



LOCAL GOVERNMENT PENSION SCHEME :

DISCRETIONS WITHIN THE SCHEME POLICY

1. Introduction

Under the Local Government Pension Scheme, it is a requirement for each Employing Authority to formulate, publish and maintain a consolidated statement of its local discretionary policy. This document sets out the discretions to be applied within Wycombe District Council.

2. Scope

The policy and procedures set out in this document applies to all Wycombe District Council employees who are members of the Local Government Pension Scheme.

3. Discretions within the Scheme

- 3.1 Discretion of the employer to grant additional annual pension of up to £6,500 per annum (as at 1 April 2014) to an active Scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency (Regulation 31 of the LGPS Regulations 2013).**

Wycombe District Council is not adopting this discretion to award up to £6,500 per year additional pension on retirement.

- 3.2 Discretion of the employer to award Additional Pension Contributions (APCs). (Regulations 16(2)(e) and 16 (4)(d) of the LGPS Regulations 2013).**

Wycombe District Council is not adopting this discretion to contribute towards the cost of an employee purchasing Additional Pension Contributions (APCs) via a Shared Cost Additional Pension Contribution (SCAPC).

- 3.3 Discretion to permit flexible retirement (Regulation 18, 2007) Regulation 30(6) and 30(8) & Regulation 11 (2) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014**

The Council's Retirement and Flexible Retirement Policy allows the Council to agree to an employee aged 55 or more, to reduce his/her hours or grade and receive part or full payment of pension benefits under the LGPS regulations.

In exceptional circumstances, where there are significant compassionate grounds and/or is of significant financial advantage to the Council, the Council may use the discretion to elect not to apply all or part of any actuarial reduction to pension benefits arising from early payment of LGPS benefits.

3.4 Discretion to permit early payment of pension (Regulation 30 (5) of the LGPS Regulations 2013).

A member of the pension scheme aged 55 or more may apply for the early payment of their retirement benefits, subject to the consent of their employer. An application may be made by either a current employee or a former employee holding deferred benefits.

For current employees the Council will agree to the early payment of benefits where there is a clear business benefit (ie. efficiency of service) and where the service agrees to reimburse to the pension fund any costs arising from the early retirement. Costs arising from efficiency of service decisions will normally be recouped over a three year period. Alternatively, in the absence of a clear business benefit the Council may agree to the early payment of benefits where this is cost neutral.

In deciding whether an existing employee's leaving is in the interests of efficiency one or more of the following criteria must be met.

- A financial saving is achieved after taking any costs arising to the Council into account
- Improved effectiveness is achieved from for example, a reorganisation.
- There are some special individual circumstances such as significant compassionate grounds

The Council will not consider an application from a former employee holding deferred benefits, where this incurs as an additional cost to the Council. Applications should be made to the Head of HR, ICT and Shared Support Services.

3.5 Discretion to 'Switch On' the 85 Year Rule for 55 to 60 Year Olds. (Paragraph 1(1)(c) of Schedule 2 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014).

In exceptional circumstances where there is a clear financial advantage to the Council then the Council may exercise discretion, on a case by case basis, to 'switch on', waiving actuarial reductions.

Approval Process

3.6 Applications to:-

- waive actuarial reduction for flexible retirement (3.3),
- permit early payment of pension (3.4) and
- waive actuarial reduction to switch on' the 85 year rule (3.6)

are to be made in writing to: -

- Officers Graded 1 to 9 – the Head of HR, ICT & Shared Support Services
- Officers Graded 10 to 12 – the Chief Executive
- Officers Graded 13 – the Leader of the Council.

3.7 Authorisation

Applications will be considered and determined by:-

- Officers Graded 1 to 9 –Head of HR, ICT & Shared Support Services in consultation with Head of Service (from employing service), Head of Finance & Commercial and Chairman of Personnel & Development Committee.
- Officers Graded 10 to 12 – Chief Executive in consultation with Corporate Director, Head of HR, ICT & Shared Support Services, Head of Finance & Commercial and the Chairman of Personnel & Development Committee.
- Chief Executive, Head of HR, ICT & Shared Support Services and Head of Finance & Commercial – Leader of the Council in consultation with Cabinet Member for Finance and Chairman of Personnel & Development Committee.

3.8 **Discretion to permit late inward transfer of pension rights (Regulation 100 (6) of the LGPS Regulations)**

A request to transfer pension rights into the LGPS must be made within 12 months of joining the scheme. Any request to transfer pension rights after the twelve month limit will be declined unless there are extenuating circumstances for the delay. Decisions relating to late transfer will require the written authorisation of the Head of HR, ICT and Shared Support Services. In the case of a request from the Head of HR, ICT and Shared Support Services, this will require the written authorisation of the Chief Executive.

An application should be made using the transfer quote request pack available on the website: <http://www.bucksc.gov.uk/services/council-and-democracy/local-government-pension-scheme/scheme-members/guides-forms-and-booklets/>. Sections 3 and 4 of the pack apply to the discretion.

3.9 **Discretion to Determine Rate of Employees' Contributions (Regulations 9 and 10 of the LGPS Regulations 2013)**

Wycombe District Council will assess employees' contribution bands as at 1 April each year but reserves the right to reassess bands following a change in the contract of employment.

3.10 **Discretion to grant an application for reinstatement of a suspended tier 3 ill health pension on or after 55 and before age 60 (Regulation 30A (3) of the LGPS (Benefits, Membership and Contributions) Regulations 2007)**

The Council is not adopting this discretion to grant an application for reinstatement of a suspended tier 3 ill health pension on or after 55 and before age 60.

3.11 Discretion to waive, on compassionate grounds, the actuarial reduction applied to the reinstatement of a suspended tier 3 ill health pension paid early (i.e. on or after age 55 and before age 60 (Regulation 30A (5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007)

The Council is not adopting this discretion to waive, on compassionate grounds, the actuarial reduction applied to the reinstatement of a suspended tier 3 ill health pension paid early.

3.12 Discretion to adopt an Injury Benefit Scheme (The Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 S.I. 2011/2954)

The Council is not adopting this discretion to adopt an Injury Benefit Scheme. However, employees who suffer an injury that arises from an accident or unforeseen event whilst carrying out their normal day to day work may qualify for an award under the Council's Personal Accident Insurance policy. Further information can be obtained from the Finance Section.

4.0 Determination of questions and disputes (Regulation 72 of the LGPS Regulations 2013)

Any applications to deal with questions and disputes arising from the administration of the scheme membership must be made to the Head of Finance and Commercial, Wycombe District Council, Queen Victoria Road, High Wycombe, Bucks, HP11 1BB.

General information can be requested from the Council's administering authority via e-mail pensions@buckscc.gov.uk or telephone 01296 383755.

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