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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)

Employer name/number: Castle Bromwich Parish Council 048

Policy effective from: 25th October 2023

These policies may be subject to review from time to time. Affected employees will be notified of any subsequent change to this Policy Statement.

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Date Adopted	25/10/23 C123-150
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Print name of authorised officer: Gemma Burgess

Job title: Clerk & RFO

Signature of authorised officer: GMBurgess
Date: 26th October 2023

West Midlands Pension Fund

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Section 1: 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)

Shared Cost Additional Pension Contribution APC's) Reg 16(2)(e) & Reg 16(4)(d))	**Policy Decision:**
'Whether, how much, and in what circumstances to contribute to a shared cost APC scheme.' 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 LGPS Member Website for the current years maximum additional pension purchase limit)* **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 a longer period if the employer allows) to pay a SCAPC to cover the amount of pension 'lost' during that period of absence. In those cases, the employer must contribute 2/3rds of the cost to a SCAPC; there is no discretion (regulation 15(5) of the LGPS Regulations 2013).	There are no circumstances under which CBPC will voluntarily contribute towards the cost of purchasing additional contributions.

Flexible Retirement R30(6) & TP11(2)	**Policy Decision:**
'Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).' 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.	CBPC does not permit staff aged 55 or over to access their pension benefits if they reduce their hours/grade (flexible retirement).

In such cases, pension benefits may be reduced in accordance with actuarial tables unless the employer waives reduction.

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 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,
- All, part, or none of the benefits accrued after 31st March 2014.

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 (See below discretion).

Flexible Retirement – Waiving Reductions R30(8)	**Policy Decision:**
'Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.' There would be a Strain cost payable by the employer.	CBPC does not waive any actuarial reduction on benefits paid on flexible retirement.
Waiving Reductions R30(8)	**Policy Decision:**
'Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member only has post 31 March 2014 membership)'.	CBPC does not waive any actuarial reduction on benefits which a member voluntarily draws before normal pension age.
'Switch on' the 85-year rule TPSch 2, para 1(2) & 1(1)(c)	**Policy 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)'.* 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).	CBPC does not agree to switch on the 85-year rule and will not waive actuarial reductions.

Waive actuarial reductions to members benefits TP3(1), TPSch 2, para 2(1), B30(5) & B30A(5)	**Policy Decision:**
'Whether to waive any 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): *a) on compassionate grounds (pre 1 April 2014 membership) and / or, in whole or in 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 / or, 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,* *c) on compassionate grounds (pre 1 April 2016 membership) and / or, 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 by 31 March 2016,* d) *on compassionate grounds (pre 1 April 2020 membership) and / or, in whole or in part on any grounds (post 31 March 2020 membership) if the member was in the Scheme before 1 October 2006, will not be 60 by 31 March 2016 and will attain 60 between 1 April 2016 and 31 March 2020 inclusive.'*	CBPC does not waive any actuarial reduction on compassionate grounds.

Power of employing authority to grant additional pension Reg 31	**Policy Decision:**
'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. on 1 April 2014 - this figure is inflation proofed annually).' An employer can choose to grant extra annual pension* (at full cost to themselves) to: • an active member; or • to a member, within 6 months of leaving, whose employment was terminated on the grounds of redundancy or business efficiency **(Please see LGPS Member Website for the current years maximum additional pension purchase limit)*	CBPC does not grant any additional pension.

Section 2: Pre 2014 mandatory 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(2) & 1(1)(c)	**Policy decision**
*'Whether to "switch on" the 85 year rule for a member **voluntarily drawing benefits** on or after age 55 and before age 60.'*	No
*'Whether to "switch on" the 85 year rule for a **pensioner member with deferred benefits** voluntarily drawing benefits on or after age 55 and before age 60.'*	No

Waive actuarial reductions to members benefits B30(5), B30A(5), TPSch 2, para 2(1)	**Policy decision**
'Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30 (member).' *'Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A* ***(pensioner member with deferred benefits).'*** An employer can decide whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.	No No No

Section 3: Pre 2014 mandatory discretions

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**
'Grant application for early payment of deferred benefits on or after age 50 and before age 55.'	No

'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**
'*Whether to "switch on" the 85 year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60.'*	No

Waive actuarial reductions to members benefits R31(5) 1997 & TPSch 2, para 2(1)	Policy decision
'Waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early.' 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.	No

Section 4: Pre LGPS 2014 mandatory discretions

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:
'Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds. Although the common provisions of the 1997 Transitional provisions regulations do not specify regulation D11(2)(c), there intention was that it should apply to this regulation.' 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.	No

Section 5: Recommended LGPS 2013 & 2014 (Non-mandatory discretions)

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.

How an employee's contribution band will be initially determined and thereafter reviewed R9(1) & R9(3)	**Policy Decision:**
'Determine rate of employees' contributions.' 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) From 1 April 2014, contributions are based on actual pay including non-contractual overtime	WMPF employee contributions will be as per the recommended rate set by WMPF and is reviewed annually by external payroll to ensure compliance.
Extend the time limit for member to elect for a Shared Cost Additional Pension Contribution R16(16)	**Policy Decision:**
'Whether to extend 30 day deadline for member to elect for a shared cost APC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve forces service leave).'	No

Shared Cost Additional Voluntary Contribution Arrangement (SCAVC) R17(1) and definition of SCAVC in RSch 1	**Policy Decision:**
'Whether, how much, and in what circumstances to contribute to shared cost AVC arrangements.' An employer can choose to pay for or contribute towards a member's Additional Voluntary Contribution through a shared cost arrangement (SCAVC).	CBPC will not contribute to AVC/SCAVC arrangements.
Whether to include a regular lump sum payment when calculating assumed pensionable pay (APP) Reg 21(5)	**Policy Decision:**
'In determining Assumed Pensionable Pay (APP), whether a lump sum payment made in the previous 12 months is a "regular lump sum".' 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. 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.	CBPC does not view a lump sum payment made as a "regular lump sum" for the purpose of determining APP.
Whether to substitute a higher level of pensionable pay when calculating assumed pensionable pay R21(5A) and 21(5B)	**Policy Decision:**
'Where in the Employer's opinion, the pensionable pay received in relation to an employment (adjusted to reflect any lump sum payments) in the 3 months (or 12 weeks if not paid monthly) preceding the commencement of Assumed Pensionable Pay (APP), is materially lower than the level of pensionable pay the member would have normally received, decide whether to	CBPC will not substitute a higher level of pensionable pay.

substitute a higher level of pensionable pay having had regard to the level of pensionable pay received by the member in the previous 12 months.'	
Extend the 12-month time limit for a member to elect not to aggregate Post 31 March 2014 deferred benefits R22(8)(b) and R22(7)(b)	**Policy Decision:**
R22(8)(b): *'Whether to extend the 12 month option period for a member to elect that post 31 March 2014 deferred benefits should not be aggregated with a new employment.* *R22(7)(b):* *'Whether to extend the 12 month option period for a member to elect that post 31 March 2014 deferred benefits should not be aggregated with an ongoing concurrent employment.'*	No No
Extend the 12-month time limit for a member to elect to aggregate Pre 1 April 2014 deferred benefits TP10(6)	**Policy Decision:**
'Whether to extend the 12 month option period for a member (who did not become a member of the 2014 Scheme by virtue of TP5(1)) to elect that pre 1 April 2014 deferred benefits should be aggregated with a new employment.' 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.	No
Extend the 12-month time limit for transfer of pension rights R100(6)	**Policy Decision:**
'Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS.' 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	No

an election has not been made within 12 months of joining the LGPS in that employment.	
Applications for Adjudication of Disagreements R74 (1)	**Adjudicator:**
Each Scheme employer and administering authority must appoint a person ("the adjudicator") to consider applications from any person whose rights or liabilities under the Scheme are affected by- (a) a decision under regulation 72 (first instance decisions); or (b) any other act or omission by a Scheme employer or administering authority, and to make a decision on such applications.	R72 - Notification of first instance decisions: Responsibility for determinations under the first stage of the procedure now rests with "specified person appointed by *Castle Bromwich Parish Council*.: **All decisions must be made by resolution of Full Council**

Section 6: Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended)

Redundancy Payments calculation R5	Policy Decision:
'To base redundancy payments on an actual week's pay where this exceeds the statutory week's pay limit.'	CBPC will use the statutory redundancy limits.

Lump-sum compensation R6	Policy Decision:
'To award lump sum compensation of up to 104 week's pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment.'	No