

# HR Policy Committee

## Monday 13 November 2017

### 2.00 pm Luttrell Room - County Hall, Taunton



To: The Members of the HR Policy Committee

Cllr A Groskop (Chairman), Cllr M Chilcott, Cllr P Ham, Cllr L Leyshon, Cllr L Oliver and Cllr L Redman

Issued By Julian Gale, Strategic Manager - Governance and Risk - 3 November 2017

For further information about the meeting, please contact Jamie Jackson on 01823 357628 or [jjackson@somerset.gov.uk](mailto:jjackson@somerset.gov.uk)

Guidance about procedures at the meeting follows the printed agenda.

This meeting will be open to the public and press, subject to the passing of any resolution under Section 100A (4) of the Local Government Act 1972.

This agenda and the attached reports and background papers are available on request prior to the meeting in large print, Braille, audio tape & disc and can be translated into different languages. They can also be accessed via the council's website on [www.somerset.gov.uk/agendasandpapers](http://www.somerset.gov.uk/agendasandpapers)



**RNID typetalk**

# AGENDA

Item HR Policy Committee - 2.00 pm Monday 13 November 2017

**\* Public Guidance notes contained in agenda annexe \***

1 **Apologies for Absence**

2 **Declarations of Interest**

Details of all Members' interests in District, Town and Parish Councils will be displayed in the meeting room. The Statutory Register of Member's Interests can be inspected via the Community Governance team.

3 **Minutes from the previous meeting - 18 September 2017 (Pages 5 - 8)**

The Committee is asked to confirm the minutes are accurate.

4 **Public Question Time**

The Chairman will allow members of the public to present a petition on any matter within the Committee's remit. Questions or statements about any matter on the agenda for this meeting will be taken at the time when each matter is considered.

5 **Discretions Policy: The Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions & Savings) Regulations 2014 (Pages 9 - 20)**

To consider this report.

6 **Any other urgent items of business**

The Chairman may raise any items of urgent business.

## THE MEETING – GUIDANCE NOTES

### 1. Inspection of Papers

Any person wishing to inspect Minutes, reports, or the background papers for any item on the Agenda should contact the Committee Administrator for the meeting – Rebecca Dunstan on 01823 357628 or [rdunstan@somerset.gov.uk](mailto:rdunstan@somerset.gov.uk). They can also be accessed via the council's website on [www.somerset.gov.uk/agendasandpapers](http://www.somerset.gov.uk/agendasandpapers)

### 2. Notes of the Meeting

Details of the issues discussed and decisions taken at the meeting will be set out in the Minutes, which the Committee will be asked to approve as a correct record at its next meeting. In the meantime, details of the decisions taken can be obtained from Rebecca Dunstan on 01823 359628; Fax 01823 355529 or [rdunstan@somerset.gov.uk](mailto:rdunstan@somerset.gov.uk)

### 3. Members' Code Of Conduct Requirements

When considering the declaration of interests and their actions as a councillor, Members are reminded of the requirements of the Members' Code of Conduct and the underpinning Principles of Public Life: HONESTY; INTEGRITY; SELFLESSNESS; OBJECTIVITY; ACCOUNTABILITY; OPENNESS; LEADERSHIP. The Code of Conduct can be viewed at: <http://www.somerset.gov.uk/organisation/key-documents/the-councils-constitution/>

### 4. Public Question Time

At the Chairman's invitation you may ask questions and/or make statements or comments, or send in a written question about **any matter on the Committee's agenda**. You may also present a petition on any matter within the Committee's remit. **The length of public question time will be no more than 30 minutes in total.**

A slot for Public Question Time is set aside near the beginning of the meeting, after the minutes of the previous meeting have been signed.

Any person wishing to raise a matter under public question time must inform the Committee Administrator, Rebecca Dunstan, by 12 noon **the (working) day before** the meeting.

You must direct your questions and comments through the Chairman. You may not take direct part in the debate.

The Chairman will decide when public participation is to finish.

If there are many people present at the meeting for one particular item, the Chairman may adjourn the meeting to allow views to be expressed more freely.

If an item on the agenda is contentious, with a large number of people attending the

meeting, a representative should be nominated to present the views of a group.

An issue will not be deferred just because you cannot be present for the meeting.

Please remember that the amount of time you speak will be restricted, normally to two minutes only.

**5. IMPORTANT NOTE FOR MEMBERS OF THE PUBLIC**

The Council in support of the principles of openness and transparency allows filming, recording and taking photographs at its meetings that are open to the public providing it is done in a non- disruptive manner.

Members of the public may use Facebook and Twitter or other forms of social media to report on proceedings and a designated area will be provided for anyone who wishes to film part or all of the proceedings. No filming or recording will take place when the press and public are excluded for that part of the meeting. As a matter of courtesy to the public, anyone wishing to film or record proceedings is asked to provide reasonable notice to the Committee Administrator so that the Chairman of the meeting can inform those present.

We would ask that, as far as possible, members of the public aren't filmed unless they are playing an active role such as speaking within a meeting and there may be occasions when speaking members of the public request not to be filmed.

A copy of the Council's Recording of Meetings Protocol should be on display at the meeting for inspection, alternatively contact the Committee Administrator for the meeting in advance.

**6. Substitutions**

Committee members are able to appoint substitutes if they are unable to attend the meeting.

**7. Hearing Aid Loop System**

To assist hearing aid users, the Luttrell, Hobhouse and Wyndham Rooms have infra-red audio transmission systems. These work in conjunction with a hearing aid in the T position, but we also need to provide you with a small personal receiver. Please request one from the Committee Administrator and return at the end of the meeting.

**8 Emergency Evacuation Procedure**

In the event of the fire alarm sounding, members of the public are requested to leave the building via the signposted emergency exit, and proceed to the collection area outside Shire Hall. Officers and Members will be on hand to assist.

## HR Policy Committee

Minutes of a meeting of the HR Policy Committee held on Monday 18 September 2017 at 2.00pm in the Luttrell Room, County Hall, Taunton.

**Councillors (Committee members present):**

Cllr Groskop (Chairman)  
Cllr Chilcott  
Cllr Ham  
Cllr Leyshon  
Cllr Oliver

**Apologies:** Cllr Redman

The Chairman welcomed all those present to the first meeting of the Committee in the new quadrennium.

**2 Declarations of Interest**– agenda item 2

There were no Declarations of Interest.

**3 Public Question Time** – agenda item 3

**3.0** The Chairman noted that a member of the public had indicated they wished to ask some questions and she invited Mr Nigel Behan, of the UNITE Trade Union, to speak and he asked the following:

Firstly what lobbying will SCC undertake regionally and nationally to secure the means to provide pay rises in Local Government that are not real term pay cuts? and what steps and measures will be taken by SCC to inform the LGA of the difficulties of recruitment and retention in Local Government?

Secondly he noted there was a SW regional “Green Book” meeting on Wednesday which, amongst other issues, would be considering pay in Local Government – what contributions would SCC make to the discussion?

Lastly he asked what strategies, plans and actions were being considered to make SCC an employer of choice?

**3.1** In response the Human Resources and Organisational Development (HR & OD) Director spoke about the activity being undertaken by the Council on various fronts to lobby, which included Officers being part of a national group looking at pay spine points and Cabinet Members engaging with Ministers and civil servants to make the case for greater funding. The Council was committed to working with a variety of partners including other local authorities to maximise the influence on the government. The Council was also committed to working with other Local Authorities to address various issues concerning employment across the sector.

On the topic of making the Council an attractive employer it was stated that the Council had made good progress in recent years to improve the overall offer for employees, including staff reward schemes and initiatives with other agencies. The Council was interested to learn from its employees and ran regular staff surveys and also the Learning and Development

website saw staff completing around 1,000 modules each month. The Council had also had success with its apprenticeship and graduate schemes and the Director was personally very interested in transforming the culture within the Council and seeking improvements.

The Chairman thanked Mr Behan for his questions and the Director for his responses, and she encouraged the Trade Unions to seek greater engagement amongst staff and to utilise available training options.

#### 4 **Pay Review in Somerset** – agenda item 4

4.0 The Committee considered this report, introduced by the Human Resources and Organisational Development (HR & OD) Director that set out the current position regarding pay negotiations in Somerset. There was a question about the Appendix to the report and the number of staff the Council employed at each pay/spine point and it was agreed to circulate this answer to Members of the Committee.

4.1 It was reported that appropriate pay provisions for staff are fundamental to the delivery of the Council's objectives and services as set out in the County Plan. Members noted that Council operates a 17 grade pay structure and that grades from 17 up to 9 contain a number of pay increments. In addition grades 8 and upwards, contain a single pay point per grade. Overall the Council's Pay and Grading structure incorporates National Pay Points up to spinal column point 44 and locally determined pay points above.

4.2 Attention turned to the requisitioned item raised at the July Council meeting that asked the Committee to review the level of staff pay awards and report its findings to the November Council meeting. It was reported that annual pay awards were determined by national agreement and the National Joint Council consisted of the Trade Unions that represented the employee side and the Local Government Association (LGA) for the employer side.

4.3 Members noted that each year the Council agreed a Pay Policy Statement which confirmed its policies on staff pay and reward and it would also consider any recommendations from the Committee. As part of this annual process Committee members keep under review the impact of national pay bargaining on the advice of officers. As part of these reviews the Council had considered previously and decided not to withdraw from national pay bargaining.

4.4 There was a question about the on-going pay spine review because it would not be fit for purpose once the National Living Wage reached the £9 per hour mark in April 2019. It was stated that work was underway to manage the bottom points that would fall below this level and also the differentials throughout the spine that recognised the differing levels of responsibility that employees undertook.

4.5 In response to a question it was stated that the Council is represented on the national group run by the LGA. This was judged to be advantageous as

if the Council's pay spine points did not match the national picture, there would be significant work involved in formulating and agreeing a bespoke Somerset version whilst also meeting equalities requirements.

- 4.6 There was a discussion about the merits of remaining as part of the national bargaining arrangements and it was stated that remaining part of the national pay arrangements would allow the Council to benefit from the collective resource allocated to the process which took into account the appropriate consultation requirements, legal considerations and financial modelling.
- 4.7 Members then noted that there would be significant implications involved in withdrawing from the national pay arrangements. The key implications of such a move would be securing the necessary dedicated resources to manage the negotiation process; legal considerations related to the decision making; and balancing pay against jobs within the budget i.e. more jobs at lower pay or less jobs at higher pay. In summary it was noted that the risks associated with the current system were known and manageable. Any changes to the current system would need to be carefully considered to ensure the Council was not exposed to unnecessary challenge from an equalities perspective, did not commit to an unaffordable pay system and had sufficiently robust systems in place to manage any new elements.
- 4.8 The Committee agreed having carefully considered the current arrangements that the most effective way currently to ensure that the Council had adequate staff pay awards and was protected from challenge and met its obligations appropriately would be to remain part of the national bargaining arrangements. This would also help to ensure that the on-going pay spine review reflected national arrangements.

## 5 **Disclosure Policy** – agenda item 5

- 5.0 The Committee considered this report about the proposed Disclosure Policy that would consolidate the Council's current guidance and processes in relation to the disclosure of criminal records. It would also complement and expand on the current Recruitment of Ex-Offenders Policy, which set out the circumstances in which the Council would be allowed by law to request full criminal disclosure.
- 5.1 Members heard that the new policy explained how the Council would make effective use of the Disclosure and Barring Service (DBS) in recruitment to safeguard the children and vulnerable adults who access services. It would also outline how the Council will comply with the Cabinet Office Baseline Personnel Security Standards for employees that access the Public Services Network.
- 5.2 In response to a question it was stated that the policy also provided an explanation of eligibility and the different types of disclosure and checks against 'barred lists' and when they should be used, expectations of employees whose post would be covered by DBS eligibility criteria and

procedures for dealing with disclosure checks and disclosure certificates.

- 5.3 It was reported that over the last decade there had been many changes in the legislation and that the Council had complied with these through the Recruitment of Ex-Offenders Policy and by constantly updating its processes and guidance. Over recent years the scale of change had stabilised and it therefore was an appropriate time to consolidate current guidance and processes into a formal policy not least because the DBS would be commencing compliance inspections.
- 5.4 In response to a question it was noted that the Disclosure team comprised 4 employees and the Council, as a registered body, acted as an umbrella body for other external organisations to administer DBS checks. It was noted that the Council charged £12 per application; this amount was felt appropriate to recover costs and ensure an efficient service was provided for those organisations wanting to process their applications.
- 5.5 The Committee agreed to accept the new Disclosure Policy.
- 6 **Any other urgent items of business** – agenda item 6
- 6.0 The Chairman thanked those present for attending the meeting.

The meeting closed at 2.45 pm

CHAIRMAN



Somerset County Council  
 HR Policy Committee – 13 November 2017

**Discretions Policy:  
 The Local Government Pension Scheme Regulations  
 2013 and the Local Government Pension Scheme  
 (Transitional Provisions & Savings) Regulations 2014**

Cabinet Member: Cllr Anna Groskop

Lead Officer: Chris Squire, Director of HR & OD

Author: Laura Holland, HR Officer and Rachel Ellins, Service Manager HR Admin and Payroll.

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*Please complete sign off boxes below prior to submission to Community Governance*

<b>Report Sign off</b>	<b>Seen by:</b>	<b>Name</b>	<b>Date</b>
	Legal	Honor Clarke	6/11/17
	Corporate Finance	Kevin Nacey	6/11/17
	Human Resources	Chris Squire	6/11/17
	Cabinet Member	Anna Groskop	6/11/17
	Monitoring Officer	Julian Gale	6/11/17
<b>Summary:</b>	The HR Policy Committee is requested to approve how the Council will use the discretions employers have been given under the Local Government Pension Scheme.		
<b>Recommendations:</b>	<p><b>It is recommended that:</b></p> <p><b>1) Regulation R17(1) &amp; TP15(1)(d) &amp; A25(3), Shared Cost Additional Voluntary Contribution Arrangement is updated to enable the Council to introduce a salary sacrifice Shared Cost Additional Voluntary Contribution arrangement.</b></p> <p><b>Accordingly, the Committee is asked to approve the revised Discretions Policy attached at Appendix A to the report which includes the change listed.</b></p>		
<b>Reasons for Recommendations:</b>	<p>The Council's Discretions Policy aims to limit the cost of the Local Government Pensions Scheme to the employer, where it has the discretion to do so whilst giving scheme members some flexibility.</p> <p>The Council seeks to implement a Shared Cost Additional Voluntary Contribution (SCAVC) arrangement with effect from 1<sup>st</sup> February 2018, to enable both the employee and employer to benefit from the national insurance savings that can be made. This is in addition to the current income tax benefits enjoyed by employees who make Additional Voluntary Contributions (AVCs). The brand name for this offer will be AVC Wise. AVC Wise will be a salary sacrifice arrangement.</p>		

	<p>We need to amend the Discretion policy to allow us to implement this scheme without being in breach of the policy.</p>
<p><b>Links to Priorities and Impact on Service Plans:</b></p>	<p>The employer national insurance savings will reduce the total employer salary costs, thereby making savings on the staff budget.</p>
<p><b>Financial, Legal and HR Implications:</b></p>	<p>The Council's Discretions Policy aims to limit the cost of the Local Government Pension Scheme to the employer, where it has the discretion to do so.</p> <p>The Council already has a small number of employees with AVCs being deducted directly from their salary, thereby giving an employee saving on income tax paid. This has not impacted the Council apart from a minimal amount of administration in the HR Admin and Payroll Team, within HR&amp;OD, to manage the deductions. The AVC Wise arrangement enables the employee and employer to save the national insurance (NI) that would normally have been due, on the AVC Wise contribution. This arrangement is in line with the Government's commitment to increase employee savings for retirement.</p> <p>In April 2017 the Government implemented a change to salary sacrifice schemes and ruled that pension schemes, childcare vouchers and the provision of cycles and cycling equipment should be considered exempt from benefit in kind reporting and therefore from income tax considerations.</p> <p>It is not known at this stage how much could be saved by the Council by introducing such a scheme. This would be entirely dependent upon the number of employees who take up the option.</p> <p>Analysis of current LGPS AVC contributors shows that there is an even spread of contributors across the grading structure from G15 to G6. Current contributions are just over £10,000 per month and if all changed to the AVC Wise scheme, monthly savings for the employer would be approximately £1400.</p>
<p><b>Equalities Implications:</b></p>	<p>An implication of the Equality Act 2010 and the Equality Act (Age Exceptions for Pension Schemes) Order 2010 is that all staff should be treated equally regardless of their age, unless different treatment can be objectively justified.</p> <p>Employees over the LGPS pensionable retirement age of 75 would not be able to join the scheme. We would be able to objectively justify this because it is in connection with pensions.</p> <p>National insurance contributions are only payable on earnings over the national insurance primary threshold. In 2017/18 this is £680 a month. Employees earning below this level will not benefit from the additional NI savings available from the AVC Wise scheme but can still have an AVC. Out of the total</p>

	<p>headcount of employees eligible to join the LGPS (excludes teachers) 25% earn less than the national insurance primary threshold. Of this 25%, 92% are female, clearly this means that proportionately more females than males will be unable to benefit from the National Insurance savings that this scheme offers.</p> <p>A salary sacrifice is only available to those who meet minimum wage requirements after the salary has been reduced by the agreed amount. This may mean some employees may not be eligible to join the salary sacrifice scheme, however they may still be able to make normal AVCs.</p> <p>This salary sacrifice scheme is only available to employees who contribute to the Local Government Pension Scheme but standard AVC's will still be available to employees who contribute to the Teachers' Pension or NHS schemes.</p>
<b>Risk Assessment:</b>	The changes proposed to the Discretions Policy aim to control the costs to the Council of the Local Government Pension Scheme.
<b>Scrutiny comments / recommendation (if any):</b>	Not applicable

## 1. Background

- 1.1. Under the Local Government Pension Scheme 2014, all employers who participate in the LGPS are required to formulate, publish and keep under review a discretions policy.
- 1.2. The Council's current Discretions Policy was agreed on 8<sup>th</sup> September 2014 and updated in March 2016.
- 1.3. The proposed amended Discretions Policy is attached as Appendix A to this report. The revisions are highlighted with tracked changes and comment boxes.
- 1.4. The changes highlighted are essential to enable us to implement the AVC Wise scheme without being in breach of this policy.
- 1.5. **Overview of the AVC Wise scheme**  
 AVC Wise is a salary sacrifice arrangement that enables employees to benefit from tax and NI savings on salary contributions made to the AVC Wise scheme. As with all salary sacrifice schemes the employee will benefit from tax and national insurance savings provided their income is subject to PAYE and is above the NI thresholds.

### **Why are they "shared cost"?**

The employer will pay the employees chosen salary sacrifice contribution to the AVC provider, Prudential. This is the provider appointed by Peninsula Pensions to run the Somerset AVC scheme. The employee will also contribute £1 as a salary deduction and this £1 will benefit from income tax savings only.

### **Who is eligible?**

All employees who contribute to the Local Government Pension Scheme (LGPS) can be part of AVC Wise, including part time employees however please note that:

- if by sacrificing salary, earnings would fall below the National Living/National Minimum Wage, employees will be unable to participate in AVC Wise
- higher salaried employees should be mindful of potential annual and lifetime pension allowance impacts.

### **What are the benefits of AVC Wise to employees?**

Contributions to AVC Wise will be invested into the employee's choice of funds by Prudential. The funds should, hopefully, grow over time\* and will be available at retirement to convert into an additional pension of the employee's choice or, subject to certain limits, a tax free lump sum or a combination of both.

\* As with any investment, there are risks, investments can go up and down over time.

### **Employer Benefits**

The employer will save the NI contributions that would have been paid on the normal salary payment, if it had not been sacrificed.

### **How The Scheme Operates Elsewhere**

Portsmouth Unitary Authority has recently implemented the scheme and after extensive marketing, have almost a 10% take up from eligible staff. Current predictions for annual employer NI savings of £166,000

## **2. Options Considered**

- 2.1.** To be able to implement this scheme the Discretions Policy must be updated. Therefore, the options are whether to implement the scheme or not.
- 2.2.** If approved, the changes to this discretion policy are required under pension regulations to be published for at least one month before implementation. An effective date of 1<sup>st</sup> February 2018 is suggested to allow time to appropriately promote and set up payroll process to manage this proposed change.

## **3. Consultations undertaken**

- 3.1.** The suggested changes to the Discretion Policy were discussed with UNISON and Unite (GMB received the agenda but did not attend) at the Joint Negotiating Forum 13<sup>th</sup> September 2017 and no objections were raised.
- 3.2** Consulted with Peninsula Pensions in a meeting on 9<sup>th</sup> August 2017, via e-mail and telephone discussion on 12<sup>th</sup> September 2017.
- 3.3** The implementation of AVC Wise to Local Government Pension Scheme members will be supported by our Tax Advisors, PSTAX, who have worked directly with our current AVC provider, Prudential, to build a statutorily compliant scheme. PSTAX have recently implemented the scheme in another Local

Authority and they have received approval for the scheme from HMRC.

## **4. Implications**

### **Financial**

- 4.1** PSTAX will operate under a contingency fee basis of 15% of the employer's NI saving for a maximum period of 24 months from the launch of the offer to staff.
- 4.2** Prudential will supply marketing literature which will be edited to support the Council's launch of AVC Wise and PSTAX will provide a set of frequently asked questions and letters for existing AVC contributors and new joiners.
- 4.3** Existing LGPS AVC contributors will be given the option to remain in the current AVC scheme or to move to the new AVC Wise scheme, excluding those who have a life cover only AVC who must remain in the current scheme. There are currently 50 employees making AVC contributions.
- 4.3** An employee who pays PAYE as a 20% tax payer and NI at 12% will see a net reduction to their pay of £6.80 for every £10 contributed to the AVC Wise scheme. The employer will receive a NI saving of 13.8% (£1.38 for every £10) of the salary sacrificed.
- 4.4** SCC plans to market this scheme in the most effective way, it is a balance between getting the message to as many employees as possible, including support staff in schools, supporting Prudential with their presentations whilst minimising officer time.

## **5. Background papers**

- 5.1** Appendix A – Discretion Policy (with tracked changes)
- 5.2** Prudential terms of business (not attached, available on request)

**Note:** For sight of individual background papers please contact the report author.

## SOMERSET COUNTY COUNCIL

**Discretions Policy:****The Local Government Pension Scheme Regulations 2013 and  
The Local Government Pension Scheme (Transitional  
Provisions & Savings) Regulations 2014**

Policy effective from:.

HR Policy Committee approved on .

Unions consulted at JNF 13<sup>th</sup> September 2017.

The Council may revise the Policies at any time.

Regulation R16(2)(e) & R16 (4)(d)	Policy decision
<b>Shared Cost Additional Pension Contributions Scheme</b>	
<p>An employer can choose to pay for or contribute towards a member's Additional Pension Contributions via a Shared Cost Additional Pension Contributions (SCAPC).</p> <p><b>When the employee has elected to pay contributions for a period of unpaid or child-related leave within 30 days of receipt of written communication of this option or within 30 days of returning to work, whichever is the later, the payment has to be made via an SCAPC. In these circumstances the Council is required to make employer contributions as required by the regulations. Applying this discretion in these circumstances also allows the Council to extend the time limit in cases where there is a delay in the process of advising payroll.</b></p> <p><b>In exceptional circumstances, where there is a clear business case, the Council may award additional pension for an active member. This includes, but is not limited to, employees under notice of redundancy in accordance with the Redundancy &amp; Early Retirement Discretionary Compensation Policy where the employee has agreed to give up part of their compensation to buy the additional pension (up to £6,755* per annum @ 1<sup>st</sup> April 2016)</b></p> <p>* this figure will be reviewed each April under Pensions Increase orders</p>	<p>The Council will apply this discretion <b>only in certain circumstances</b></p>
<b>Regulation R17(1) &amp; TP15(1)(d) &amp; A25(3)</b>	<b>Policy decision</b>
<b>Shared Cost Additional Voluntary Contribution</b>	

<b>Arrangement</b>	
<p>An employer can choose to pay for or contribute towards a member's Additional Voluntary Contribution arrangement entered into on or after 1st April 2014 via a shared cost AVC.</p> <p>An employer can choose to pay for or contribute towards a member's Additional Voluntary Contribution arrangement entered into before 1st April 2014 via a shared cost AVC.</p> <p><b><u>The Council will only apply this discretion in accordance with its published guidance on salary sacrifice Shared Cost Additional Voluntary Contributions with effect from 1st February 2018.</u></b></p>	<p><del>The Council will not apply this discretion.</del></p> <p><b><u>The Council will apply this discretion only in certain circumstances.</u></b></p>
<b>Regulation R30(6) &amp; TP11(2) &amp; R30 (8)</b>	<b>Policy decision</b>
<b>Flexible Retirement &amp; Waiving of Actuarial Reduction</b>	
<p>Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up while still continuing in employment. This is provided the employer agrees to the member either reducing their hours or moving to a position on a lower grade based on a sound business case which is subject to the approval of Director of HR &amp; OD.</p> <p><b>Where pension benefits are reduced in accordance with actuarial tables, the Council will use its discretion to waive the actuarial reduction in accordance with the Council's Flexible Retirement Process on the following grounds only:</b></p> <ul style="list-style-type: none"> <li>• <b>compassionate reasons</b></li> <li>• <b>the member has protected rights</b></li> <li>• <b>in exceptional cases, where the Council is satisfied there is a clear business case.</b></li> </ul>	<p>The Council will apply this discretion <b>only in exceptional circumstances.</b></p>
<b>Regulation R30(8)</b>	<b>Policy decision</b>
<b>Waiving of Actuarial Reduction for Deferred Benefits &amp; Suspended Tier 3 IHR</b>	
<p>Employers may also waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to member's benefits for deferred members and suspended tier 3 ill health pensioners who elect to draw benefits on or after age 60 and before normal pension age.</p> <p><b>The Council will apply this discretion in exceptional cases in accordance with the Deferred Pensions Policy &amp; Ill Health Retirement Policy.</b></p>	<p>The Council will apply this discretion <b>only in exceptional cases</b></p>
<b>Waiving of Actuarial Reduction where an active member chooses to voluntarily draw benefits on or after age 55 and</b>	<b>Policy Decision</b>

<b>before age 60</b>	
Employers also have the power to waive, in whole or in part, the actuarial reduction applied to active members benefits when a member chooses to voluntarily draw benefits on or after age 55 and before age 60.  <b>The Council may, in exceptional circumstances, waive all or part of the reduction, where it is satisfied there is a clear business benefit in accordance with the Early Retirement/Redundancy Compensation Policy.</b>	The Council will apply this discretion <b>only in exceptional cases</b>
<b>Regulation TPSch 2, para 2(2) &amp; 2(3)</b>	<b>Policy decision</b>
<b>Power of employing authority to 'switch on' the 85 Year Rule</b>	
An employer can choose whether to "switch on" 85 year rule for members who voluntarily retire on or after age 55 and before age 60.  <b>The Council will apply this discretion in accordance with its policy on Premature Retirement under 85 year rule.</b>	The Council will apply this discretion <b>only in exceptional circumstances</b>
<b>Waiving of Actuarial Reduction where employer has switched on 85 year rule</b>	<b>Policy Decision</b>
An employer can also choose to waive, on compassionate grounds, the actuarial reduction applied to benefits for a member voluntarily drawing benefits on or after age 55 and before age 60.  <b>The Council will apply this discretion in accordance with its policy on Premature Retirement under 85 year rule.</b>	The Council will apply this discretion
<b>Regulation R31</b>	<b>Policy decision</b>
<b>Power of employing authority to grant additional pension</b>	
An employer can choose to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,755* per annum @ 1 <sup>st</sup> April 2016)  * this figure will be reviewed each April under Pensions Increase orders	The Council will <b>not</b> apply this discretion
<b>Regulation R100 (6)</b>	<b>Policy Decision</b>
<b>Late Inward Transfers of pension rights (requests after 12 months scheme membership)</b>	
An active member with relevant pension rights may request the appropriate administering authority (via Peninsula Pensions) to	The Council will apply this



<p>accept a transfer value for some or all of those rights from the relevant transferor.</p> <p>The notice must be made in writing, given to the appropriate administering authority (via Peninsula Pensions) and the Scheme employer (SCC), before the expiry of the period of 12 months beginning with the date on which the person first become an active member in an employment (or such longer period as the Scheme employer and administering authority may allow).</p> <p><b>The Council will apply this discretion to accept requests after 12 months only where there are exceptional circumstances. For example: where there is evidence to support a reason why an earlier request was not practically possible, such as, a significant personal event within the first 12 months.</b></p>	<p>discretion <b>only in exceptional circumstances.</b></p>
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Please see page 5 & 6 below for 2008 Regulations

## The Local Government Pension Scheme Regulations 2008

### (Benefits, Membership and Contributions)

Policy effective from: 14 April 2016

Regulation B18	Policy decision
<p><b>Flexible retirement &amp; Waiving of Actual Reduction</b></p>	
<p>Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up while still continuing in employment. This is provided the employer agrees to the member either reducing their hours or moving to a position on a lower grade based on a sound business case which is subject to the approval of Director of HR &amp; OD.</p> <p><b>Where pension benefits are reduced in accordance with actuarial tables, the Council may waive the actuarial reduction in accordance with the Council's Flexible Retirement Policy on the following grounds:</b></p> <ul style="list-style-type: none"> <li>• <b>compassionate reasons</b></li> <li>• <b>a member has protected rights</b></li> <li>• <b>in exceptional cases where the Council is satisfied there is a clear business case.</b></li> </ul>	<p>The Council will apply this discretion <b>only in certain circumstances</b></p>
<p><b>Regulation B30(2)</b></p>	<p><b>Policy decision</b></p>
<p><b>Early payment of deferred pension</b></p>	
<p>Employers can also allow the early payment of deferred benefits to former members of the LGPS between the ages of 55 and before age 60.</p> <p><b>The Council will apply this discretion only where there is no cost to the Somerset Fund and where ex-employees are willing to suffer an actuarial reduction in accordance with the Council's Deferred Pension Policy.</b></p> <p><b>Please note where a deferred member left the LGPS before 1 April 2008 the employer policy under the 1997 Regulations will apply.</b></p>	<p>The Council will apply this discretion <b>only in exceptional circumstances.</b></p>
<p><b>Regulation B30(3)</b></p>	<p><b>Policy Decision</b></p>
<p><b>Reinstatement of suspended Tier 3 IHR</b></p>	
<p>Employers may also grant an application for reinstatement of a</p>	<p>The Council will</p>

<p>suspended tier 3 ill health pension on or after age 55 and before age 60.</p> <p><b>The Council will apply this discretion only where there are compassionate grounds.</b></p>	<p>apply this discretion <b>only in exceptional circumstances.</b></p>
<p><b>Regulation B30(5)</b></p>	<p><b>Policy Decision</b></p>
<p><b>Waiving of Actuarial Reduction for deferred pensions &amp; reinstated tier 3 IHR</b></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> <p><b>The Council will apply this discretion only where there are compassionate grounds in accordance with the Council's Deferred Pensions Policy.</b></p>	<p>The Council will apply this discretion <b>only in exceptional circumstances.</b></p>

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