

SOMERSET COUNTY COUNCIL

Discretions Policy:

The Local Government Pension Scheme Regulations 2013 (Prefix R) and

The Local Government Pension Scheme (Transitional Provisions & Savings) Regulations 2014 (Prefix TP)
and

The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2008 (Prefix B)

Policy effective from ~~14th November 2017~~ 1st November 2018 (Publish on 1st October 2018)

HR Policy Committee ~~approved on 13th November 2017~~ 24th September 2018

Unions consulted at JNF ~~13th September 2017~~. 15th March 2018.

The Council may revise the Policies at any time.

Regulation R16(2)(e) & R16 (4)(d)	Policy decision
Shared Cost Additional Pension Contributions Scheme	
<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>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.</p> <p>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 & Early Retirement Discretionary Compensation Policy where the employee has agreed to</p>	<p>The Council will apply this discretion only in certain circumstances</p>

<p>give up part of their compensation to buy the additional pension (up to £6,755* per annum @ 1st April 2016)</p> <p>* this figure will be reviewed each April under Pensions Increase orders</p>	
<p align="center">Regulation R17(1) & TP15(1)(d) & A25(3)</p>	<p align="center">Policy decision</p>
<p align="center">Shared Cost Additional Voluntary Contribution Arrangement</p>	
<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>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.</p>	<p>The Council will apply this discretion only in certain circumstances.</p>
<p align="center">Regulation R30(6) & TP11(2) & R30 (8)</p>	<p align="center">Policy decision</p>
<p align="center">Flexible Retirement & Waiving of Actuarial Reduction</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 & OD.</p> <p>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:</p> <ul style="list-style-type: none"> • compassionate reasons • the member has protected rights • in exceptional cases, where the Council is satisfied there is a clear business case. 	<p>The Council will apply this discretion only in exceptional circumstances.</p>
<p align="center">Regulation R30(8)</p>	<p align="center">Policy decision</p>

Waiving of Actuarial Reduction for Deferred Benefits & Suspended Tier 3 IHR	
<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>The Council will apply this discretion in exceptional cases in accordance with the Deferred Pensions Policy & Ill Health Retirement Policy.</p>	<p>The Council will apply this discretion only in exceptional cases</p>
<u>Regulation B30 (5)</u>	<u>Policy Decision</u>
<p>Waiving of Actuarial Reduction where an active member chooses to voluntarily draw benefits on or after age 55 and before age 60 <u>or normal retirement age.</u></p>	Policy Decision
<p>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- <u>and on or after age 60 and before Normal Pension Age.</u></p> <p>The Council may, in exceptional circumstances, waive all or part of the reduction, where it is satisfied there is a clear business <u>case and on compassionate grounds.</u> benefit in accordance with the Early Retirement/Redundancy Compensation Policy.</p>	<p>The Council will apply this discretion only in exceptional cases</p>
Regulation TPSch 2, para 2(2) & 2(3)	Policy decision
<p>Power of employing authority to 'switch on' the 85 Year Rule</p>	
<p>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.</p> <p>The Council will apply this discretion in accordance with its policy on Premature Retirement under 85 year rule.</p>	<p>The Council will apply this discretion only in exceptional circumstances</p>
<p>Waiving of Actuarial Reduction where employer has switched on 85 year rule</p>	Policy Decision
<p>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.</p>	<p>The Council will apply this discretion</p>

<p>The Council will apply this discretion in accordance with its policy on Premature Retirement under 85 year rule.</p>	
<p align="center">Regulation R31</p>	<p align="center">Policy decision</p>
<p>Power of employing authority to grant additional pension</p>	
<p>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 @ 1st April 2016)</p> <p><u>The Council will only apply this discretion in the most exceptional circumstances having particular regard to the following particular circumstances of the case:</u></p> <ul style="list-style-type: none"> • <u>Where the cost to the Council is negligible and</u> • <u>Where the Council is satisfied there is a clear business case</u> <p>* this figure will be reviewed each April under Pensions Increase orders</p>	<p>The Council will not apply this discretion</p> <p><u>The Council will not normally exercise this discretion, on the grounds of cost, except in the most exceptional circumstances where there is clear merit and where the cost to the Council is not considered to be significant or material.</u></p> <p>[CR1]</p>
<p align="center">Regulation R100 (6)</p>	<p align="center">Policy Decision</p>
<p align="center">Late Inward Transfers of pension rights (requests after 12 months scheme membership)</p>	
<p>An active member with relevant pension rights may request the appropriate administering authority (via Peninsula Pensions) to 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>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</p>	<p>The Council will apply this discretion only in exceptional circumstances.</p>

support a reason why an earlier request was not practically possible, such as, a significant personal event within the first 12 months.	
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Please see page 5 & 6 below for 2008 Regulations

The following section covers scheme members who ceased active membership on or after 1 April 2008 and before 1 April 2014.

The Local Government Pension Scheme Regulations 2008

(Benefits, Membership and Contributions)

Policy effective from: 14 April 2016

Regulation B18	Policy decision
Flexible retirement & Waiving of Actual Reduction	
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 & OD. Where pension benefits are reduced in accordance with actuarial tables, the Council may waive the actuarial	The Council will apply this discretion only in certain circumstances

<p>reduction in accordance with the Council's Flexible Retirement Policy on the following grounds:</p> <ul style="list-style-type: none"> • compassionate reasons • a member has protected rights • in exceptional cases where the Council is satisfied there is a clear business case. 	
Regulation B30(2)	Policy decision
Early payment of deferred pension	
<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>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.</p> <p>Please note where a deferred member left the LGPS before 1 April 2008 the employer policy under the 1997 Regulations will apply.</p>	<p>The Council will apply this discretion only in exceptional circumstances.</p>
Regulation B30(3)	Policy Decision
Reinstatement of suspended Tier 3 IHR	
<p>Employers may also grant an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60.</p> <p>The Council will apply this discretion only where there are compassionate grounds.</p>	<p>The Council will apply this discretion only in exceptional circumstances.</p>
Regulation B30(5)	Policy Decision
Waiving of Actuarial Reduction for deferred pensions & reinstated tier 3 IHR	
<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>The Council will apply this discretion only where there are compassionate grounds in accordance with the Council's Deferred Pensions Policy.</p>	<p>The Council will apply this discretion only in exceptional circumstances.</p>

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