



Essington Parish Council Pension Policy

Local Government Pension Scheme (LGPS), Regulations Policy Statement

Under Regulation 60 of the LGPS Regulations 2013, (as amended), each scheme employer must publish and keep under review a statement of policy to explain how it will apply certain discretions allowed under the pensions regulations.

This statement is applicable to all employees of Essington Parish Council who are eligible to be members of the LGPS.

LGPS Regulations - Regulation 31: Power of employer to award additional pension to an active member or ceasing within 6 months to be an active member by reason of redundancy or business efficiency

Where an employee of the Council is dismissed on the grounds of redundancy and qualifies for a statutory redundancy payment, the Council will award lump sum compensation under the local government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006. At the member's request, the employer will, as an alternative to this compensation payment, allow the member to receive additional annual pension which will be assessed having regard to the capital value of the lump sum compensation otherwise payable, and in accordance with factors supplied by the Fund Actuary.

At this time, the Council will not normally use this power in any other circumstances.

LGPS Regulations 2013 - Regulation 16(2)(e) and 16(4)(d): Funding of additional pension contributions (APC) shared cost

Where a member has elected to pay Additional Pension Contributions (APCs) an employer can elect to fund part or the entire employee's share of the contributions.

The Council has not adopted this discretion.

LGPS Regulations 2013 - Regulation 30 (6): Flexible Retirement

A member who is aged 55 or over and with their employer's consent reduces their hours and/or grade, can then, but only with the agreement of the employer, make an election to the administering authority to receive all or part payment of their accrued benefits without having retired from that employment.

The Council has agreed to release pension where there is no cost and not to waive any reduction.

Members must reduce their pay by a minimum of 40% by reducing their working hours and/or pay grade.

The Council may however allow the release of pension where there is a cost or waive reduction in a potential redundancy situation, where a reduction may occur through redeployment, or in other exceptional circumstances supported by a business case.

LGPS Regulations 2013 - Regulation (paragraph 1(1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014): Switching on rule of 85

A member who meets the 85-year rule and elects to draw their pension benefits from age 55 will no longer require their employer's consent if they retire after 31st March 2014. However certain members will lose some 85-year rule protections if they wish to draw their pension between age 55 and 59.

An employer may decide to 'switch on' protection to the 85-year rule for a member who voluntarily retires from age 55 but before age 60, and meet any additional cost of the retirement.

The Council will not apply either discretion, unless there is a business case to support this as an alternative to a redundancy situation.

LGPS Regulations 2013 – Regulation 30 (8): Waiving of actuarial reduction

An employer has the discretion, under a number of retirement scenarios, to waive actuarial reductions on compassionate grounds. The cost of which would fall upon the employer.

The Council will not apply this discretion, unless there are exceptional circumstances.

The Council will consider any cases and will decide whether the actuarial reductions should be waived. In all cases the financial position of the Council must be considered.

LGPS Regulations 2013 – Regulation 17 - Shared Cost Additional Voluntary Contribution Facility

This discretion allows the Employer to maintain and contribute to an employee's Additional Voluntary Contribution Scheme.

The Council has not adopted this discretion. This will not have any effect on the existing AVC facility available where the employee only is able to make such contributions.

LGPS Regulations 2013 - Regulation 100 (6) – election to transfer within 12 months

The Council will not normally allow an extension of the 12-month limit a member has in which to elect to transfer other pension rights into the LGPS but will consult the Administering Authority in making a decision. Extenuating circumstances may apply and this would include:

- Where evidence exists that an election was made within 12 months, but this was not received by the administering authority
- Where evidence exists that the member was not aware of the 12-month limit due to maladministration

LGPS Regulations 2013 - Regulation 22 (7) and (8) – election to aggregate within 12 months of commencement

The Council will not normally extend the 12-month time limit a member has within which they must elect not to have deferred benefits aggregated with their new LGPS employment. Extenuating circumstances may apply and this would include:

- Where evidence exists that an election was made within 12 months but his was not received by the administering authority
- Where evidence exists that the member was not aware of the 12-month limit due to maladministration

LGPS Regulations 2013 - Regulation 9 – allocation of contribution band

This discretion allows the Employer to determine which contribution band is allocated on joining the scheme and at each April. It also determines the circumstances when an employee's band may be reviewed.

The Council monitors contributions on a monthly basis and will re-band up or down where necessary as per any change in pay that may occur.