

Scheme Employer Discretions for active scheme members and those ceasing employment after 31 March 2014

Note: The expression “The Councils” means the Councils of Richmond and Wandsworth with these particular discretionary matters exercised by, and where appropriate delegated to officers by, the Richmond and Wandsworth Joint Staffing Committee.

Number	Description of Discretion	Recommended Policy
1.	<p>Whether to grant extra annual pension of up to £6,500 (figure at 1st 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</p> <p>[Regulation 31 of LGPS Regulations 2013]</p>	<p>The Councils will not grant extra annual pension under this discretion other than in exceptional circumstances in which case the decision will be subject to the approval of the Assistant Director of Resources (Corporate Services) in consultation with the Director of Finance.</p>
2.	<p>Whether, where an active member wishes to purchase extra annual pension of up to £6,500 (figure at 1st April 2014) by making Additional Pension Contributions (APCs), to (voluntarily) contribute towards the cost of purchasing the extra pension via a Shared Cost Additional Pension Contribution (SCAPC)</p> <p>[Regulations 16(2)(e) and 16(4)(d) of the LGPS Regulations 2013]</p>	<p>The Councils will only contribute towards the cost of purchasing the extra pension under this discretion where:</p> <ul style="list-style-type: none"> a) an active scheme member returns from a period of authorised leave of absence; b) the member does not, within 30 days of returning from the leave of absence, make an election to buy-back the amount of pension ‘lost’ during that period of leave of absence; c) the member subsequently makes an election to do so and it can be demonstrated that the reason for the member missing the original 30 day deadline was because the member had not been made aware of that deadline; and d) the election is made no more than 6 months after the member returns from the period of leave of absence or such longer period as the Councils may deem reasonable in any individual case. <p>A decision on whether the member meets the above criteria (and on whether the 6 month period referred to should be extended in any individual case) will be taken by the Assistant Director of Resources (Corporate Services) in consultation with the Director of Finance.</p>

Number	Description of Discretion	Recommended Policy
3.	<p>Whether to permit flexible retirement for staff aged 55 or over who, with the agreement of the Councils, reduce their working hours or grade and, if so, as part of the agreement whether to:</p> <ul style="list-style-type: none"> • in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw if flexible retirement is agreed), permit the member to choose to draw <ul style="list-style-type: none"> ○ 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, and • 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). <p>[Regulation 30(6) of the LGPS Regulations 2013]</p>	<p>The Councils will permit flexible retirement where the Assistant Director of Resources (Corporate Services) in consultation with the Director of Finance agree that this is proven to be in the best financial interests of the Councils. The Councils' approval will set out whether, in addition to any pre 1 April 2008 benefits, the member will be permitted to take all, some or none of their post 31 March 2008 benefits subject to any state scheme guarantees being invoked that could cost the pension funds extra pension.</p> <p>Any actuarial reduction applicable to benefits will normally be applied unless the financial interests of the Councils indicate that waiving part or all of that reduction is justified.</p>
4.	<p>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 the age of 60, to switch the 85 year rule back on for such members</p> <p>[Paragraph 1(1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014]</p>	<p>The Councils will not switch the 85 year rule back on other than in exceptional circumstances in which case the decision will be subject to the approval of the Assistant Director of Resources (Corporate Services) in consultation with the Director of Finance.</p>
5.	<p>Waiving of actuarial reductions.</p> <p>[Various LGPS Regulations]</p>	<p>Any reduction applicable to benefits will normally be applied except in the circumstances set out in this document.</p>

Number	Description of Discretion	Recommended Policy
6.	<p>Whether to waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits for members voluntarily retiring on or after age 55 and before Normal Pension Age.</p> <p>Depending on a member's age and membership reduction can be waived on compassionate grounds for membership up to 31 March 2020 (latest date) and on any grounds in whole or in part for membership from 1 April 2014 (earliest date).</p> <p>The discretion operates as follows in respect of the different categories of scheme members:</p> <p>For those who were not members of the LGPS before 1 October 2006 [Group 4 members], whether to:</p> <ul style="list-style-type: none"> - waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits, if any, accrued before 1 April 2014, and/or - waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2014. <p>For those who were members of the LGPS before 1 October 2006 and will be 60 or more on 31 March 2016 [Group 1 members], whether to:</p> <ul style="list-style-type: none"> - waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April 2016, and / or - waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2016. <p>For those who were members of the LGPS before 1 October 2006 and will not be 60 or more on 31 March 2016 and will not attain age 60 between 1 April 2016 and 31 March 2020 [Group</p>	<p>The Councils will agree:</p> <ul style="list-style-type: none"> - to waive on compassionate grounds only any reduction on pre 1 April 2014 benefits for Group 3 or 4 members, on pre 1 April 2016 benefits for Group 1 members, or on pre 1 April 2020 benefits for Group 2 members. <p>The criteria for compassionate grounds will only be met where:</p> <ul style="list-style-type: none"> - the member is required to give up work to care for a close relative suffering from a long term illness; - severe financial difficulties, has no other source of income and their personal circumstances are not likely to improve; and - opportunities for other employment are severely limited <p>and / or</p> <ul style="list-style-type: none"> - to waive in whole or in part any reduction on post 31 March 2014 benefits for Group 3 or 4 members, on post 31 March 2016 benefits for Group 1 members, or on post 31 March 2020 benefits for Group 2 members <p>Any reduction applied to these benefits will normally be applied unless the financial interests of the Councils indicate that waiving part or all of that reduction is justified.</p> <p>The Assistant Director of Resources (Corporate Services) in consultation with the Director of Finance would consider any applications under this discretion.</p>

Number	Description of Discretion	Recommended Policy
	<p>3 members], whether to:</p> <ul style="list-style-type: none"> - waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April 2014, and / or - waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2014. <p>For those who were members of the LGPS before 1 October 2006 and will not be 60 or more on 31 March 2016 but will attain age 60 between 1 April 2016 and 31 March 2020 [Group 2 members], whether to:</p> <ul style="list-style-type: none"> - waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April 2020, and / or - waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2020 <p>[Regulations 3(1) and (5) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 and regulations 30(5) and B30A(5) of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007]</p>	
7.	<p>Extensions of time limits for scheme members.</p> <p>[Various LGPS Regulations]</p>	<p>Director of Finance has delegated authority to generally extend only for reasons of ill-health or incapacity, or where there is inadequate evidence of timely information being given.</p>

The following table proposes the employer discretions to apply to inactive members at 1 April 2014 (i.e. those members who ceased to be active members before 1 April 2014), as follows:

	Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations in relation to scheme members who ceased active membership between 1 April 2008 and 31 March 2014.	Recommended Policy
8.	<p>Whether to grant applications for the early payment of deferred pension benefits on or after age 55 and before age 60.</p> <p>[Regulation 30 (2) of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (“the Benefit Regulations”)]</p>	<p>Where a former scheme member who left the scheme between 1 April 2008 and 31 March 2014 requests early release of deferred benefits on or after age 55 and before age 60, approval will only be given where the Assistant Director of Resources (Corporate Services) in consultation with the Director of Finance agree that this is proven to be in the best financial interests of the Councils.</p>
9.	<p>Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.</p> <p>[Regulation 30 (5) of the Benefit Regulations]</p>	<p>In order for the Councils to exercise its discretion on compassionate grounds, the Assistant Director of Resources (Corporate Services) in consultation with the Director of Finance will have regard to whether:</p> <p>The member meets all of the following criteria:</p> <ul style="list-style-type: none"> ○ severe financial difficulties, has no other source of income and their personal circumstances are not likely to improve; ○ their opportunities for other employment are severely limited; and ○ they have been forced to leave work to care for a dependant who is suffering from a long-term illness.

10.	<p>Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to any suspended tier 3 ill health pension benefits awarded before 1 April 2014 which are brought back into payment before age 65.</p> <p>[Regulation 30A(3) of the Benefit Regulations]</p>	<p>In order for the Councils to exercise its discretion on compassionate grounds, the Assistant Director of Resources (Corporate Services) in consultation with the Director of Finance will have regard to whether:</p> <p>The member meets all of the following criteria:</p> <ul style="list-style-type: none"> ○ severe financial difficulties, has no other source of income and their personal circumstances are not likely to improve; ○ their opportunities for other employment are severely limited; ○ they have been forced to leave work to care for a dependant who is suffering from a long-term illness.
	<p>Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations in relation to scheme members who ceased active membership between 1 April 1998 and 31 March 2008</p>	<p>Recommended Policy</p>
11.	<p>Whether to grant applications for the early payment of pension benefits on or after age 50/55* and before age 60.</p> <p>Note: benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge [Regulation 31(2) of the LGPS Regulations 1997]</p>	<p>Where a former scheme member who left the scheme between 1 April 1998 and 31 March 2008 requests early release of deferred benefits on or after age 55 and before age 60, approval will only be given where the Head of HR in consultation with the Director of Finance agree that this is proven to be in the best financial interests of the Councils.</p>

12.	<p>Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to benefits which are paid before age 65</p> <p>[Regulation 31(5) of the LGPS Regulations 1997]</p>	<p>In order for the Councils to exercise its discretion on compassionate grounds, the Head of HR in consultation with the Director of Finance will have regard to whether:</p> <p>The member meets all of the following criteria:</p> <ul style="list-style-type: none"> • severe financial difficulties, has no other source of income and their personal circumstances are not likely to improve • their opportunities for other employment are severely limited • they have been forced to leave work to care for a dependant who is suffering from a long-term illness
	<p>Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations in relation to scheme members who ceased active membership before 1 April 1998</p>	<p>Recommended Policy</p>
13.	<p>Whether to grant applications for the early payment of deferred pension benefits on or after age 50 and before age 65 on compassionate grounds. [Regulation D11(2)(c) of the LGPS Regulations 1995]</p>	<p>In order for the Councils to exercise its discretion on compassionate grounds, the Head of HR in consultation with the Director of Finance will have regard to whether:</p> <p>The member meets all of the following criteria:</p> <ul style="list-style-type: none"> ○ severe financial difficulties, has no other source of income and their personal circumstances are not likely to improve; ○ their opportunities for other employment are severely limited; and ○ That they have been forced to leave work to care for a dependant who is suffering from a long-term illness.

Discretions as an Administering Authority

	Description of Discretion	Recommended Policy
14.	<p>Whether to abate pensions upon re-employment.</p> <p>[Regulation 3(13) Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 and regulations</p>	<p>The Councils will not abate pensions upon reemployment and any pensions that have previously been abated following re-employment will cease to be abated with effect from 1 October 2016.</p>

	70(1)* and 71(4)(c) of the Local Government Pension Scheme (Administration) Regulations 2008]	
15.	Decisions that are administrative in nature. [Various LGPS Regulations]	Delegated to the Director of Finance.
16.	Extensions of time limits for scheme members. [Various LGPS Regulations]	Director of Finance has delegated authority to generally extend only for reasons of ill-health or incapacity, or where there is inadequate evidence of timely information being given.
17.	Future funding of flexible retirements, redundancy / business efficiency retirements, switching on the 85 year rule or the waiver (in whole or in part) under of any actuarial reduction. [Regulation 68(2) of the LGPS Regulations 2013 and Sch 2, para 2(3) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014]	Employer to reimburse any strain on Fund and costs to be paid “up front”.
19.	Decide to whom death grant is paid. [Various LGPS Regulations]	Delegated powers to decide who is to receive payment of death grants have been given to any two of the following – <ul style="list-style-type: none"> • Chief Executive • Director of Finance • Assistant Director of Resources (Corporate Services) A quorum of two of the officers is required for a decision to be made.
20.	Whether to pay any death grant due to personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate / letters of administration where payment is less than amount specified in s6 of the Administration of Estates (Small Payments) Act 1965 currently £5000. [Various LGPS Regulations]	The Councils will normally pay the death grant without production of grant of probate / letters of administration in such cases, subject to the agreement of the Director of Finance.

21.	<p>Decide to treat a child as being in continuous full-time education or vocational training despite a break.</p> <p>[Reg 17(9) of the LGPS (Transitional Provisions, Savings and Amendment) Regs 2014 and definition in Sch 1 of the LGPS Regulations 2013]</p>	<p>Delegated to the Director of Finance. The Councils consider that a child's education ought not to be regarded as complete where a single period not exceeding the end of one academic year and the beginning of the next but one is taken off from formal education. The Councils will restart a suspended child's pension at the end of such a break or gap, providing confirmation from the relevant educational/training body is received that education/training has resumed. This recognises that many students opt to take a "year out" of further education to gain experiences that they feel will prepare them for work.</p>
22.	<p>For members who retired before 1 April 1998, resolve that spouse's pensions are payable for life.</p> <p>[F7 of LGPS 1995 regulations]</p>	<p>For members who retired before 1 April 1998, resolve that spouse's pensions are payable for life.</p>
23.	<p>Whether to turn down a request to pay an APC/SCAPC over a period of time where it would be impractical to allow such a request (e.g. where the sum being paid is very small and could be paid as a single payment).</p> <p>Whether to require a satisfactory medical report before agreeing to an application to pay an APC / SCAPC.</p> <p>[Regulation 16(1) of the LGPS Regulations 2013]</p>	<p>A satisfactory medical report by a registered medical practitioner is required.</p> <p>The report should detail whether in their opinion the member is in reasonably good health to undertake APC/SCAPC's. If this is not satisfied then the application to pay an APC/SCAPC will be turned down.</p> <p>All costs incurred to establish that a member is in reasonably good health to undertake APC/SCAPC's are at the member's expense.</p>
24.	<p>Decide whether to commute small pension.</p> <p>[Regulation 34(1) of the LGPS Regulations 2013]</p>	<p>The Councils will normally commute a small pension, as calculated under the regulations and within HMRC limits.</p>
25.	<p>Approve medical advisors used by employers (for ill health benefits).</p> <p>[Regulation 36(3) of the LGPS Regulations 2013]</p>	<p>Delegated to the Assistant Director of Resources (Corporate Services).</p>
26.	<p>Decide frequency of payments to be made over to Fund by employers and whether to make an admin charge.</p> <p>[Regulation 69(1) of the LGPS</p>	<p>Delegated to the Director of Finance.</p>

	Regulations 2013]	
27.	Whether to charge interest on payments by employers which are overdue. [Regulation 71(1) of the LGPS Regulations 2013]	Delegated to the Director of Finance.
28.	Decide form and frequency of information to accompany payments to the Fund. [Regulation 69(4) of the LGPS Regulations 2013]	Delegated to the Director of Finance.
29.	Allow transfer of pension rights into the Fund. [Regulation 70 of the LGPS Regulations 2013 and Regulation 22(2) of the LGPS (Transitional Provisions, Savings and Amendment) Regs 2014]	Delegated to the Director of Finance authority to refuse transfers where liabilities are not sufficiently covered.
30.	Whether to agree to an admission agreement with a body applying to be an admission body. [Regulation 3(5) & Sch 2, Part 3, para 1 of the LGPS Regulations 2013]	Delegated to the Director of Finance.