

CHURCH STRETTON TOWN COUNCIL

SPECIAL AMENITIES, FINANCE AND GENERAL PURPOSES MEETING

To be held on Tuesday 1st December 2015

Agenda Item 5: Pension Discretions Policy

1. BACKGROUND

The Introduction of the new Local Government Pension Scheme 2014 (LGPS) on 1 April 2014 requires all scheme employers to formulate, publish and keep under review any existing discretionary pension policy statements and to publish new policy statements with effect from 1 April 2014. (Reg 60 of the LPGA Regulations 2013, and further Para 2(2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014). This was reported to AF & GP in July 2014 and a review of existing Town Council pension policy statement undertaken.

2. NATURE OF THE DISCRETIONS

Although the LGPS is a statutory pension scheme and therefore governed by Act of Parliament, the regulatory framework has never been rigid, and has allowed for regional and local variances. Over the years the trend has been towards increasing these ‘flexibilities’, which although undoubtedly beneficial to the scheme members, does have a direct impact on time spent in administering the scheme.

We are required to have a written policy in respect of LGPS 2013 regulations 16(2)(e), 30(6)(8) and 31, covering the following five areas:

- **Award of Additional Pension**
- **Flexible Retirement**
- **Waiving Actuarial Reductions**
- **Contribution to a shared cost Additional Pension Contribution Scheme**
- **Switching on the 85 year rule**

The review has been undertaken with the aim of providing fairness and consistency, and with regard to:-

- **Cost** – exercising discretionary powers comes at a price. Policies must be affordable.
- **Fettering discretions** – Care must be taken when constructing a discretionary policy so as to ensure that it does not fetter the employer’s wider discretion (eg in respect of redundancy payments)
- **Anti-discrimination laws** – Employers must have regard to issues of equality, particularly in relation to age, where it must be demonstrated that the policy can be objectively justified

3. POLICY CONSIDERATIONS

The recommended policy in respect of the mandatory flexible discretions is therefore attached at Appendix A for consideration.

Based on this analysis it is recommended that Church Stretton Town Council approve a policy of adopting mandatory discretions only, and further, to approve the policies in respect of individual discretions as outlined in Appendix A.

APPENDIX A

This Policy applies in conjunction with the Town Council’s Pensions Policy contained within the Employee Handbook.

REGULATION	DISCRETION	POLICY
31	<p>Award of additional pension up to £6,675 (with effect from 1/4/15) (at whole cost to the employer).</p> <p>This does not apply to employees who have been granted unpaid leave of absence and, within 30 days of return to work, have requested to work to pay a Shared Cost Additional Pension Contribution SCAPC to cover the amount of pension ‘lost’ during their absence period due to the cost to the employer.</p>	<p>The Town Council will only apply this discretion where the employee can demonstrate a need and has previously made a beneficial contribution towards the Council’s service delivery.</p>
16(2)e and 16(4)d	<p>Voluntary funding of additional pension contributions via a (SCAPC) contract, either by regular on-going contribution or one-off lump sum.</p> <p>This discretion allows employees in the Scheme to buy extra annual pension, up to a maximum of £6,675. The employer will contribute towards this additional pension.</p> <p>This discretion applied to employees who may wish to buy extra pension because they have taken unpaid leave.</p>	<p>This discretion allows the Town Council to award an employee an extra annual pension of up to £6,675. (Applicable as at 1 April 2015.)</p> <p>The Town Council will only apply this discretion where:</p> <ul style="list-style-type: none"> i. The employee can demonstrate a need and has previously made a beneficial contribution towards the Council’s service delivery, and the award of such discretion would not be discriminatory towards other employees. ii. The employee is absent from work e.g. for child related leave, with no pensionable pay and their absence is approved by the Council.
30(6)	<p>Flexible retirement.</p> <p>This discretion allows an employee at the age of 55 (with the consent of their employer) to reduce their hours of work or salary and to draw all or part of the pension benefits they have already built up.</p> <p>Flexible retirement allows employees to move gradually towards retirement by reducing their hours of work or</p>	<p>The Town Council will consider all requests from employees wishing to take flexible retirement. The Council’s decision will be based on the merits of the request and the financial implications for the Council and the impact this may have on the Council’s service delivery.</p>

	<p>responsibilities i.e. downgrading their post.</p> <p>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>	
30(8)	<p>Waiving all or part of any actuarial reduction.</p> <p>This discretion allows employees in the Scheme aged between 55 and normal pension age to retire and take their pension. In this case the employer may waive the actuarial reduction in whole or in part in order to protect the Pension Fund against loss of funding.</p>	<p>All requests will be considered on their merit. The Town Council will only waive the actuarial reduction after taking into account the possible costs that it may incur if an employee receives their benefits early and subject to guidance from the Shropshire County Pension Fund Team.</p>
RTPSch2	<p>Whether to agree to apply the 85 year rule for members choosing to voluntarily draw their benefits between 55 and 59.</p> <p>Since 1st April 2014 members do not require consent if they wish to retire before the age of 60. However, the 85 year rule will not apply automatically unless it is 'switched on'.</p> <p>'Switching on' means that we will meet the strain cost for members who retire early. Not switching on means that the member will meet the strain cost via actuarial reduction to benefits.</p>	<p>All requests will be considered on their merit and subject to establishing the strain cost provided by actuary and advice from SCPFT</p>

Church Stretton Town Council

MINUTES OF THE MEETING OF THE AMENITIES, FINANCE & GENERAL PURPOSES COMMITTEE

HELD IN THE CONSERVATORY, SILVESTER HORNE INSTITUTE,
CHURCH STRETTON

On TUESDAY 1st DECEMBER 2015 at 6.30 p.m.

Those present: Councillors : Cllr Braid, Cllr Buckingham, Cllr Bugiel, Cllr Morris, Cllr Roberts
& Cllr Welch

Officers : Ms. M. Giles (Town Clerk), Mrs. C. Harvey (Responsible
Financial Officer),

Members of the Public: 0

Press:0

AF&GP 155 APOLOGIES FOR ABSENCE

Cllr Walker (holiday)

AF&GP 156 DISCLOSABLE PECUNIARY INTERESTS

NONE

AF&GP 157 DISPENSATIONS

In pursuance of the Localism Act 2011, s31(4) dispensations requested/granted :

NONE

AF&GP 158 MINUTES OF THE PREVIOUS MEETING

Proposed by Cllr Welch, seconded by Cllr Morris and

RESOLVED (unanimously) that the minutes of the Meeting of the Amenities, Finance & General Purposes Committee held on 10th November 2015 (to be received at the Council Meeting on 8th December 2015) shall be taken as read and signed as a true record by the Chairman.

AF&GP 159 PENSION DISCRETIONS POLICY

A report explaining a scheme of pension discretions under the new Local Government Pension Scheme 2014 had been circulated and was discussed. Agreed that the policy should be amended slightly to state that the **'AF & GP will determine each case and report to Town Council'**.

Proposed by Cllr Buckingham and seconded by Cllr Morris and

RESOLVED (unanimously) to ADOPT mandatory pension discretions only.

Proposed by Cllr Braid and seconded by Cllr Buckingham and

RESOLVED (unanimously) to ADOPT the policy in respect of individual mandatory discretions outlined in Appendix A (as amended) of the report

AF&GP 160 RESOLUTION TO CONSIDER DEVELOPMENT OF DIFFERENTIAL CONTRACT OF EMPLOYMENT

Councillors discussed the affordability of the current Terms of Employment specifically in relation to the pension scheme. Advice on how to proceed had been sought from our consultants Ellis Whittam, who advised taking an initial resolution to create a differential contract. The grades to which this applied would have to be determined and agreed at a future meeting to avoid potential accusations of discriminatory behaviour.

Proposed by Cllr Braid and seconded by Cllr Buckingham and

RESOLVED (unanimously) to create a differential (non Green Book) contract of employment (grades of staff to be determined)

AF&GP 161 STAFFING GROWTH REQUIREMENTS/STAFF TRAINING PLAN

Report had been circulated outlining the areas of growth/pressure in terms of staff skill/capacity. These reflected the ambition of the Town Council more generally in terms of growth whereby it is likely that the size of the Council's holding in the town in terms of services/property/provision of amenity etc would double within 12 months. Some of these growth requirements could be met through additional staff training and peer mentoring, some required recruitment of an additional post holder with a specific skillset/experience. The title of the post had yet to be determined. Cllr

Welch felt that the word 'development' should be in the job title to reflect the nature of the new role.

Proposed by Cllr Braid and seconded by Cllr Buckingham and

RESOLVED (unanimously) to:-

Create an additional staff post (title to be determined) based on 37 hours per week (or less) at a pay grade of NJC SCP 28 ie £23,945 - £24,472, to be included in the budget for 2016/17 onwards

Proposed by Cllr Buckingham and seconded by Cllr Morris and

RESOLVED (unanimously) to:-

Agree to increase the staff training budget for 2016/17 to £ 3800 (this to be reviewed annually)

AF&GP 162 APPROVAL OF AMENDMENTS TO EMPLOYEE HANDBOOK

Town Clerk outlined the process of review of the Employee Handbook involving specialist consultants Ellis Whittam. The review identified areas where policy or legislation had changed and content had been reviewed accordingly. These areas were outlined and explained for the benefit of members. Cllr Buckingham suggested that when the Handbook was re-issued to staff that they be asked to sign to acknowledge they had received, read and understood the implications of the changes.

Additional areas of policy were also outlined for development/presentation at future AF & GP meetings including:-

- Recruitment and selection
- Provision of references
- Mileage and subsistence in relation to work related travel

Proposed by Cllr Buckingham and seconded by Cllr Bugiel and

RESOLVED (unanimously) to accept recommended changes to Employee Handbook

AF&GP 163 CONFIDENTIAL MATTERS

Regrading Application By M Giles

Proposed by Cllr Buckingham and seconded by Cllr Morris and

Under the Public Bodies (Admission to Meetings) Act 1960 S1(2), it is RESOLVED (unanimously) that in view of the confidential nature of the business about to be transacted, it is in the public interest that the public and press are excluded from this item.

The Town Clerk presented a confidential paper regarding the grading of her post and then left the meeting.

Discussion took place on the application and it was proposed by Cllr Braid, seconded by Cllr Welch and

RESOLVED (unanimously) to recommend to full Council that the Town Clerk's post is re-graded to SCP 35, backdated to 1st August 2015.

.....Chairman 7.55 p.m.

Church Stretton Parish Council

Mrs. C.M. Harvey, Cert H.E. Local Policy (L.C.A.)
Clerk of the Council & RFO

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SHROPSHIRE COUNTY COUNCIL
CENTRAL SUPPORT SERVICES
23 JUL 1999

21st July 1999

Dear Mr Johnson

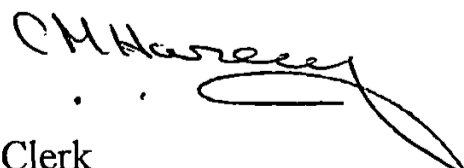
LOCAL GOVERNMENT (DISCRETIONARY PAYMENTS)(AMENDMENT) REGULATIONS 1999

Further to your letter of 11th May 1999 and our subsequent telephone conversation, the Parish Council at its meeting on 19th July 1999 resolved to adopt the following policy:

“Under the Local Government (Discretionary Payments)(Amendment) Regulations 1999, Church Stretton Parish Council resolves to have no general policy under these provisions but will look at each case individually as and when they arise.”

I hope this is adequate to meet the requirements.

Yours sincerely


Clerk

ACTUARY
NOT
NOTIFIED.

00411

Church Stretton Parish Council

Mrs. C.M. Harvey, Cert H.E. Local Policy (L.C.A.)
Clerk of the Council & RFO

Tele/Fax: (01694)722113

Our Ref: L7/Pens_01.wps
Your Ref: PEN/DJ

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SHROPSHIRE COUNTY COUNCIL
PENSIONS SERVICES
29 JUL 1998
LADYMAN

28th July 1998

Dear Sir,

LOCAL GOVERNMENT PENSIONS SCHEME 1997 EMPLOYER POLICY & DISCRETIONS

Further to your letter of 15th January 1998, the Parish Council, at its meeting held on 20th July 1998 resolved to adopt the following policy:

"Church Stretton Parish Council adopts the provisions contained in the "Local Government Pensions Scheme Employers' Guide" issued by the DETR January 1998 (relating to the Local Government Pensions Scheme Regulations 1997) with the following amendments:

Regulation 9 - Acceptance of late elections for pre-1988 widower's cover - *this is adopted by Church Stretton Parish Council.*

Regulation 15 - Reduction of member's contribution rate if 40 years service completed before the age of 60 - *this is NOT adopted by Church Stretton Parish Council as it does not apply to any of its employees.*

Regulation 23 - Member fails to apply for certificate of protection of pension benefits - (i.e. if employee is forced to take a reduction on pay a certificate can be issued to protect contributions for 13 years) - *this is adopted by Church Stretton Parish Council.*

contd.....

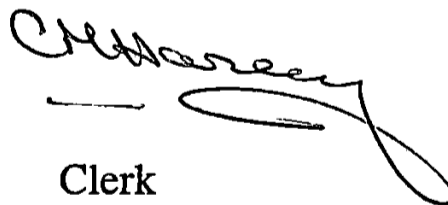
Regulation 31 - Elections for early payment of pensions if member from age 50 onwards - *Church Stretton Parish Council will judge each application for early retirement on merit and a decision made on each application.*

Regulation 52 - Augmentation of scheme membership on termination of employment - *Church Stretton Parish Council will judge each application for early retirement on merit and a decision made on each application.*

Regulation 53 - Augmentation of scheme membership for new members - *Church Stretton Parish Council will judge each application for early retirement on merit and a decision made on each application.*

Regulation 67 - the establishment of a shared cost Additional Voluntary Contribution Scheme - *this is NOT adopted by Church Stretton Parish Council.*"

Yours faithfully,


Clerk