



**Local Government Pension Scheme
Discretions Policy
June 2014**

- i) whether to grant extra annual pension of up to £6,500 (figure at 1 April 2014) to an active Scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency [regulation 31 of the LGPS Regulations 2013].

Billingshurst Parish Council may consider the award of extra pension on a case by case basis and in exceptional circumstances i.e. compassionate grounds but not exceeding £6,500.

- ii) whether, where an active Scheme member wishes to purchase extra annual pension of up to £6,500 (figure at 1 April 2014) by making Additional Pension Contributions (APCs), to (voluntarily) contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC) [regulations 16(2)(e) and 16(4)(d) of the LGPS Regulations 2013]

Billingshurst Parish Council may consider on a case by case basis.

- iii) whether to permit flexible retirement for staff aged 55 or over who, with the agreement of the employer, reduce their working hours or grade [regulation 30(6) of the LGPS Regulations 2013] and, if so, as part of the agreement to permit flexible retirement:

- whether, in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw), to permit the member to choose to draw

- all, part or none of the pension benefits they accrued after 31 March 2008 and before 1 April 2014, and / or
- all, part or none of the pension benefits they accrued after 31 March 2014 [regulations 11(2) and 11(3) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014], and

- whether to waive, in whole or in part, any actuarial reduction which would otherwise be applied to the benefits taken on flexible retirement before Normal Pension Age (NPA) [regulation 3(5) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, regulation 18(3)]

of the LGPS (Benefits, Membership and Contributions) Regulations 2007 and regulations 30(6) and 30(8) of the LGPS Regulations 2013]

All requests will be referred to the Finance & Purposes and Working Practices Committees and assessed on their own merit(s) on a case by case basis. Costs would be met as a lump sum or instalments over no more than 3 years. The Committees will take into account Actuarial advice and such factors as:

- Cost, service delivery and career progression;
- Retention of experienced staff;
- Assisting with easing down to retirement; and
- To help avoid redundancies

iv) whether, as the 85 year rule does not (other than on flexible retirement) automatically apply to members who would otherwise be subject to it and who choose to voluntarily draw their benefits on or after age 55 and before age 60, to switch the 85 year rule back on for such members [paragraph 1(1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014]. Where the employer **does not do so**, then:

a) if the member has already met the 85 year rule, the member's benefits are to be reduced¹¹ in accordance with actuarial guidance issued by the Secretary of State (with the benefits from any pre 1 April 2008 membership for members who will not be 60 or more on 31 March 2016, and benefits from any pre 1 April 2016 for members who will be 60 or more on 31 March 2016, which would not normally have been subject to an actuarial reduction nonetheless being subject to a reduction¹² calculated by reference to the period between the date the benefits are drawn and age 60) [paragraphs 1(2) and (4) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014], or

b) if the member has not already met the 85 year rule, the member's benefits are to be reduced¹³ in accordance with actuarial guidance issued by the Secretary of State (with the reduction on that part of the member's benefits subject to the 85 year rule being calculated by reference to the period between the date the benefits are drawn and age 60, or the date of attaining the 85 year rule, whichever is the later), and

c) the employer can exercise a discretion to waive actuarial reductions (at cost to the employer) – see (v) below.

Billingshurst Parish Council may consider on a case by case basis.

v) whether to waive any actuarial reductions i.e. :

a) for active members voluntarily retiring on or after age 55¹⁴ who elect under regulation 30(5) of the LGPS Regulations 2013 to immediately draw benefits¹⁵, and for deferred members and suspended tier 3 ill health pensioners who elect under regulation 30(5) of the LGPS Regulations 2013 to draw benefits¹⁶ (other

than on ill health grounds) on or after age 55¹⁷, who were **not** members of the LGPS before 1 October 2006 GROUP 4, whether to:

- waive on compassionate grounds¹⁸, any actuarial reduction¹⁹ that would otherwise be applied to benefits, if any, accrued before 1 April 2014 [regulations 3(1) and (5) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 and regulations 30(5) or 30A(5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007], and / or

- waive, in whole or in part (on any grounds), any actuarial reduction²⁰ that would otherwise be applied to benefits accrued after 31 March 2014 [regulation 30(8) of the LGPS Regulations 2013]

Billingshurst Parish Council does not allow blanket consent to early payment of retirement benefits. All requests will be referred to the Finance & Purposes and Working Practices Committees and will be assessed on their own merit(s) on a case by case basis taking into account factors such as:

- **Cost service delivery and career progression.**
- **Actuary advice**
- **Compliance with pension regulations.**

b) for active members voluntarily retiring on or after age 55²¹ who elect under regulation 30(5) of the LGPS Regulations 2013 to immediately draw benefits²², and for deferred members and suspended tier 3 ill health pensioners who elect under regulation 30(5) of the LGPS Regulations 2013 to draw benefits (other than on ill health grounds) on or after age 55, who **were** members of the LGPS before 1 October 2006 and who **will** be 60 or more on 31 March 2016 (i.e. those GROUP 1 falling within paragraph 3(1) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014), whether to:

- waive on compassionate grounds²³, any actuarial reduction²⁴ that would otherwise be applied to benefits accrued before 1 April **2016** [paragraph

2(1) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014], and / or

- waive, in whole or in part (on any grounds), any actuarial reduction²⁵ that would otherwise be applied to benefits accrued after 31 March **2016** [regulation 30(8) of the LGPS Regulations 2013]

c) for active members voluntarily retiring on or after age 55²⁶ who elect under regulation 30(5) of the LGPS Regulations 2013 to immediately draw benefits²⁷, and for deferred members and suspended tier 3 ill health pensioners who elect under regulation 30(5) of the LGPS Regulations 2013 to draw benefits (other than on ill health grounds) on or after age 55, who **were** members of the LGPS before 1 October 2006 and who will **not** be 60 or more on 31 March 2016 and will **not** attain age 60 between 1 April 2016 and 31 March 2020 (i.e. those GROUP 3 falling within paragraph 3(2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014), whether to:

- waive on compassionate grounds²⁸, any actuarial reduction²⁹ that would otherwise be applied to benefits accrued before 1 April 2014 [paragraph 2(1) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 re the membership before 1 April 2008 and regulations 3(1) and (5) of, and paragraph 2(1) of Schedule 2 to, the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 and regulation 30(5) or 30A(5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007 re the membership between 1 April 2008 and 31 March 2014], and / or

- waive, in whole or in part (on any grounds), any actuarial reduction³⁰ that would otherwise be applied to benefits accrued after 31 March 2014 [regulation 30(8) of the LGPS Regulations 2013]

Billingshurst Parish Council does not allow blanket consent to early payment of retirement benefits. All requests will be referred to the Finance & Purposes and Working Practices Committees and will be assessed on their own merit(s) on a case by case basis taking into account factors such as:

- **Cost service delivery and career progression.**
- **Actuary advice**
- **Compliance with pension regulations.**

d) for active members voluntarily retiring on or after age 55³¹ who elect under regulation 30(5) of the LGPS Regulations 2013 to immediately draw

benefits³², and for deferred members and suspended tier 3 ill health pensioners who elect under regulation 30(5) of the LGPS Regulations 2013 to draw benefits (other than on ill health grounds) on or after age 55, who **were** members of the LGPS before 1 October 2006 and who will **not** be 60 or more on 31 March 2016 but **will** attain age 60 between 1 April 2016 and 31 March 2020 (i.e. those GROUP 2 falling within paragraphs 3(2) and 9 of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014), whether to:

- waive on compassionate grounds³³, any actuarial reduction³⁴ that would otherwise be applied to benefits accrued before 1 April **2020** [paragraph 2(1) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014], and / or

- waive, in whole or in part (on any grounds), any actuarial reduction³⁵ that would otherwise be applied to benefits accrued after 31 March **2020** [regulation 30(8) of the LGPS Regulations 2013]