

Pension Discretion Policy

Introduction

- 1) The Council's pension scheme operates under the Local Government Pension regulations. This policy sets out Rother's approach to Pension Discretions.

Principles

- 2) A key principle behind this policy is to set out the Council's approach to pension discretions, treating employees fairly and consistently whilst being open and transparent.

Employing Authority Discretions Regulations

- 3) The following regulations cover this policy:
- Local Government Pension Scheme (LGPS) 2014 (Prefix R below).
 - The Local Government Pension Scheme (Administration) Regulations 2008 (as amended) (Prefix A below)
 - The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2009 (as amended) (Prefix B below)
 - The Local Government Pension Scheme (Transitional Provisions, Savings and Amendments) Regulations 2014 (as amended) (Prefix T below)
 - The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended) (Prefix D below)

Employing Authority Discretions Regulations

The following table outlines Rother's approach to Authority Discretions:

Discretions for LGPS 2014

Regulation	Discretion	Employer's Policy on the exercise of this discretion
R16(2)(e)	Where Additional Pensions Contributions (APC) are to be paid by regular contributions, whether to fund in whole or in part a members additional pension contribution. The maximum additional pension which can be purchased from 1st April 2014 is £6,500.	Rother does not exercise this discretion.
R16(4)(d)	Where APCs are to be paid by a lump sum contribution, whether to fund in whole or in part a members additional pension contribution. The maximum	Rother does not exercise this discretion.

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	additional pension which can be purchased from 1st April 2014 is £6,500.	
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.	Rother does not exercise this discretion.
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. Pay for above, waive we pay - no	Rother does not exercise this discretion.
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.	Rother may exercise this discretion where exceptional circumstances arise that make consideration of this benefit justifiable.
85 Year Rule	Application of the 85 Year rule within the Local Government Pension Scheme.	This is a complex area of the discretions and is covered by a range of guidance on the various protections offered to longstanding staff. Rother may exercise this discretion where the protection for the member of staff is clear and a sound business case can be made for doing so.

Discretions prior to LGPS 2014

The following discretions may apply in certain circumstances for ex-employees, or may be covered by protections to existing employees.

Regulation	Discretion	Employer's Policy on the exercise of this discretion
B12*	Whether to augment membership of an active member (by up to 10 years).	Rother does not exercise this discretion.
B13*	Whether to grant additional pension to a member (by up to £5,000 p.a.).	Rother does not exercise this discretion.

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A36	Allow late application to convert scheme AVCs into membership credit i.e. allow application more than 30 days after cessation of active membership.	Rother does not exercise this discretion.
A47(2)	No right to a return of contributions due to an offence of a fraudulent character or grave misconduct unless the employer directs a total or partial refund is to be made.	Rother will exercise this discretion to direct a return of contributions in the event of an offence of a fraudulent character or grave misconduct.
A72 (3) & (6)	Whether to apply for forfeiture certificate (where a member is convicted of a relevant offence) and subsequently whether to direct that benefits are to be forfeited.	Rother will apply for a forfeiture certificate where a member is convicted of a relevant offence and, following the issue of the certificate, direct that benefits are to be forfeited.
A74(2)	Whether to recover from the fund any monetary obligation or, if less, the value of the member's benefits (other than transferred in pension rights or AVCs / SCAVCs) where the obligation was as a result of a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left the employment.	Rother will recover from East Sussex Local Government Pension Scheme the amount of loss in cases of criminal, negligence or fraudulent acts by a member.
A76(2) & (3)	Whether to recover from the fund any financial loss caused by fraudulent offence or grave misconduct of an employee (who has left because of that) or amount of refund if less.	Rother will recover from East Sussex Local Government Pension Scheme the amount of loss caused by fraudulent offence or grave misconduct of employee (who has left because of that), or the amount of refund if less.
A83 (8)	Extend normal time limit for acceptance of a transfer value beyond the 12 month time limit from joining the LGPS.	Rother does not exercise this discretion.
B18(1)*	Whether all or some benefits can be paid if an employee reduces their hours or grade after reaching age 55 (flexible retirement).	Rother does not exercise this discretion.
B18(3)*	Whether to waive, in whole or in part, any actuarial reduction on benefits paid on flexible retirement.	Rother does not exercise this discretion.
B30(2)*	Whether to grant application for early payment of benefits on or after age 50/55 and before age 60.	Rother 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.

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B30(5)*	Whether to waive, on compassionate grounds, the actuarial reduction on benefits paid early.	Rother does not exercise this discretion.
Early Termination of Employment Discretionary Compensation Benefits (where applicable)		
D 5 (1)	Power to increase statutory redundancy payments above statutory weekly pay limit.	Rother exercises this discretion as is set out in our redundancy policy.
D 6	Decision to award up to 104 weeks compensation instead of compensatory added years.	Rother exercises this discretion as is set out in our redundancy policy.

Conclusion

- 4) The table of discretions will be kept under review and revisited in the light of any Regulation changes.