



## HR Policy

Local Government Pension Scheme  
Draft Employer Pension Discretions Policy  
February 2015



Human Resources

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## 1. INTRODUCTION

- 1.1 This policy outlines Brent Council's position in relation to the exercise of its discretionary powers under the regulations of the Local Government Pension Scheme (LGPS) 2014. It explains whether and in what circumstances the Council will exercise any of its discretions under the Local Government Pension Scheme 2014 and to set out the approval process for decision making. All local government employers are required to review and update their policy to take account of the changes introduced as part of the LGPS 2014.
- 1.2 This policy covers all council employees who are members of the Local Government Pensions Scheme. However, in the case of school based employees the relevant governing body is responsible for authorising any discretions and meeting any costs in accordance with this policy.

## 2. LEGAL AND BUSINESS CONTEXT

- 2.1 There are a number of other discretions which Scheme employers may exercise under the LGPS Regulations 2013 (see: <http://www.lgpsregs.org/index.php/guides/pdfarchive>).

## 3. POLICY REMIT AND DEFINITIONS

- 3.1 The specific areas where employers will be required to formulate, publish and keep under review, statements of Policy are as follows:
  1. Augmentation of membership
  2. Awarding additional pension
  3. Flexible retirement
  4. Allowing early payment of benefits
  5. Waiving actuarial reduction for early retirement
  6. Transfer of previous service
- 3.2 The specific LGPS Regulations and the proposed regulations and policy statements are detailed below.

## 4. DETAIL

- 4.1 **Regulation 31 - whether to grant extra annual pension of up to 10 years 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.**

Brent Council will not increase of Pension during employment or upon leaving for scheme members.

- 4.2 **Regulations 16(2)(e) and 16(4)d) - 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), the employer can choose to (voluntarily) contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).**

\*The figure of £6,500 will be increased each April under the Pension (Increase) Act 1971 (as if it were a pension with a PI date of 1 April 2013.)

Brent will not establish a Shared Cost Additional Pension Contribution scheme for any of its employees unless there is a clear financial or operational advantage to be gained by Brent by doing so.

**4.3 Regulation 30(6) - whether to permit flexible retirement for staff aged 55 or over who, with the agreement of the employer, reduce their working hours or grade and, if so, as part of the agreement to permit flexible retirement:**

A request for flexible retirement will be accepted only with the consent of the HR Director, Operational Director, Chief Finance Officer and only if there is a clear financial or operational advantage for Brent in so doing. Decisions regarding early payment of benefits are, within the above policy, delegated to officers.

Waiving of actuarial reductions and the application of 85 year rule protections in such cases will be considered only where there is a clear financial or operational advantage in doing so.

**4.4 Regulation 30(5) - whether, to apply the 85 year rule protections to members who choose to voluntarily draw their benefits on or after age 55 and before age 60, under [paragraph 1(1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014].**

Waiving of actuarial reductions and the application of 85 year rule protections will be considered only where there is a clear financial or operational advantage to Brent in doing so.

**4.5 Regulation 30(8) - whether to waive any actuarial reductions that would otherwise apply under Regulation 30(5) and Regulation 30(6):**

Waiving of actuarial reductions and the application of 85 year rule protections will be considered only where there is a clear financial or operational advantage in so doing.

A request for early unreduced payment of benefits on compassionate grounds (i.e. waiving of percentage reduction in respect of early retirement on compassionate grounds), will normally be considered only where the former member is prevented from full-time working due to the need to provide long-term care for a dependant but other exceptions may apply. All requests for waiving actuarial reduction will require approval from the Chief Finance Officer and the HR Director.

**4.6 Transfer of Service into the LGPS (Regulation 100)**

Members must request to transfer their pensions benefits from previous employments within 12 months of joining Brent council. The Head of Employee Services is authorised to extend the 12 month time limit for allowing active members to transfer benefits from previous pensionable employment into the Brent Pension Fund where it is determined that maladministration has occurred as a result of affected employees not having been given any or sufficient details about the pension. No other exceptions apply.

## **5. ROLES AND RESPONSIBILITIES**

### **Employees / Deferred Scheme Members**

- 5.1 Employees must make requests under this policy in writing to their Strategic Director who will liaise with HR over the approval process.

### **Human Resources / Finance**

- 5.2 The HR Director and Chief Finance Officer will consider each request on an individual basis. There will be no automatic consent. Where a request is not approved, reasons for the rejection will be issued to the applicant in writing.

### **Trade unions**

- 5.3 The role of the trades unions is to represent the views and interests of their members on this policy and associated procedures, as a need arises, and to advise and represent individual members as appropriate.

## **6. APPLICATIONS ON COMPASSIONATE GROUNDS**

- 6.1 Compassionate grounds can cover a variety of situations and a written application outlining the case should be submitted to the HR Director and Chief Finance Officer. All applications on compassionate ground must include supporting documentation as evidence of the circumstance. Brent reserves the right to seek additional information or evidence should it feel necessary. Any application for actuarial reductions in benefits could be waived based on the individual's circumstances.

## **7. MONITORING**

- 7.1 The applications of the 'discretions' contained in this policy will be reported to CMT annually.

## **8. FURTHER INFORMATION**

- 8.1 Any clarification in respect of the application of this policy should be sought from Human Resources.