Employer Pensions Discretions Policy

The LGPS Regulations 2013

and

The LGPS Regulations 2014

(Transitional Provisions and Savings)

and

The LGPS Regulations 2008

(Benefits, Membership and Contributions)

(as at 14th May 2018)

Employer name: Ugborough Parish Council

Employer number: 00157

Policy effective from: 1st April 2025

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: SALLY SMALE

Job title: Ugborough Parish Clerk

Signature of authorised officer:

Date: 12th March 2025

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)

Power of employing authority to grant additional pension (Regulation R31)	**Policy Decision:**
An employer can choose to grant extra annual pension* (at full cost to themselves) to: a) an active member; or b) to a member, within 6 months of leaving, whose employment was terminated on the grounds of redundancy or business efficiency **(Please see our website for the maximum additional pension purchase limit for the current year)*	**NOT ADOPTED**

Shared Cost Additional Pension Contribution (Reg 16(2)(e) and R16(4)(d))	**Policy Decision:**
Where an active member wishes to purchase extra annual pension by making additional pension contributions (APCs)*, an employer can choose to voluntarily contribute towards the cost of purchasing that extra pension through a Shared Cost Additional Pension Contribution (SCAPC) **(Please see our website for the maximum additional pension purchase limit for the current year)* **Please note:** this discretion does not relate to cases where a member has a period of authorised unpaid leave of absence and elects within 30 days of return to work (or such a longer period as the Scheme employer may allow) to pay a SCAPC to cover the amount of pension 'lost' during that period of absence. That is because, in those cases, An employer must contribute 2/3rds of the cost to a	**NOT ADOPTED**

SCAPC; there is no discretion [regulation 15(5) of the LGPS Regulations 2013].	
'Switch on' the 85-year rule TPSch 2, para 1(2) & 1(1)(c)	**Policy Decision:**
The 85-year rule does not automatically fully apply to members who would have had the protection under old regulations, and who choose to voluntarily draw their benefits on or after age 55 and before age 60. An employer can decide to switch the 85-year rule back on in full for such members. Where the Scheme employer does not switch back on the 85-year rule, the member's benefits will be actuarily reduced. However, the Scheme employer can exercise a discretion to waive any actuarial reductions (at cost to the Scheme employer).	**NOT ADOPTED**
Flexible Retirement **Regulation (R30(6) and TP11(2))**	**Policy Decision:**
An employer can decide whether to permit flexible retirement for staff aged 55 or over who reduce their working hours and/or grade and wish to access their pension benefits. In such cases, pension benefits may be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds. The employee must reduce either their hours, and/or their grade and the employer must agree to the release of the pension. You will need to consider: • The minimum reduction in hours or grade required. (The specific reduction required is not set out in the regulations, but instead must be determined by the employer and specified in this flexible retirement policy). • Whether the employee should commit to a reduction in hours or grade for a minimum	**NOT ADOPTED**

period. • Whether the employee should commit to remaining in employment with the employer for a minimum period You must also state whether, in addition to the benefits the member has accrued prior to 1st April 2008 (which the member must draw), you permit the member to choose to draw: • All, part, or none of the benefits they accrued after 31st March 2008 and before 1st April 2014 and/or, • All, part, or none of the benefits accrued after 31st March 2014, and, • Whether to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members' benefits paid on the grounds of flexible retirement before normal retirement age (R30(8)). Note: If flexible retirement is agreed for a member aged between 55 and 60, there could be a Strain cost to be paid to the Pension Fund by the employer in respect of the pension benefits paid. There would also be a Strain cost payable by the employer where you have waived any actuarial reduction, in whole or in part.	
Waive actuarial reductions to members benefits TP3(1) & TP3(5), TPSch 2 (para(1), 3(1), 3(2) & 9) B30(5) & B30A(5)	**Policy Decision:**
An employer can decide whether to waive in whole or in part any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement This applies to: • active members voluntarily retiring on or after age 55 and before Normal Pension Age, who elect to immediately draw benefits, and • deferred members and suspended tier 3 ill health pensioners who elect to draw benefits (other than on ill health grounds) on or after age 55 and before Normal Pension Age.	**NOT ADOPTED**

Recommended LGPS 2013 & 2014 discretions (non mandatory)
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.

Shared Cost Additional Voluntary Contribution Arrangement (SCAVC) R17 (1) and TP15 (2A) and A25 (3) and definition of SCAVC in RSch 1	**Policy Decision:**
An employer can choose to pay for or contribute towards a member's Additional Voluntary Contribution through a shared cost arrangement (SCAVC). An employer will also need to decide how much, and in what circumstances to contribute to a SCAVC arrangement.	**NOT ADOPTED**

Extend the time limit for member to elect for a Shared Cost Additional Pension Contribution (R16(16))	**Policy Decision:**
An employer can decide to extend the 30 day deadline for a member to elect to purchase additional pension by way of a Shared Cost Additional Pension Contribution (SCAPC) upon return from a period of unpaid absence (other than because of illness or injury, relevant child-related leave or reserve forces service leave).	**NOT ADOPTED**
Extend the 12-month time limit for transfer of pension rights (R100(6))	**Policy Decision:**
An employer can decide to extend the 12-month time limit for a member to elect to transfer pension rights from another registered pension scheme into the LPGS, if an election has not been made within 12 months of joining the LGPS in that employment.	**NOT ADOPTED**

Extend the 12-month time limit for a member to elect not to aggregate Post 31 March 2014 deferred benefits (R22(7) and (8))	**Policy Decision:**
An employer can extend the 12 month time limit for a member to elect **not** to aggregate their Post 31 March 2014 (or combinations of Pre & Post 2014) deferred benefits with their new LGPS employment (or ongoing concurrent LGPS employment), if an election has not been made within 12 months of joining the LGPS in that employment (or within 12 months of ceasing the concurrent membership).	**NOT ADOPTED**
Extend the 12-month time limit for a member to elect to aggregate Pre 1 April 2014 deferred benefits (TP 10(6) as amended by A27 (2018)	**Policy Decision:**
Employers can decide whether to extend the 12-month time limit for a member to elect to aggregate their Pre 1 April 2014 deferred benefits with their new LGPS employment that commenced on or after 14 May 2018 in order to purchase earned pension.	**NOT ADOPTED**
How an employee's contribution band will be initially determined and thereafter reviewed (R9 and R10)	**Policy Decision:**
Employers must decide how the pension contribution band to which an employee is to be allocated on joining the Scheme will be determined and reviewed at each subsequent April. Circumstances in which the employer will review the pension contribution band will also need to be determined. For example, following a material change which affects the member's pensionable pay during the Scheme year (1 April to 31 March)	**NOT ADOPTED**
Whether to include a regular lump sum payment when calculating assumed pensionable pay (APP) (Reg 21(4)(a)(iv), 21(4)(b)(iv) and 21(5))	**Policy Decision:**
When calculating assumed pensionable pay, employers can decide to include the amount of any 'regular lump sum payment' received by the member in the 12 months preceding the date the absence began or the ill health retirement or death Occurred.	**NOT ADOPTED**

A ‘regular lump sum payment’ is a payment for which the employer determines there is a reasonable expectation that such a payment would be paid on a regular basis.	
Whether to substitute a higher level of pensionable pay when calculating assumed pensionable pay (R21(5A) and 21(5B) backdated to 1 April 2014 by A7 2018)	**Policy Decision:**
When calculating assumed pensionable pay (APP), an employer can decide to substitute a higher level of pensionable pay if, in their opinion, the pensionable pay received in the 3 months/12 weeks before the commencement of APP, is materially lower than the level of pensionable pay the member would have normally received.	**NOT ADOPTED**

Pre LGPS 2014 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

‘Switch on’ the 85-year rule TPSch 2, para 1(1)(c) & 1(2)	**Policy decision**
Early payment of benefits The 85-year rule does not automatically fully apply to members who would have had the protection under old regulations, and who choose to voluntarily draw their benefits on or after age 55 and before age 60. An employer can decide to switch the 85-year rule back on in full for such members. This also applies to members with deferred benefits or a suspended tier 3 ill health pension who choose to voluntarily draw their deferred benefits (on or after 14 May 2018) on or after age 55 and before age 60.	**NOT ADOPTED**
Waive actuarial reductions to members benefits B30(5), TPSch 2, para 2(1) B30A(5)	**Policy Decision:**
An employer can decide whether, on compassionate grounds, to waive any actuarial	**NOT ADOPTED**

reduction that would normally be applied to deferred benefits which are paid before age 65.	

Discretions to be exercised on and after 1 April 2014 in relation to scheme members who ceased active membership between 1 April 1998 and 31 March 2008

Grant application for early payment of deferred benefits R31(2) LGPS Regulations 1997	**Policy Decision:**
Employers can decide whether to grant applications for the early payment of pension benefits on or after age 50 and before age 55	**NOT ADOPTED**
'Switch on' the 85-year rule upon the voluntary early payment of deferred benefits TPSch 2, para 1(2) & 1(1)(f) & R60	**Policy Decision:**
The 85-year rule does not automatically fully apply to members who would have had the protection under old regulations. An employer can decide to "switch on" the 85-year rule in full for a member with deferred benefits voluntarily drawing benefits (on or after 14 May 2018) on or after age 55 and before age 60.	**NOT ADOPTED**
Waive actuarial reductions to members benefits (R31(5) 1997 & TPSch 2, para 2(1)	**Policy Decision:**
An employer can decide whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to benefits which are paid before age 65.	**NOT ADOPTED**

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

Grant application for early payment of deferred benefits (TP3(5A)(vi), TL4, L106(1) 1997 Transitional & D11(2)(c) 1995 Regs)	**Policy Decision:**
Employers can decide whether to grant applications early payment of deferred pension benefits on or after age 50 and before normal retirement age on compassionate grounds.	**NOT ADOPTED**