



Report for councillors: Pension discretions policy update

**Issued to: Finance and Resources Meeting 26th
April 2021**

Report summary: To provide sufficient information to review and update the Pensions discretions policy, the policy that we currently hold is now out of date due to legislative changes.

Background

The Local Government Pension Scheme (LGPS) is a statutory pension scheme in that its rules are laid down under an Act of Parliament.

However, scheme regulations allow an employer certain discretions to enhance members' benefits.

Scheme employers participating in the LGPS in England or Wales have to formulate, publish and keep under review a 'statement of policy' on certain discretions which they have the power to exercise in relation to members of the LGPS.

There are only a handful of discretions where the employer is required to have a written policy statement and when the discretions are exercised, there would be a cost to the employer for either allowing early access to benefits or effectively enhancing the benefits the member receives.

The policy should be reviewed annually to ensure that the decisions are still relevant to you as an employer and your scheme members. A copy of this policy should be provided to all relevant staff members once it is updated.

There have been no changes with the decision on the mandatory regulations that the Council will not normally exercise this discretion. This does not however preclude the Council from making an exception where there is a financial or practical reason for doing so.

The Council must agree the policy decision in relation to Flexible Retirement which is set out on page 9 of the policy.

Financial implications

These costs are dependent on the individual circumstances of each staff member and there is no simple calculation that can be provided on this basis.

Policy implications

The Local Government Pension Scheme (LGPS) is a statutory pension scheme its rules are laid down under Act of Parliament.

Recommendation

Proposals accepted by the HR committee on the 25th February 2021, minute 04/21/HR for Finances & Resources Committee to adopt.

Flexible Retirement (Regulation R30 (6) and TP11 (2))

1. The minimum reduction in hours to be at least 50%. There is no requirement to reduce the employees grade. *This reduction would allow for a job share and training up of a new staff member.*
2. The reduction in hours should be committed to for at least a year. *To ensure that the cost to the Council is reduced as much as possible.*
3. The employee should commit to remaining in employment for the year.
 - b. The Council would not look to pay any additional costs for schemes held by the employee prior to 31st March 2014. To ensure that the cost to the Council is reduced as much as possible.

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