



## **Worfield and Rudge Parish Council discretionary policies under the Local Government Pension Scheme Regulations and other related Regulations**

### **1. Discretions to be exercised:**

- i) under the LGPS Regulations 2013 from 1 April 2014 in respect of members of the Career Average Revalued Earnings (CARE) scheme,**
- ii) under earlier LGPS Regulations in respect of former employees who were members of the LGPS and who left prior to 1 April 2014,**
- iii) under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 and earlier compensation regulations,**
- iv) under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011, and**
- v) under the Local Government Pension Scheme Regulations 1997 in respect of local authority councillor members.**

**This document will form Worfield and Rudge Parish Council policies on pension and compensation discretions. It should be noted that:**

- the policies will confer no contractual rights**
- Worfield and Rudge Parish Council will retain the right to change the policies at any time without prior notice or consultation, and**
- only the policy which is current at the time a relevant event occurs to an employee / scheme member will be the one applied to that employee / member**

## **Annex 1**

<b>Table A: Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations 2013 in relation to active scheme members and members who cease active membership after 31 March 2014.</b>	<b>Worfield and Rudge Parish Council policy</b>
<p>1. Whether, at full cost to Worfield and Rudge Parish Council, to grant extra annual pension of up to £7,316 (figure on 1 April 2021<sup>1</sup>) to an active scheme member or, within 6 months of leaving, to a member who is dismissed by reason of redundancy or business efficiency or whose employment is terminated by mutual consent on the grounds of business efficiency.</p>	<p>Worfield and Rudge Parish Council will not make use of the discretion to grant extra annual pension of up to £7,316 (figure on 1 April 2021) to an active scheme member or, within 6 months of leaving, to a member who is dismissed by reason of redundancy or business efficiency or whose employment is terminated by mutual consent on the grounds of business efficiency</p>
<p>2. Whether, where an active scheme member wishes to purchase extra annual pension of up to £7,316 (figure on 1 April 2021<sup>2</sup>) by making Additional Pension Contributions (APCs), Worfield and Rudge Parish Council will voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).</p>	<p>Worfield and Rudge Parish Council will not make use of the discretion to voluntarily contribute towards the cost of purchasing extra pension via a Shared Cost Additional Pension Contribution (SCAPC).</p>
<p>3. Whether to permit flexible retirement for staff aged 55<sup>3</sup> or over who, with the agreement of Worfield and Rudge Parish Council, reduce their working hours or grade and, if so, as part of the agreement:</p> <ul style="list-style-type: none"> <li>- whether, in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw if flexible retirement is agreed), to permit the member to choose to draw</li> <li>• all, part or none of the pension benefits they accrued after 31 March 2008 and before 1 April 2014, and / or</li> </ul>	<p>Worfield and Rudge Parish Council will not agree to flexible retirement except in circumstances where Worfield and Rudge Parish Council considers it is in its financial or operational interests to do so. Each case - will be considered on the merits of the financial and / or operational business case put forward, - will set out whether, in addition to any pre 1 April 2008 benefits, the member will be permitted, as part of the flexible retirement agreement, to take a) all, some or none of their 1 April 2008 to 31 March 2014 benefits, and /or b) all, some or none of their post 31 March 2014 benefits, and - will require the approval of Worfield and Rudge Parish Council. Waiver of any</p>

<ul style="list-style-type: none"> <li>• all, part or none of the pension benefits they accrued after 31 March 2014, and</li> <li>- 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)<sup>4</sup></li> <li>.</li> </ul>	<p>actuarial reduction on flexible retirement Where flexible retirement is agreed, the benefits payable will be subject to any actuarial reduction applicable under the Local Government Pension Scheme Regulations and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014. Worfield and Rudge Parish Council will only waive any such reduction, in whole or in part, where it considers it is in its financial or operational interests to do so. Each case will be considered on the merits of the financial and / or operational business case put forward and will require the approval of Worfield and Rudge Parish Council including, where the reduction is only to be waved in part, approval for reduction to be waived.</p>
<p>4. Whether, as the 85-year rule does not (other than on flexible retirement – see 3 above) 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 apply the 85 year<sup>5</sup> rule to such voluntary retirements.</p>	<p>Worfield and Rudge Parish Council will not agree to apply the 85-year rule where members choose to voluntarily draw their benefits on or after age 55 and before age 60 except in circumstances where Worfield and Rudge Parish Council considers it is in its financial or operational interests to do so.</p> <p>Each case</p> <ul style="list-style-type: none"> <li>- will be considered on the merits of the financial and / or operational business case put forward, and</li> <li>- will require the approval of Worfield and Rudge Parish Council</li> </ul>
<p>5. For:</p> <ul style="list-style-type: none"> <li>i) active members voluntarily retiring on or after age 55<sup>6</sup> and before Normal Pension Age who elect under regulation 30(5) of the LGPS Regulations 2013 to immediately draw benefits, and</li> <li>ii) 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<sup>7</sup> and before Normal Pension Age</li> </ul> <p>who:</p>	<p>Where members choose to voluntarily draw their benefits on or after age 55 and before Normal Pension Age Worfield and Rudge Parish Council will not agree to waive in whole or in part any actuarial reduction that would otherwise be applied to their benefits except in circumstances where Worfield and Rudge Parish Council considers it is in its financial or operational interests to do so or there are compelling compassionate<sup>8</sup> reasons for doing so.</p>

<p>- were not members of the LGPS before 1 October 2006 [Group 4 members], whether to:</p> <ul style="list-style-type: none"> <li>• waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits, if any, accrued before 1 April 2014, and / or</li> <li>• waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2014</li> </ul> <p>- 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"> <li>• waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April 2016, and / or</li> <li>• waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2016</li> </ul> <p>- 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 3 members], whether to:</p> <ul style="list-style-type: none"> <li>• waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April 2014, and / or</li> <li>• waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2014</li> </ul> <p>- 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>	<p>Each case</p> <ul style="list-style-type: none"> <li>• will be considered on the merits of the financial and / or operational business case put forward, or</li> <li>• will be considered on the merits of the compassionate case put forward, and</li> <li>• will require the approval of Worfield and Rudge Parish Council including, where the reduction is only to be waved in part, approval for the amount of reduction to be waived.</li> </ul>
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<ul style="list-style-type: none"> <li>• waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April 2020, and / or</li> <li>• waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2020</li> </ul>	
<p>6. Whether, how much, and in what circumstances to contribute to a shared-cost Additional Voluntary Contribution (SCAVC) arrangement entered into on or after 1 April 2014 and whether, how much, and in what circumstances to continue to contribute to any shared cost Additional Voluntary Contribution (SCAVC) arrangement entered into before 1 April 2014.</p>	<p>Worfield and Rudge Parish Council will not enter into a shared cost AVC arrangement other than:</p> <p>a) where the scheme member enters into a SCAVC salary sacrifice arrangement</p>
<p>7. Whether to extend the 12 month time limit within which a scheme member who has a deferred LGPS benefit in England or Wales following the cessation of an employment (or cessation of a concurrent employment) after 31 March 2014 may elect not to have the deferred benefits aggregated with their new LGPS employment (or ongoing concurrent LGPS employment) if the member has not made an election to retain separate benefits within 12 months of commencing membership of the LGPS in the new employment (or within 12 months of ceasing the concurrent membership).</p>	<p>Worfield and Rudge Parish Council will only extend the 12 month time limit within which a scheme member who has a deferred LGPS benefit in England or Wales following the cessation of an employment (or cessation of a concurrent employment) after 31 March 2014 may elect not to have the deferred benefits aggregated with their new LGPS employment (or ongoing concurrent LGPS employment):</p> <p>a) where Worfield and Rudge Parish Council agrees that the available evidence indicates the member had not been informed of the 12 month time limit due to maladministration;</p> <p>b) where Worfield and Rudge Parish Council agrees that the available evidence indicates the member had made an</p>

	<p>election within 12 months of joining the LGPS but the election was not received by the Pension Fund administering authority (e.g. the election form was lost in the post); or</p> <p>c) where the member has pre 1 April 2014 membership and Worfield and Rudge Parish Council agrees the available evidence indicates that, due to maladministration, the member had not been informed of the implications of having benefits aggregated and would, in consequence, suffer a detriment to their pension benefits (for example, where member's whole-time equivalent pensionable pay on commencing with Worfield and Rudge Parish Council is, in real terms after allowing for inflation, significantly less than the whole-time equivalent pensionable pay upon which the deferred benefits were calculated).</p> <p>d) Where the member did not become a member of the 2014 scheme by virtue of the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2014/525] to elect that pre 1 April 2014 deferred benefits should be aggregated with a new employment.</p>
<p>8. Whether, with the agreement of the Pension Fund administering authority, to permit a Scheme member to elect to transfer other pension rights into the LGPS if he / she has not made such an election within 12 months of joining the LGPS.</p>	<p>Worfield and Rudge Parish Council will only extend the 12 month time limit within which a scheme member must make an election to transfer other pension rights into the LGPS after joining the LGPS:</p> <p>- where the member asked for transfer investigations to be commenced within 12 months of joining the LGPS but a quotation of what the transfer value will purchase in the LGPS has not been provided to the member within 11 months of joining the LGPS. The time limit for such a member to make a</p>

	<p>formal election to transfer pension rights into the LGPS will be extended to one month beyond the date of the letter issued by the Pension Fund administering authority notifying the Scheme member of the benefits the transfer will buy in the LGPS;</p> <p>- where the available evidence indicates the member made an election within 12 months of joining the LGPS, but the election was not received by the Pension Fund administering authority (e.g. the election form was lost in the post);</p> <p>- where the available evidence indicates the member had not been informed of the 12-month time limit due to maladministration.</p>
<p>9. How the pension contribution band/rate to which an employee is to be allocated will be determined on joining the Scheme and at each subsequent April, and the circumstances in which the employer will, in addition to the review each April, review the pension contribution band/rate to which an employee has been allocated consequent upon a material change which affects the member's pensionable pay in the course of a Scheme year (1 April to 31 March).</p>	<p>Each employee to be assessed on their individual circumstances at the time of joining the scheme, using one of the following to assess the pension contribution band/rate:</p> <ul style="list-style-type: none"> <li>• allocating a member to a contribution rate on 1 April 2014</li> <li>• allocating a member to a contribution rate on joining the Scheme (after 1 April 2014)</li> <li>• reallocating a member to a new contribution rate during a Scheme year (1 April to 31 March) following a material change which affects the member's pensionable pay</li> <li>• reallocating a member to a new contribution rate each 1 April]</li> </ul> <p>Worfield and Rudge Parish Council to consider rates as reviewed in April by the Actuary, and any changes in associated legislation and amend accordingly.</p>

<p>10. Whether or not, when calculating assumed pensionable pay when a member (other than a returning officer<sup>9</sup>) is:</p> <ul style="list-style-type: none"> <li>- on reduced contractual pay or no pay on due to sickness or injury, or</li> <li>- absent during ordinary maternity, paternity or adoption leave or paid shared parental leave, or during paid additional maternity or adoption leave (other than any part of that leave where the pensionable pay received is greater than the assumed pensionable pay for that part of the leave period), or</li> <li>- absent on reserve forces service leave, or - retires with a Tier 1 or Tier 2 ill health pension, or</li> <li>- dies in service</li> </ul> <p>to include in the calculation the amount of any 'regular lump sum payment' received by the member in the 12 months preceding the date the absence began or the ill health retirement or death occurred.</p>	<p>In assessing Assumed Pensionable Pay (APP) Worfield and Rudge Parish Council will not, other than in exceptional circumstances, include in the calculation any 'regular lump sum payments' in which case the decision to include the 'regular lump sum payment' will be subject to the approval of Worfield and Rudge Parish Council</p>
<p>11. Whether in the Employer's opinion, the pensionable pay received in relation to an employment (adjusted to reflect any lump sum payments) in the 3 months (or 12 weeks if not paid monthly) preceding the commencement of Assumed Pensionable Pay (APP), is materially lower than the level of pensionable pay the member would have normally received, decide whether to substitute a higher level of pensionable pay having had regard to the level of pensionable pay received by the member in the previous 12 months.</p>	<p>In assessing Assumed Pensionable Pay (APP) Worfield and Rudge Parish Council will not, other than in exceptional circumstances, substitute a higher level of pensionable pay in which case the decision to will be subject to the approval of Worfield and Rudge Parish Council</p>



## Notes:

1. The figure of £6,500 that applied at April 2014 is increased each April (starting April 2015) under the Pension (Increase) Act 1971 (as if it were a pension with a PI date of 1 April 2013).
2. The figure of £6,500 that applied at April 2014 is increased each April (starting April 2015) under the Pension (Increase) Act 1971 (as if it were a pension with a PI date of 1 April 2013).
3. Age 50 for those LGPS members transferred from the Learning and Skills Council to whom regulation 16A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 applies. Such members only need the employer's permission to reduce their working hours or grade but, if that permission is given, do not require their employer's permission to draw their benefits (as such members have the automatic right to take the benefits by virtue of regulation 18A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 and regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014).
4. NPA means the employee's individual State Pension Age at the time the employment is terminated, but with a minimum of age 65 (although, the NPA for membership accrued prior to 1 April 2014 is still linked to age 65, apart from those LGPS members transferred from the Learning and Skills Council to whom regulation 16A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 applies for whom the NPA for membership accrued prior to 1 April 2014 is, by virtue of that regulation and regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, still linked to age 60, and those LGPS members who are employees of the Meat Hygiene Service in the London Pension Fund Authority fund who are covered by regulation 144B of the LGPS Regulations 1997 for whom the NPA for membership accrued prior to 1 April 2014 is, by virtue of that regulation and regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, still linked to age 60). State Pension Age is currently age 65 for men. State Pension Age for women is currently being increased to be equalised with that for men and will reach 65 by November 2018. The State Pension Age will then increase to 66 for both men and women from December 2018 to October 2020. Under current legislation the State Pension Age is due to rise to 67 between 2026 and 2028 and to 68 between 2044 and 2046. However, the government has announced plans to link rises in the State Pension Age above age 67 to increases in life expectancy.
5. The 85 year rule does not apply to former members of the Metropolitan Civil Staffs Superannuation Scheme, or Meat Hygiene Service members, or civil servants transferred to the Environment Agency who by virtue of regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 are subject to, respectively, regulation 144A of, and Schedule 7 to, the LGPS Regulations 1997, regulation 144B of the LGPS Regulations 1997 and regulation 15 of the LGPS (Transitional Provisions) Regulations 2008.

6. Age 50, by virtue of regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, for those LGPS members transferred from the Learning and Skills Council to whom regulation 16A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 applies and those civil servants transferred to the Environment Agency to whom regulation 15 of the LGPS (Transitional Provisions) Regulations 2008 applies.
7. Age 50, by virtue of regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, for those LGPS members transferred from the Learning and Skills Council to whom regulation 16A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 applies and who are electing for early payment of a deferred benefit (but not if they are electing for early payment of a suspended Tier 3 ill health pension) and those civil servants transferred to the Environment Agency to whom regulation 15 of the LGPS (Transitional Provisions) Regulations 2008 applies and who are electing for early payment of a deferred benefit or early payment of a suspended Tier 3 ill health pension.
8. There is no definition in the Regulations of “compassionate grounds”. However, one could take the view that, for example, releasing benefits because the member is short of funds / out of work would not be appropriate (as the pension scheme is not a social security scheme); whereas, for example, releasing benefits because the member has had to give up work to look after orphaned grandchildren would clearly be a case where an employer might wish to exercise compassion.