

Llandrindod Wells Town Council

PENSION POLICY

Policy		
Issue No.	Date completed	Details of amendments
1	June 14	Drafted
2.	17.02.15	Adopted
3	02.08.18	Amended
4	03.09.18	Adopted

1. Introduction

All staff are eligible to join the Local Government Pension Scheme (LGPS) after a minimum of three-months service and the Council actively supports and encourages all staff to join. Information packs on the full LGPS are enclosed within the staff handbook and the Council has adopted some amendments to the scheme which are listed below.

The Council is unable to give financial advice, however, if you need clarification as to contribution rates etc. please contact the Town Clerk.

Employing Authority Discretions Under the Local Government Pension Scheme Regulations 2007/2008 (As Amended)

Each employing authority must prepare a written statement of its policy in relation to the exercise of its functions under regulations

- 12 (power of employing authority to increase total membership of active members),
- 13 (power of employing authority to award additional pension),
- 18 (flexible retirement) and
- 30 (choice of early payment of pension) and 30A (choice of payment of pension: pensioner member with deferred benefits) of the Benefits Regulations.

<u>Regulation</u>	<u>Discretion</u>	<u>Employer's Policy on the exercise of this discretion</u>
The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 as amended		
12	Whether to augment membership of an active member (by up to 10 years)	LLWTC will not have a general policy to augment membership of an active member by up to 10 years, but may do so where a sound business case can be made to exercising this discretion. Each case will be considered on its individual merits.
13	Whether to grant additional pension to a member (by up to £5,000 p.a.)	LLWTC will not have a general policy to grant additional pension to a member (by up to £5,000 p.a.) but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.
18(1)	Whether all or some benefits can be paid if an employee reduces their hours or grade after reaching age 55 (flexible retirement)	LLWTC will not have a general policy of exercising this discretion but may do so where a sound business case can be made for granting flexible retirement with immediate access to all or part of the members benefits. UTC will consider requests on a case by case basis.

18(3)	Whether to waive, in whole or in part, any actuarial reduction on benefits paid on flexible retirement.	LLWTC will not have a general policy of exercising this discretion but may do so where a sound business case can be made for granting flexible retirement with immediate access to all or part of the members benefits. UTC will consider requests on a case by case basis.
30(2)	Whether to grant application for early payment of benefits on or after age 50/55 and before age 60.	LLWTC will not have a general policy of granting early payment of benefits on or after age 50/55 and before age 60 but will consider requests on a case by case basis. LLWTC may exercise this discretion where a sound business case can be made for doing so or where other exceptional circumstances arise that make payment of benefits justifiable.
30(5)	Whether to waive, on compassionate grounds, the actuarial reduction on benefits paid early.	LLWTC will not generally waive the actuarial reduction applied to benefits paid early under regulation B30(2).LLWTC may consider waiving the actuarial reduction where exercising that discretion can be justified in terms of the sound business case made for initially paying those benefits or where other exceptional circumstances arise that make payment of those benefits justifiable. Each case will be considered on its individual merits.
30A(3)	Whether to grant application for early payment of benefits to a former member on or after age 50/55 and before age 60.	LLWTC will not have a general policy of granting early payment of benefits on or after the age 50/55 and before age 60 but will consider requests on a case by case basis. LLWTC may exercise this discretion where a sound business case can be made for doing so or where other exceptional circumstances arise that make payment of those benefits justifiable.
30A(5)	Whether to waive, on compassionate grounds, the actuarial reduction on benefits paid early.	LLWTC will not generally waive the actuarial reduction applied to benefits paid early under regulation B30A(5). LLWTC may consider waiving the actuarial reduction where exercising that discretion can be justified in terms of the sound business case made for initially paying those benefits or where other exceptional circumstances arise that make payment of those benefits justifiable. Each case will be considered on its individual merits

The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006		
Each employing authority must formulate, publish and keep under review the policy that they apply in the exercise of their discretionary powers under regulations 5 and 6.		
5	Gives a power to increase a redundancy payment made under the Employment Rights Act 1996.	LLWTC will not generally increase statutory redundancy payments above statutory weekly pay limits.
6	Allows an employer to award compensation in the form of a lump sum of an amount that must not exceed 104 weeks' pay. The regulation sets out the basis for calculating a week's pay for an individual.	LLWTC will not generally award up to 104 weeks compensation instead of compensatory added years.
the Local Government (Discretionary Payments)(Injury Allowances) Regulations 2011		
14	An LGPS employer must formulate, publish and keep under review the policy that it applies in the exercise of its discretionary powers to make any award under these Regulations.	LLWTC will not make any award these regulations.
<i>The above Regulation does not apply to Admitted Bodies</i>		

Whilst employers are not required to have a policy statement under the regulations for the following discretions they may wish to take them into consideration during this exercise.

The Local Government Pension Scheme (Administration) Regulations 2008 as amended		
16(4)(ii)	Whether to extend the 12 month option period for aggregation of deferred benefits.	LLWTC will not generally extend the normal time limit for aggregation beyond 12 months from joining the scheme but may do so where exceptional circumstances can be proven. In any event the maximum extension will be a period of two years from members joining the scheme. Each case will be considered on its individual merits.
83(8)	Whether to extend the normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS.	LLWTC will not generally extend the normal time limit for acceptance of the transfer value beyond 12 months from joining the scheme but may do so where exceptional circumstances can be proven. In any event the maximum extension will be a period of two years from the member joining the scheme. Each case will be considered on its merits.

Regulation	Discretion	Employer's Policy on the exercise of this discretion
The Local Government Pension Scheme Regulations 2013		
R16(2)(e)	Where Additional Pension Contributions (APCs) are to be paid by regular contributions, whether to fund in whole or in part a member's additional pension contribution. The maximum additional pension which can be purchased from 1 st April 2014 is £6,500.	LLWTC will not have a general policy where APCs are paid by regular contributions, whether to fund in whole or in part a member's additional pension contribution but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.
R16(4)(d)	Where APCs are to be paid by a lump sum contribution, whether to fund in whole or in part a member's additional pension contribution. The maximum additional pension which can be purchased from 1 st April 2014 is £6,500.	LLWTC will not have a general policy where APCs are paid by a lump sum contribution, whether to fund in whole or in part a member's additional pension contribution but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.
R30(6) & TP11(2)	Whether to allow an active member who has attained the age of 55 or over who reduces their working hours or grade to receive immediate payment of all or part of their retirement pension to which the member is entitled to in respect of that employment subject to an actuarial reduction.	LLWTC will not have a general policy to allow an active member who has attained the age of 55 or over who reduces their working hours or grade to receive immediate payment of all or part of their retirement pension to which the member is entitled to in respect of that employment subject to an actuarial reduction but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.

R30(8)	Whether to waive in whole or in part any reduction in a members pension benefits as a result of a member who has not attained normal pension age but who has attained the age of 55 or over and has elected to receive immediate payment of a retirement pension.	LLWTC will not generally waive in whole or in part any reduction in a member's pension benefits as a result of a member who has not attained normal pension age but who has attained the age of 55 or over and has elected to receive immediate payment of a retirement pension but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.
R31	Whether to award additional pension up to a maximum of £6,500 to an active member or a member who was an active member who was dismissed by reason of redundancy, or business efficiency, or whose employment was terminated by mutual consent on grounds of business efficiency within 6 months of the date the members employment ended.	LLWTC will not have a general policy to award additional pension up to a maximum of £6,500 to an active member or a member who was an active member who was dismissed by reason of redundancy, or business efficiency, or whose employment was terminated by mutual consent on grounds of business efficiency within 6 months of the date the members employment ended, but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.
The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014		
TPSch 2, 2(2)	Whether to "switch on" the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60.	LLWTC will not have a general policy to "switch on" the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60 but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.
TPSch 2, 2(3)	Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits from pre 1/4/14 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.	LLWTC will not generally waive on compassionate grounds, the actuarial reduction applied to benefits from pre 1/4/14 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, but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.