EMPLOYER PENSIONS DISCRETIONARY POLICY

The LGPS Regulations 2013

and

The LGPS Regulations 2014

(Transitional Provisions and Savings)

and

The LGPS Regulations 2008

(Benefits, Membership and Contributions

Employer name/number:

Policy effective from:

These policies may be subject to review from time to time. Affected employees will be notified of any subsequent change to this Policy Statement.

Print name of authorised officer: Shenda Harvey

Job title: Clerk to the Council

Signature of authorised officer:..

Date: 10/06/2025

Contents

Section 1: Mandatory LGPS 2013 & 2014 discretions

Discretionary policies from 1 April 2014 in relation to post 31 March 2014 active members and post 31 March 2014 leavers (excluding councillor members)

1.1 Discretion: Shared Cost Additional Pension Contribution APC's Reg 16(2)(e) & Reg 16(4)(d).

Whether, how much, and in what circumstances to contribute to a shared cost Additional Pensions Contribution (APCs) scheme.

Policy Statement:

Where there is a clear and significant financial advantage to be gained by the Parish Council, the Parish Council will consider contributing to a SCAPC scheme.

1.2 Discretion: Flexible Retirement R30(6) & TP11(2)

Whether to permit flexible retirement for staff aged 55 or over who, with agreement of the Parish Council, reduce their working hours or grade as part of the agreement to permit flexible retirement

♦ Whether, in addition to the benefits the member has accrued prior to 1st April 2008, to permit the member to choose to draw

All, part or none of the pension benefits they accrued after 31st March 2008 and before 1st April 2014, and/or

All, part or none of the pension benefits they accrued after 31st March 2014

Policy Statement:

Where there is a clear financial advantage for the Parish Council, will a request for early payment of benefits under flexible retirement rules normally be permitted. This would be for employees aged 55 or over and applicants could incur actuarial reductions on benefits paid.

1.3 Discretion: Flexible Retirement - Waiving Reductions R30(8)

Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.

Policy Statement:

Where there is a clear financial advantage for the Parish Council, will a request to waive reduction on flexible retirement be permitted.

1.4 Discretion: Waiving Reductions R30(8)

Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntary draws before normal pension age other than on the grounds of flexible retirement (where the member only has post 31 March 2014 membership).

Policy Statement:

Where there is a clear financial advantage for the Parish Council, will a request to waive actuarial reduction on flexible retirement before normal pension age be permitted.

1.5 Discretion: 'Switch on' the 85-year rule TPSch 2, para 1(2) & 1(1)(c)

Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 (other than on grounds of flexible retirement).

Policy Statement:

Where there is a clear and significant financial advantage for the Parish Council, taking all issues into account, the Parish Council will consider "switching on" the 85 year rule for members who choose to voluntarily draw their benefits on or after 55 and before age 60.

1.6 Discretion: Waive actuarial reductions to members benefits TP3(1), TPSch 2, para 2(1), B30(5) & B30A(5)

Whether to waive any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1 April 2014 and post 31 March 2014 membership).

♦ on compassionate grounds (pre 1 April 2014 membership) and / or, in whole or in part on any grounds (post 31 March 2014 membership) if the member was not in the Scheme before 1 October 2006,

♦ on compassionate grounds (pre 1 April 2014 membership) and / or, in whole or in part on any grounds (post 31 March 2014) if the member was in the Scheme before 1 October 2006, will not be 60 by 31 March 2016 and will not attain 60 between 1 April 2016 and 31 March 2020 inclusive,

♦ on compassionate grounds (pre 1 April 2016 membership) and / or, in whole or in part on any grounds (post 31 March 2016 membership) if the members was in the Scheme before 1 October 2006 and will be 60 by 31 March 2016,

♦ on compassionate grounds (pre 1 April 2020 membership) and / or, in whole or in part on any grounds (post 31 March 2020 membership) if the member was in the Scheme before 1 October 2006 and will attain 60 between 1 April 2016 and 31 March 2020 inclusive.

Policy Statement:

Where there is a clear financial advantage for the Parish Council, will a request to waive actuarial reduction to members benefits before normal pension age (where the member has both pre 1 April 2014 and post 31 March 2014 membership) be permitted.

1.7 Discretion: Power of employing authority to grant additional pension Reg 31

Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency by up to £6,822

Policy Statement

Where there is a clear and significant financial advantage to be gained by the Parish Council, the Parish Council will consider awarding additional pension.

Section 2: Pre 2014 mandatory discretions

Discretions to be exercised on and after 1 April 2014 in relation to scheme members who ceased active membership between 1 April 2008 and 31 March 2014.

2.1 Discretion: 'Switch on' the 85-year rule TPSch 2, para 1(2) & 1(1)(c).

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

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

Policy Statement:

Where there is a clear and significant financial advantage for the Parish Council, taking all issues into account, the Parish Council will consider “switching on” the 85 year rule for members who choose to voluntarily draw their benefits on or after 55 and before age 60.

Where there is a clear and significant financial advantage for the Parish Council, taking all issues into account, the Parish Council will consider “switching on” the 85 year rule for a pensioner member with deferred benefits voluntarily drawing benefits on or after 55 and before age 60.

2.2 Discretion: Waive actuarial reductions to members benefits B30(5), B30A(5), TPSch 2, para 2(1)

Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30 (member).

Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A (**pensioner member with deferred benefits**).

Policy Statement:

Where there is a clear financial advantage for the Parish Council, will a request to waive actuarial reduction to deferred benefits paid early under B30 (member) be permitted.

Where there is a clear financial advantage for the Parish Council, the Parish C will a request to waive actuarial reduction benefits paid early under B30A (pensioner member with deferred benefits) be permitted.

Section 3: Pre 2014 mandatory discretions

Discretions to be exercised on and after 1 April 2014 in relation to scheme members who ceased active membership between 1 April 1198 and 31 March 2008.

3.1 Discretion: Grant application for early payment of deferred benefits R31(2) LGPS Regulation 1997

Grant application for early payment of deferred benefits on or after age 50 and before age 55.

Policy Statement:

Where there is a clear financial advantage for the Parish Council will an application to grant early payment of deferred benefits be permitted.

3.2 Discretion: 'Switch on' the 85-year rule upon the voluntary early payment of deferred benefits TPSch 2, para 1(2) & 1(1)(f) & R60

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

Policy Statement:

Where there is a clear and significant financial advantage for the Parish Council, taking all issues into account, the Parish Council will consider "switching on" the 85 year rule for members with deferred benefits who choose to voluntarily draw their benefits on or after 55 and before age 60.

3.3 Discretion: Waive actuarial reductions to members benefits R31(5) 1997 & TPSch 2, para 2(1)

Waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early.

Policy Statement:

Where there is a clear financial advantage for the Parish Council will a request to waive actuarial reduction to deferred benefits be permitted.

Section 4: Pre LGPS 2014 mandatory discretions

Discretions to be exercised on and after 1 April 2014 in relation to members who ceased active membership before 1 April 1998.

4.1 Discretion: Grant application for early payment of deferred benefits TP3(5A)(vi), TL4, L106(1) 1997 Transitional & D11(2)(c) 1995 Regs

Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds. Although the common provisions of the 1997 Transitional provisions regulations do not specify regulation D11(2)(c), there intention was that it should apply to this regulation.

Policy Statement:

Where there is a clear financial advantage for the Parish Council will an application to grant early payment of deferred benefits on or after age 50 be permitted.

Section 5: Recommended LGPS 2013 & 2014 (Non-mandatory discretions)

There is no requirement to have a written policy in respect of non-mandatory discretions. However, there are some non-mandatory discretions where it is recommended for Scheme employers to have a written policy so that both members and the Pension Fund administering authority can be clear on the employer's policy on these matters.

5.1 Discretion: How an employee's contribution band will be initially determined and thereafter reviewed R9(1) & R9(3)

Determine rate of employees contributions.

Policy Statement:

For existing members the contribution band is determined on pay in April each year. The banding will not normally be reassessed unless in exceptional circumstances the members pay is substantially reduced.

For new employees / scheme members the band is assessed on the salary and additional payments on the date of commencement. This includes existing employees / scheme members who move to new employment during the year.

5.2 Discretion: Extend the time limit for member to elect for a Shared Cost Additional Pension Contribution R16(16)

Whether to extend 30 day deadline for member to elect for a shared cost APC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve forces service leave).

Policy Statement:

The Parish Council will not extend the time limit in this case as they will not fund the Shared Cost Additional Voluntary Contribution in whole or in part.

5.3 Discretion: Shared Cost Additional Voluntary Contribution Arrangement (SCAVC)R17(1) and definition of SCAVC in RSch1

Whether, how much, and in what circumstances to contribute to shared cost AVC arrangements.

Policy Statement:

The Parish Council will not fund the Shared Cost Additional Voluntary Contribution in whole or in part.

5.4 Discretion: Whether to include a regular lump sum payment when calculating assumed pensionable pay (APP) Reg 21(5)

In determining Assumed Pensionable Pay (APP), whether a lump sum payment made in the previous 12 months is a 'regular lump sum'.

Policy Statement:

The Parish Council does not include any ‘regular lump sum’ to determine Assumed Pensionable Pay for periods of absence, except when determining calculations for ill health retirement or death in service when the Parish Council will consider each case on its merits.

5.5 Discretion: Whether to substitute a higher level of pensionable pay when calculating assumed pensionable pay R21(5A) and 21(5B)

Whether in the Employer’s opinion, the pensionable pay received in relation to an employment (adjusted to reflect any lump sum payments) in the 3 months (or 12 weeks if not paid monthly) preceding the commencement of Assumed Pensionable Pay (APP), is materially lower than the level of pensionable pay the member would have normally received, decide whether to substitute a higher level of pensionable pay having had regard to the level of pensionable pay received by the member in the previous 12 months.

Policy Statement:

The Parish Council will not normally substitute a higher level of pensionable pay when calculating assumed pensionable pay, except when determining calculations for ill health retirement or death in service when the Parish Council will consider each case on its merits.

5.6 Discretion: Extend the 12-month time limit for a member to elect not to aggregate Post 31 March 2014 deferred benefits R22(8)(b) and R22(7)(b)

R22(8)(b):

Whether to extend the 12 month option period for a member to elect that post 31 March 2014 deferred benefits should not be aggregated with a new employment.

R22(7)(b):

Whether to extend the 12 month option period for a member to elect that post 31 March 2014 deferred benefits should not be aggregated with an ongoing concurrent employment.

Policy Statement:

To allow in exceptional circumstances where it is clear there has been an administrative delay or error by the employer or the scheme administrator**.**

5.7 Discretion: Extend the 12-month time limit for a member to elect to aggregate Pre 1 April 2014 deferred benefits TP10(6)

Whether to extend the 12 month option period for a member (who did not become a member of the 2014 Scheme by virtue of TP5(1)) to elect that pre 1 April 2014 deferred benefits should be aggregated with a new employment.

Policy Statement:

To allow in exceptional circumstances where it is clear there has been an administrative delay or error by the employer or the scheme administrator.

5.8 Discretion: Extend the 12-month time limit for transfer of pension rights R100(6)

Extend normal time limit for acceptance of a transfer value beyond 12 months from joining LGPS.

Policy Statement:

To allow in exceptional circumstances where it is clear there has been an administrative delay or error by the employer or the scheme administrator.

5.9 Discretion: Applications for Adjudication of Disagreements R74(1)

Each Scheme employer and administering authority must appoint a person ('the adjudicator') to consider applications from any person whose rights or liabilities under the Scheme are affected by-

- ♦ a decision under regulation 72 (first instance decisions); or
- ♦ any other act or omission by a Scheme employer of administering authority,

and to make a decision on such applications.

Adjudicator:

Name of person: Karen Woods

Position: Clerk to the Council

Address at organisation: Smith's Wood Parish Council, c/o Smith's Wood Primary Academy, Burton's Way, Smith's Wood, Solihull, B36 0SZ

Section 6: Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended).

6.1 Discretion: Redundancy Payments Calculation R5

To base redundancy payments on an actual week's pay where this exceeds the statutory week's pay limit.

Policy Statement:

Where there is a clear financial advantage for the Parish Council, the Parish Council will base redundancy payments on an actual week's pay where this exceeds the statutory week's pay limit.

6.2 Discretion: Lump-sum compensation R6

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.

Policy Statement:

Where there is a clear financial advantage for the Parish Council, the Parish Council will award a lump sum compensation of up to 104 week's pay in cases or redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment.