

REPORT 23.048 LGPS Discretions Policy

Trudi Deane, Parish Clerk, Laverstock and Ford Parish Council

14th April 2023

1. BACKGROUND

In February 2023, the Parish Council resolved to join the Wiltshire Local Government Pension Scheme and offer all staff the option to join.

2. SUMMARY

The Clerk has been discussing the procedures to register with staff at LGPS and our current payroll provider, with the aim of joining from 1st May. One of the requirements is for the Parish Council to make a decision on the 'discretions' within the scheme set out below, and subsequently draw up its Employer Discretions Policy (LGPS).

This was discussed at Finance and General Purposes Committee FGP and the Clerk was asked to establish whether the policy can be changed in the future. LGPS have not yet provided an answer as the relevant staff are on leave. A further update may be available at the meeting.

3. RECOMMENDATION

Subject to confirmation from LGPS that the policy can be amended in the future, the recommendation of the FGP Committee was for the Parish Council to NOT exercise any of the discretions below.

The Decision for all would read:

Laverstock and Ford Parish Council will not exercise this discretion in any circumstances.



**Wiltshire
Pension Fund**

Employer Discretions Policies

The Local Government Pension Scheme Regulations define the details of the scheme for members, employing authorities and the administering authority (Wiltshire Pension Fund, as part of Wiltshire Council).

However, the LGPS Regulations do allow both Wiltshire Pension Fund and the employing authorities, discretion over various elements of the pension scheme; the first six of these should be outlined in an employer discretions policy.

1. Whether to grant additional pension to a member (up to £6 500 pa)
2. For the employer to part fund an Additional Pension Contribution (APC) contract for extra pension
3. Allowing a member to go on flexible retirement
4. Waiving actuarial reductions on flexible retirement
5. Waiving actuarial reductions on early retirement
6. Turning on the rule of 85 for members aged between 55 and 59

Whether to extend the 30 day deadline for members to elect for a shared cost APC

Title:	The Local Government Pension Scheme – Employer Discretions Policy
Author(s):	
Endorsed by:	
Implementation date:	
Date last reviewed:	
This document replaces:	

Discretion	Regulation	Decision
Whether, how much and in what circumstances to contribute to a shared cost Additional Pension Contributions (APC) scheme	R16(2)(e) & R16(4)(d)	(Employer name) will only exercise this discretion in exceptional circumstances and with the express permission of (Governors, Personal Sub Committee, CEO) after consideration of the financial implications of that decision
Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)	R30(6) & TP11(2)	(Employer name) will only exercise this discretion in exceptional circumstances and with the express permission of (Governors, Personal Sub Committee, CEO) after consideration of the financial implications of that decision
Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement	R30(8)	(Employer name) will only exercise this discretion in exceptional circumstances and with the express permission of (Governors, Personal Sub Committee, CEO) after consideration of the financial implications of that decision
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 the grounds of flexible retirement)	TPSch 2 para 1 (2) & 1(1)(c)	(Employer name) will only exercise this discretion in exceptional circumstances and with the express permission of (Governors, Personal Sub Committee, CEO) after consideration of the financial implications of that decision
<p>Whether to waive an 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):</p> <ul style="list-style-type: none"> (a) On compassionate grounds (pre 1 April 2014 membership) and in whole or part on any grounds (post 31 March 2014 membership) if the member was not in the Scheme before 1 October 2006 (b) On compassionate grounds (pre 1 April 2014 membership) and in whole or in part on any grounds (post 31 March 2014 membership) 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 	TP3(1),TPSch 2 para 2(1),B30(5) & B30A(5)	(Employer name) will only exercise this discretion in exceptional circumstances and with the express permission of (Governors, Personal Sub Committee, CEO) after consideration of the financial implications of that decision

REPORT 23.048 LGPS Discretions Policy
 Trudi Deane, Parish Clerk, Laverstock and Ford Parish Council
 14th April 2023

<p>(c) On compassionate grounds (pre 1April 2016 membership) and in whole or in part on any grounds (post 31 March 2016 membership) If the member was in the scheme before 1 October 2006 and will be 60 between 1 April 2016 and 31 March 2020 Inclusive.</p>		
<p>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 £6500 p.a – this figure is inflation proofed annually)</p>	R31	<p>(Employer name) will only exercise this discretion in exceptional circumstances and with the express permission of (Governors, Personal Sub Committee, CEO) after consideration of the financial implications of that decision</p>
<p>Discretions for member who ceased membership before 1April 1998</p>		
<p>Grant application for early payment of deferred benefits on or after the age 50 and before age 55</p>	31(2)	<p>(Employer name) will only exercise this discretion in exceptional circumstances and with the express permission of (Governors, Personal Sub Committee, CEO) after consideration of the financial implications of that decision</p>
<p>Waive n compassionate grounds the actuarial reduction applied to deferred benefits paid early</p>	31(5) & TPSch2 para 2 (1)	<p>(Employer name) will only exercise this discretion in exceptional circumstances and with the express permission of (Governors, Personal Sub Committee, CEO) after consideration of the financial implications of that decision</p>
<p>Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds.</p>	TP3(5A)(vi), TL4, L106 (1)	<p>(Employer name) will only exercise this discretion in exceptional circumstances and with the express permission of (Governors, Personal Sub Committee, CEO) after consideration of the financial implications of that decision</p>