



Perranzabuloe Parish Council

Local Government Employers Discretions Policy

Cornwall Pension Fund

Adopted 23 October 2023

Introduction

This Policy sets out how Perranzabuloe Parish Council (PPC) will exercise its discretionary functions under the Local Government Pension Scheme (LGPS), which is administered by Cornwall Council Pension Fund. There are many discretions in the current and previous regulations. This policy covers the regulations where a written policy must be in place in relation to the exercise of its discretion, which are:

- a. 12. Power of employing authority to increase total membership of active members
- b. 16. Shared Cost Additional Pension
- c. 17. Shared Cost AVC arrangement
- d. 30. Choice of early payment of pension according to the Benefits Regulations.
- e. 31. Power of employing authority to grant additional pension.

In preparing, or reviewing and revising this policy, PPC must have regard to the extent to which the exercise of any of the functions, in accordance with this policy could lead to a serious loss of confidence in the public service and be satisfied that this policy is workable, affordable, and reasonable having regard to foreseeable costs.

Legal Framework

All employers who participate in the Local Government Pension Scheme are required to formulate a discretions policy in accordance with Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008, and Regulation 60 of the Local Government Pension Scheme Regulations 2013.

Policy Decisions

1.	Reg 16(2)e* & Reg 16(4)d Shared Cost Additional Pension Scheme: An employer can choose to pay for or contribute towards a member's Additional Pension Contract via a Shared Cost Additional Pension Contract (SCAPC) [Note: this discretion only relates to cases when the member is working as normal rather than absent from work with permission but no pensionable pay – in the latter scenario, employers must fund it if necessary.]	PPC will only consider this discretion in exceptional circumstances. This discretion will only be exercised with the expressed permission of PPC after consideration of the costs that would apply.
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2.	<p>Reg. 17 (1) Shared Cost Additional Voluntary (AV) Contribution Arrangement An employer can choose to pay for or contribute towards a member's Additional Voluntary Contribution arrangement entered into before, on or after 1 April 2014 via shared cost AVC. AVCs allow any active employee to increase their main scheme benefits by making regular monthly payments direct from their salary to an insurance policy the pension fund currently holds with Standard Life. These payments accumulate and are payable in the form of a pension and lump sum along with the main LGPS benefits when the employee retires.</p>	<p>PPC will only consider this discretion in exceptional circumstances. This discretion will only be exercised with the expressed permission of PPC after consideration of the costs that would apply.</p> <p>PPC's policy is not to contribute to an employee's AVC.</p>
3.	<p>Regulation 30 (5) Early retirement on Compassionate Grounds Employers can allow early payment of benefits on compassionate grounds that can relate to health or similar circumstances. This discretion mainly relates to employees that either left employment or opted out prior to April 2014 but can also relate to current employees (see Reg 30(8)).</p>	<p>PPC will only consider this discretion in exceptional circumstances. This discretion will only be exercised with the expressed permission of PPC after consideration of the costs that would apply.</p>
4.	<p>Reg 30(6) Flexible Retirement Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up while still continuing in employment. This is provided the employer agrees to the member either reducing their hours or moving to a position on a lower grade. In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds, or a member has protected rights.</p>	<p>PPC will consider employee requests to take flexible retirement on a case-by-case basis after considering factors such as service delivery. PPC will be responsible for agreeing (or otherwise) to all requests to take flexible retirement.</p>
5.	<p>Reg 30(8) Waiving of Actuarial Reduction</p>	<p>PPC will only waive the actuarial reduction on flexible retirement in exceptional circumstances following approval from PPC.</p>

	Employers have the power to waive, on compassionate grounds, the actuarial reduction (in whole or in part) applied to member's benefits paid on the grounds of flexible retirement. Employers may also waive, on the compassionate grounds, the actuarial reduction (in whole or in part) applied to member's benefits for deferred members and suspended tier 3 ill health pensioners who elect to draw benefits on or after age 60 and before normal pension age. Employers also have the power to waive, in whole or in part, the actuarial reduction applied to the active members of benefits when a member chooses to voluntarily draw benefits on or after age 55 and before age 60.	
6.	Reg 31 Power of Employer to Grant additional pension An employer can choose 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 £6,822* per annum). (*the figure of £6,822 will be increased each April under Pensions Increase Orders).	PPC will only exercise this discretion in exceptional circumstances. This discretion will only be exercised with the expressed permission of PPC after consideration of the costs that would apply.
7.	Regs 22(7)(b) and 8(b)) Whether to extend the 12-month option period for a member to elect that deferred benefits should not be aggregated with a new employment	PPC will not allow an extension beyond the 12-month period to separate previous pension benefits in the Cornwall Pension Fund.
8.	Reg 9(3) Determine rate of employees' contributions	PPC will review all employees' contribution bands when there has been contractual change to a member's salary or hours at some point during the year. A member's contribution rate will not be reviewed as the result of one-off additional payments (such as honorariums).
9.	Reg 100(6) Whether to extend 12-month period to allow a transfer-in of non-LG pension rights.	PPC will not allow an extension beyond the 12-month period for transferring in any pension benefits from previous employments into the Cornwall Pension Fund.
10	Reg TP para 2(2) & 2(3) Power of employing to "Switch on" the 85-year rule.	PPC will only consider this discretion in exceptional circumstances. This discretion will only be exercised with the expressed permission of PPC after consideration of the costs that would apply.

	An employer can choose whether to “switch on” 85-year rule for members who voluntarily retire on or after the age of 55 and before age 60. An employer can also choose to waive, on compassionate grounds, the actuarial reduction applied to the benefits for a member voluntarily drawing benefits on or after age 55 and before age 60.	
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Abbreviations

*” Reg 16(2) e” means Regulation 16(2) e of the Local Government Regulations 2013 [which apply from 1 April 2014].

NOTES TO THE POLICY

1 Shared Cost APC

- (a) PPC will only extend the 30-day deadline in exceptional circumstances for a member to elect for a shared cost APC upon return from a period of unpaid absence.

2 Internal Dispute Resolutions Procedure (IDRP)

- (a) Cornwall Council LGPS operate an Internal Dispute Resolution procedure for when an employee raises a complaint against a decision made in accordance with this policy.
- (b) The Stage 1 Appeal Officer in this scenario will be the Responsible Finance officer (RFO) or in the case of the RFO, the Chair of the Council.

3 Policy Implementation

- (a) This policy confers no contractual rights. PPC as the employer retains the right to change this policy at any time, and only the version of the policy which is current at the time that a relevant event occurs to the employee/scheme member will be the one applied to that employee/member.
- (b) Before the expiry of the period of one month beginning with the date any such revisions are made, PPC will send a copy of its revised statement to each relevant administering authority and will publish the revised policy.