

Cheltenham Borough Council
Appointments and Remuneration Committee
29 July 2014
LGPS Pension Discretions Policy

Accountable member	Councillor Walklett
Accountable officer	Julie McCarthy
Ward(s) affected	None
Significant Decision	No
Executive summary	<p>In accordance with Regulation 60 of the above regulations a Scheme employer must prepare a written statement of its policy in relation to the exercise of its functions under regulations:</p> <ul style="list-style-type: none"> • 16(2)(e) and 16(4)(d) (funding of additional pension); • 30(6) (flexible retirement); • 30(8) (waiving of actuarial reduction); and • 31 (award of additional pension). <p>In addition and in accordance with Paragraphs 2(2) of Schedule 2 to the Local Government Pension Scheme (Transitional Provisions, Savings & Amendment) Regulations 2014 a Scheme employer must also prepare a written statement on whether, in respect of benefits relating to pre 1st April 2014 membership, to 'switch on' the 85 year rule for a member who voluntarily retires (leaves employment) and elects to draw their benefits on or after the age of 55 and before the age of 60 thereby agreeing to waive in full or part any actuarial reduction applied to the member's benefits.</p>
Recommendations	1. That the Committee agree and adopt the attached policy and forward to the Gloucestershire County Council pensions department

Financial implications	<p>The financial implications of any application of the discretionary policies will be considered as part of a business case and will be subject to the Council's appropriate decision making processes.</p> <p>Contact officer: paul.jones@cheltenham.gov.uk, 01242 775154</p>
Legal implications	<p>The legal implications of any application of the discretionary policies will be considered as part of a business case and will be subject to the Council's appropriate decision making processes.</p> <p>Contact officer: peter.lewis@tewkesbury.gov.uk, 01684 272012</p>

HR implications (including learning and organisational development)	The HR implications of any application of the discretionary policies will be considered as part of a business case and will be subject to the Council's appropriate decision making processes. Contact officer: julie.mccarthy@cheltenham.gov.uk, 07917534487
Key risks	See Risk Assessment at Appendix 1.
Corporate and community plan Implications	N/A
Environmental and climate change implications	N/A.
Property/Asset Implications	N/A.

1. Background

- 1.1 With effect from 1 April 2014 the Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 came into force.

Under these Regulations, as with previous Regulations, Scheme employers are required to prepare, maintain and keep under review a statement of policy concerning a number of discretions made available to them throughout the Regulations. Scheme employers have many decisions to take with regard to numerous discretions and requirements made of them as outlined in the statutory legislation and it is important that each Scheme employer takes full responsibility for ensuring that their obligations are fulfilled appropriately and in accordance with the statutory instruments laid by Parliament.

Some statements of policy in respect of certain Scheme Regulations are compulsory as in the main they can carry significant cost implications for a Scheme employer and this is the minimum policy requirement made of Scheme employers. However, it is generally recognised that there is considerable value in Scheme employers making statements of policy in respect of other Scheme Regulations where discretion is available to them for ease of administration and consistency of approach even though it is not compulsory to do so.

In accordance with Regulation 60 of the Local Government Pension Scheme Regulations 2013, the Council must prepare a written statement of its policy in relation to the exercise of its functions under regulations:

- 16(2)(e) and 16(4)(d) (funding of additional pension);
- 30(6) (flexible retirement);
- 30(8) (waiving of actuarial reduction); and
- 31 (award of additional pension).

In addition and in accordance with Paragraphs 2(2) of Schedule 2 to the Local Government Pension Scheme (Transitional Provisions, Savings & Amendment) Regulations 2014 the Council has also prepared a written statement on whether, in respect of benefits relating to pre 1st April 2014 membership, to 'switch on' the 85 year rule for a member who voluntarily retires (leaves employment) and elects to draw their benefits on or after the age of 55 and before the age of 60

thereby agreeing to waive in full or part any actuarial reduction applied to the member's benefits.

- 1.2** Whilst it is compulsory for the Council to prepare a statement in respect of the regulations detailed above, there are a number of other discretions available to the Council throughout the Scheme Regulations which do not require such a statement of policy to be made. However, for ease and administrative purposes such additional statements are made and included at Part B of the statement of policy.

2. Reasons for recommendations

- 2.1** The policy is a statutory requirement under the Local Government Pension Scheme Regulations 2013. Adopting this policy in its current format will comply with the requirement.

3. Alternative options considered

- 3.1** None

4. Monitoring & Review

- 4.1** A Scheme employer **must** send a copy of its statement to the administering authority (Gloucestershire County Council) and must publish its statement.

A Scheme employer **must** keep its statement of policy under review and make such revisions as are appropriate following a change of its policy.

Where a revision to the statement of policy is made, a Scheme employer **must** send a copy of its revised statement to the administering authority before the expiry of one month beginning with the date that any such revision is made. A Scheme employer must also publish its revised statement.

Report author	Contact officer: julie.mccarthy@cheltenham.gov.uk, 07917 534487
Appendices	1. Pension Discretions Policy
Background information	None.