

## Abatement policy

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<i>Executive Portfolio Holder:</i>	Not applicable
<i>Division and Local Member:</i>	Not applicable

### 1. Background

- 1.1 The abatement policy refers to the treatment of benefits of current pensioners of the fund if they become re-employed by an LGPS employer. Depending on the circumstances their pension maybe reduced.
- 1.2 The Somerset Fund's current policy is:
  1. New re-employments post 01/04/2014 will only have their pension abated if their original employer incurred a cost on the retirement (e.g. redundancy, interests of efficiency, ill-health, other early retirement where there was a strain cost0.
  2. Pre 01/4/2014 re-employments abate all pensions on re-employment, except where the pension is less than £2,500pa.
- 1.3 In the current Covid crisis there is a heightened possibility of re-employment and the abatement policy coming into play as the public sector seeks ways to meet additional demand for services.
- 1.4 Officers are in the process of gathering further evidence to the amount of abatement cases in general the fund has had in the recent past to ascertain the impact of the current policy and the costs of a permanent change to the policy.

### 2. Issues for consideration

- 2.1 Committee is asked to consider whether the following should be added to the current abatement policy:

No abatement will be applied to cases where re-employment took place after 1<sup>st</sup> March 2020 until further notice.

**3. Background**

None

**4. Consultations undertaken**

None

**5. Financial Implications**

5.1 It is anticipated that the number of cases involved will be relatively few and therefore the financial impact on the fund will not be significant.

**6. Background Papers**

None

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