

LGPS 2014
DISCRETIONS POLICY FOR CHESTERFIELD BOROUGH COUNCIL

DERBYSHIRE COUNTY COUNCIL PENSION FUND

A - Mandatory Requirements of Policy Statement

DISCRETION & REGULATION	POLICY ON INDIVIDUAL DISCRETIONS
<p>Whether, how much, and in what circumstances to contribute to a shared cost APC scheme</p> <p>Reg 16(2)e & Reg 16(4)d</p> <p>An APC is payment of pension contributions to cover a break in pensionable service. If the break in service is an authorised break, for example, the 'no pay' period of maternity leave and the person opts to pay for the break within 30 days from the end of the break, the shared cost APC automatically applies. The shared cost is split two thirds employer, one third scheme member.</p> <p>If the person opts to pay an APC to buy extra pension the shared cost option does not apply.</p>	<p>This discretion will be agreed in exceptional circumstances and after consideration of the costs that would apply</p>
<p>Whether all or some pension benefits can be paid if a member aged 55 or over reduces their hours/grade and continues to work ("flexible retirement")</p> <p>Reg 30(6) & TPR 11(2)</p> <p>Flexible retirement means that the member can begin drawing their pension whilst continuing to work but on reduced hours or pay. There will not normally be direct and immediate costs to the employer if the employer agrees to do this, as the member's pension will be reduced accordingly to allow for any early withdrawal, as is the case for any early retirement.</p>	<p>The Council will consider employee requests to take flexible retirement on a case by case basis after taking into factors such as service delivery and any costs that may apply.</p>
<p>Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement</p> <p>Reg 30(8)</p> <p>Employers can choose to 'waive' the reduction that would normally apply because the member would be taking their pension early. As the full pension would</p>	<p>The general policy is not to waive the actuarial reduction on flexible retirement however the Council</p>

<p>be being paid for longer, this means that we would expect to pay out more pension in the member's lifetime.</p>	<p>retains the discretion to approve in exceptional circumstances and after consideration of costs</p>
<p>Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age</p> <p>Reg 30(8)</p> <p>As above but for early retirement</p>	<p>The general policy is not to waive the actuarial reduction on flexible retirement however the Council retains the discretion to approve in exceptional circumstances and after consideration of costs</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 £6,500 p.a.)</p> <p>Reg 31:</p> <p>Employers are allowed to purchase additional pension on a member's behalf up to a limit which provides additional pension of £6500 per annum. In our experience, we tend to find that this discretion is rarely used but when it is used it is cases of redundancies or compromise agreements etc.</p>	<p>The general policy is not to agree additional pension however the Council retains the discretion to approve in exceptional circumstances and following approval by the appropriate committee</p>
<p>Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.</p> <p>TP Schedule 2 para 2 (2)</p> <p>The rule of 85 applies to some members who originally joined the LGPS before 2006. It allows members who meet the rule to retire earlier than the normal pension age, taking their pension benefits in full. However, under the LGPS2014 Regulations certain members would lose some of the rule of 85 protections if they wished to draw their pension benefits before 55 and 59. Hence this discretion allows the protections to be re-instated by the employer but this will have cost implications</p>	<p>The general policy is not to agree to this 'switch on' however the Council retains the discretion to approve in exceptional circumstances and after consideration of costs</p>

<p>Whether to waive any actuarial reduction on pre and/or post April 2014 benefits paid early on compassionate grounds</p> <p>TP3(1), TPSch 2, paras 2(1) and 2(2), B30(5) and B30A(5)</p> <p>Employers can choose to ‘waive’ the reduction that would normally apply because the member would be taking their pension early on compassionate grounds. As the full pension would be being paid for longer, this means that we would expect to pay out more pension in the member’s lifetime.</p>	<p>The general policy is not to waive the actuarial reduction on early payment of benefits on compassionate grounds. However the Council retains the discretion to approve in exceptional circumstances and after consideration of costs</p>
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