPS'
Format	Microsoft Word
Author	Craig Stevens
Owner	Payroll & Job Evaluation Manager
Classification	'OFFICIAL'
Date Created	2 September 2020
Last Review Date	29 September 2020
Next Review Date	September 2022
Date to Dispose	N/A (Document to be maintained / updated)

Document History

Date	Summary of Changes	Version
02/09/2020	Version 1	1.0

Document Approval

Date	Name & Job Title of Approver(s)	Version
29/09/2020	Personnel Committee 29/09/2020	1.0

Distribution

Name / Group	Title
GMT	All Members
Personnel Committee	All Members

Coverage

Group

End of Document