

ADMINISTERING AUTHORITY DISCRETION - Abatement

Summary

Under the provisions of the Local Government Pension Scheme (LGPS) the Administering Authority is required to maintain a policy on how it will apply the various discretions given under the Scheme.

The current policy was approved by the General Purposes Committee on 16 January 2007.

It is proposed that this policy is changed in regard to the policy of re-employed pensioners

The proposed amendments are shown below, and apply to the three distinct member groups, each of which is relevant to the date of active membership, or when active membership ceased. Although the relevant regulations to each category differ, the proposed policy intention is the same.

Discretions from 01.04.14 in relation to post 31.03.14 active members and post 31.03.14 leavers

Regulation

TP3(13) & A70(1) & A71(4(c))

Description of discretion	Current Policy Decision	Proposed Amendment
Decide policy on abatement of pre April 2014 elements of pensions in payment following re-employment	Abatement has been removed from LGPS 2014 and so only pre 01/04/2014 benefits can be abated. All pensioners who retired with membership before 1 April 2014 will be subject to abatement. Abatement can be waived at the discretion of the Council up to £5000 per annum, if the pensioner notifies the Council of re-employment prior to commencement of re-employment and the pay earned in the second employment is less than £25000 per annum and the pensioner can demonstrate special circumstances such as extreme financial hardship or medical reasons.	Abatement will cease to apply in all cases.

Appendix 2

Discretions in relation to scheme members who ceased active membership on or after 01.04.08 and before 01.04.14

Regulation

TP3(13) & A70(1) & A71(4(c)) & T12

Description of discretion	Current Policy Decision	Proposed Amendment
<p>Decide policy on abatement of pensions following re-employment.</p> <p>Abatement reduces a member's pension during a period of reemployment where a pensioner has re-entered local government employment which is subject to the LGPS and whose total pension and new salary together exceed the salary at retirement.</p>	<p>Abatement has been removed from LGPS 2014 and so only pre 01/04/2014 benefits can be abated.</p> <p>All pensioners who retired with membership before 1 April 2014 will be subject to abatement. Abatement can be waived at the discretion of the Council up to £5000 per annum, if the pensioner notifies the Council of re-employment prior to commencement of re-employment and the pay earned in the second employment is less than £25000 per annum and the pensioner can demonstrate special circumstances such as extreme financial hardship or medical reasons.</p>	<p>Abatement will cease to apply in all cases</p>

Discretions under the Local Government Pension Scheme Regulations for active or ceased scheme members before 01.04.08

Regulation

109 & 110(4)(b) Abatement

Description of discretion	Current Policy Decision	Proposed Amendment
<p>Abatement of pensions following re-employment pre 1 April 2008 leavers</p> <p>Abatement reduces a member's pension during a period of reemployment where a pensioner has re-entered local government employment which is subject to the LGPS and whose total pension and new salary together exceed the salary at retirement</p>	<p>Abatement has been removed from LGPS 2014 and so only pre 01/04/2014 benefits can be abated.</p> <p>All pensioners who retired with membership before 1 April 2014 will be subject to abatement. Abatement can be waived at the discretion of the Council up to £5000 per annum, if the pensioner notifies the Council of re-employment prior to commencement of re-employment and the pay earned in the second employment is less than £25000 per annum and the pensioner can demonstrate special circumstances such as extreme financial hardship or medical reasons.</p>	<p>Abatement will cease to apply in all cases</p>