

BRADFIELD PARISH COUNCIL

Pension Policy – Exercise of Discretionary Functions Local Government Pension Scheme (LGPS) 2014

As adopted by Council on 17th September 2014

POLICY

Benefit Regulation 16(2) (e) and 16 (4)(d) – Funding of Additional Pension

This regulation allows the funding of additional pension for a member either through regular contributions or by lump sum.

Because of the costs involved and the likelihood of this provision either being of little or no benefit to the Parish Council, or not being vital to the support and application of the Parish Council's strategy, then the Parish Council would not normally expect to exercise its discretion to fund additional pensions for members either through regular contributions or lump sum contributions. However each and every application will be considered in the light of the circumstances of the individual case concerned and a decision reached on the merits of that case.

Benefit Regulation 22(8)(b) - Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with a new employment.

The policy for late transfers for any member making such a request is for that member to satisfy the Parish Council that they were not given the information at the time of joining the scheme and therefore missed the original deadline.

Benefit Regulation 30(6) – Flexible Retirement

The Parish Council seeks to support the principal of allowing members to prepare for retirement in as many ways as possible. In this it also seeks to support Government Policy where that policy supports the Parish Council in its efforts to run its services in the most efficient and cost effective manner. As such, subject to the following criteria, the Parish Council would normally expect to exercise its discretion to allow its members to retire flexibly:

- ***Any reduction in working hours or salary must be permanent***
- ***Any reduction in working hours or salary must be at least 40% of those hours or that salary being worked or earned immediately prior to the member's flexible retirement***
- ***The reduction in hours or reduction in responsibility allowing the member to be paid a reduced salary must not impact upon the organisations' ability to carry out its business efficiently and effectively***
- ***The individual flexible retirement concerned must support the organisations overall strategy***

The Parish Council reserves the right, having considered each individual case, to refuse an application where any of the above criteria are not met.

Benefit Regulation 30 (8) – The waving of the actuarial reduction in those cases where a member voluntarily retires early

Because of the additional costs involved to the Parish Council of waiving the actuarial reduction to member benefits in cases of voluntary retirement it is not envisaged that the Parish Council would normally exercise its discretion in favour of waiving those reductions. However, each case would be considered on its merits and with reference to the circumstances involved of the individual concerned.

A potential exception to this policy would be where the individual can make a case for the waiving of such a reduction to be granted on compassionate grounds. An example of compassionate grounds may be where the member has been forced to cease work to take up a caring role for an immediate family member, although it is recognised that other grounds could and may exist.

Every application will be considered on the circumstances of the individual concerned. Financial hardship alone would not constitute compassionate grounds.

Benefit – Schedule 2 of the transitional regulations – Switching on the 85 year rule for members voluntarily drawing benefits on or after age 55 and before age 60.

Because of the potential retrospective impact on the 2013 fund valuation and the future additional costs that the exercise of this discretion would bring to the Parish Council, and the fact that the Parish Council does not deem the exercise of this discretion to be necessary in the pursuit of its overall strategy then it is not anticipated that there will be any instances where the organisation will switch on the Rule of 85 for members' wishing to retire voluntarily between the ages of 55 and 60. However, every application will be considered on its individual merits and the circumstances involved.

Benefit Regulation 31 – Awarding of additional pension to a member

Because of the costs involved and the likelihood of this provision either being of little or no benefit to the Parish Council, or not being vital to the support and application of the Parish Council's strategy, then the Parish Council would not normally expect to exercise its discretion to award additional pension for members. However each and every application will be considered in the light of the circumstances of the individual case concerned and a decision reached on the merits of that case.

Benefit Regulation 100(6) – Extend normal time limit for acceptance of a transfer value beyond 12 months from joining

The policy for late transfers for any member making such a request is for that member to satisfy the Parish Council that they were not given the information at the time of joining the scheme and therefore missed the original deadline.

IMPLEMENTATION

Appended to this policy are guidance notes. The Parish Council when considering individual cases would for the sake of good practice refer to these notes as an aide.