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## EMPLOYER DISCRETIONARY PENSION POLICY STATEMENT

### 1 SUMMARY

- 1.1 Under the Local Government Pension Scheme (LGPS) Regulations 2013, all employers participating in the LGPS are required to prepare and publish a written statement on how they will exercise the various discretions provided for.

### 2 INTRODUCTION

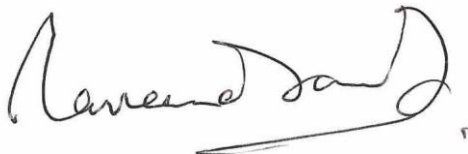
- 2.1 Rochford District Council's Employer Discretionary Pension Policy Statement (June 2014), attached as an Appendix, sets out the Council's policy on employer discretions.
- 2.2 The Council has followed several other local councils in not awarding additional pension enhancements to members of staff leaving due to early retirement or redundancy.
- 2.3 Under the continuing changes to Local Government funding, the Council would not be able to meet the cost of providing enhancements to pensions for leaving employees.

### 3 RISK IMPLICATIONS

- 3.1 If the Council was to award enhancements it would significantly increase staff costs.

### 4 RECOMMENDATION

- 4.1 It is proposed that Council **RESOLVES**
- (1) That the wording for the 2015 Policy Statement be the same as that agreed for the 2014 Statement.
  - (2) That it be re-affirmed that no additional pension contributions or enhancements will be paid by Rochford District Council for employees retiring early.



Joseph Raveendran

Assistant Director – Resources (Interim)

**Background Papers:-**

None

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Rochford District Council

2014/2015

# Employer Discretionary Pension Policy Statement



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## **Employer Discretionary Pension Policy Statement**

### **Discretions under LGPS Regulations 2013**

#### **Purpose**

Under the Local Government Pension Scheme (LGPS) Regulations 2013 effective from 1 April 2014, all employers participating in the LGPS are required to prepare and publish a written statement on how it will exercise the various discretions provided by LGPS 2014, LGPS 2008, LGPS 1997, Compensation and Injury Allowances Regulations.

This document includes discretionary policies for LGPS Regulations 2013 as required by Regulation 60, LGPS (Administration) Regulations 2008 as required by Regulation 66 and 1997 LGPS Regulations as required by Regulation 106 (for pre 1 April 2008 leavers and/or councillor members as applicable).

#### **Scope**

A discretionary payment is an enhancement to an employee's pension either during or on termination of their employment with the Council.

This policy is applicable to all employees that are members of the LGPS and the policy decisions are to be kept under review.

**Andrew Brown**  
**Payments and Income Manager**

16 June 2014

## Rochford District Council – Employer Discretionary Pension Policy Statement

**Policy Statement of Employer Discretions – Local Government Pension Scheme Regulations 2013**

The following sets out the Council's policy statement on employer discretions:-

Discretion	Regulation	Employer Policy
Whether, how much, and in what circumstances to contribute to a shared cost Additional Pension Contributions (APC) in full scheme.	R16(2)(e) & R16(4)(d)	RDC will not consider contributing to a shared cost APC scheme.
Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).	R30(6) & TP11(2)	RDC will consent to the payment of benefits on flexible retirement if a member reduces their hours in accordance with the flexible retirement policy.
Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.	R30(8)	RDC will not consider waiving actuarial reductions on a flexible retirement.
Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age.	R30(8)	RDC will not consider waiving actuarial reductions on a retirement before normal pension age.
Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.	TPSch 2, paras 1(2) and 2(2)	RDC will not consider "switching on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.
Whether to waive any actuarial reduction on pre and/or post April 2014 benefits.	TP3(1), TPsSch 2, paras 2(1) and 2(2), B30(5) and B30A(5)	RDC will not consider waiving actuarial reductions on pre and or post 2014 benefits.
Whether to grant additional pension to an active member or within six months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 p.a.).	R31	RDC will not consider granting additional pension to a member ceasing to be an active member by reason of redundancy or business efficiency.

## Rochford District Council – Employer Discretionary Pension Policy Statement

**Additional Policy Statements of Employer Discretions – Local Government Pension Scheme Regulations 2013**

The Council will also apply for the following additional policy statements:

Discretion	Regulation	Employer Policy
Determine rate of employee's contributions	R9(1) 7 R9(3)	RDC will allocate employees to a contribution band following an assessment on 1 April of their expected actual pensionable pay for the following 12 month. If there is a significant increase or decrease in pensionable pay during the year then a reassessment of contributions will take place.
In determining Assumed Pensionable Pay (APP), whether a lump sum payment made in the previous 12 months is a "regular lump sum"	R21(5)	RDC will determine that a bonus paid in a previous year is not a regular payment for the purposes of calculating AAP.
Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS	R100(68)	RDC may extend the time limit for acceptance of a transfer value beyond 12 months from an employee joining the LGPS on a case by case basis.



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